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STAFF REPORT: Finance & IT Services



REPORT TO: Council
MEETING DATE: July 28, 2014
REPORT NO.: FIT.14.43
SUBJECT: Development Charges Deferral Period
PREPARED BY: Sam Dinsmore, Financial Analyst

A. Recommendations

THAT Council receive Staff Report FIT.14.43 entitled “Development Charges Deferral Period” for information purposes;

AND THAT Council, upon enactment of the 2014 Town Wide Development Charge By-law, approve a deferral period of the new development charges to December 31, 2014 for the following:

1. the parties with development applications presently submitted provided that a subdivision or condominium agreement for the development is fully executed by no later than December 31, 2014; and
2. the parties with building permit applications presently submitted provided that the building permit is issued by no later than December 31, 2014.

B. Background

A number of building permits and planning applications have been submitted to the Town prior to the proposed 2014 Town-Wide Development Charges By-law being enacted. These applications are either in progress or being finalized. It would be reasonable and fair for the Town to provide a period of time for the applications to be completed and finalized and for which the applicant may elect to pay the rates according to the 2010-18 Development Charge By-law indexed rate or at the proposed Development Charge rate. Staff is recommending a deferral of the 2014 Development Charge rates for these applicants to December 31, 2014 to finalize the applications in progress.

There are currently 4 building permit applications being worked on by Staff for residential dwellings and 1 application for non-residential (Sobey's).

There are currently five Planning applications in process:

1. Windfall Phase One -37 units
2. Skyline –Back Nine – 9 units
3. Bannerman – 9 units
4. Georgian Woodlands Phase 4 – 58 units
5. Cottages at Lora Bay Phase 2A and 2B – 49 units

The first four of the planning applications are in the Craigleith Service Area which is seeing a decrease in the proposed Development Charge rates; as such Staff feel that these developments will not elect to pay under the current 2010-18 By-law. The fifth is in the Lora Bay #1 Service Area which is also seeing a decrease to the Development Charge rate.

C. The Blue Mountains' Strategic Plan

To ensure long-term financial sustainability of the Town of The Blue Mountains.

D. Environmental Impacts

N/A

E. Financial Impact

With this updated Development Charge Background Study, the Town is seeing a decrease in the Town-Wide charges; and many of the individual Service Areas are seeing decreases in the water and wastewater charges as well. Due to this fact, Staff do not believe that many developments will take advantage of this deferral period.

One developer that may elect to pay under the 2010-18 By-law is the Sobeys development going in the Thornbury West Service Area. Under the current 2010-18 By-law, Sobeys will owe \$504,000 of Development Charges; under the proposed By-law their charge has increased to \$601,000. If Sobeys does take advantage of this deferral period the Town will see a decrease in potential collections of \$97,000 which will be captured in the next Development Charge Background Study. Although this is a significant amount, Staff feel that it is in good faith to offer the rate that was being imposed when the applications began.

F. In Consultation With

Greg Miller, Chief Building Official
Bryan Pearce, Planner
John Metras, Town Solicitor

G. Attached

N/A

Respectfully submitted,

Sam Dinsmore

Sam Dinsmore
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