



PUBLIC MEETING

THE REGIONAL MUNICIPALITY OF PEEL

MINUTES

June 14, 2012

PURPOSE: To hold a public meeting pursuant to Section 12 of the *Development Charges Act, 1997*, to inform the public and to obtain their input with respect to the proposed Region of Peel Development Charges By-law and background study.

Chaired by Regional Chair E. Kolb

1. ROLL CALL

Members Present: G. Carlson; B. Crombie; F. Dale; S. Fennell; P. Foley; C. Fonseca; S. Hames; E. Kolb; K. Mahoney; H. McCallion; S. McFadden; E. Moore; M. Morrison; P. Mullin; P. Palleschi; R. Paterak; J. Sanderson; J. Sprovieri; R. Starr; A. Thompson; J. Tovey; R. Whitehead

Members Absent: N. Iannicca, due to other municipal business; G. Miles, due to vacation; P. Saito, due to vacation

Also Present: D. Szwarc, Chief Administrative Officer; R. K. Gillespie, Commissioner of Employee and Business Services; D. Labrecque, Commissioner of Public Works; N. Trim, Chief Financial Officer and Commissioner of Corporate Services; J. Menard, Commissioner of Human Services; J. Smith, Commissioner of Health Services; P. O'Connor, Regional Solicitor and Director, Legal and Risk Management; C. Reid, Regional Clerk; H. West, Legislative Specialist

2. OPENING OF PUBLIC MEETING

Regional Chair Kolb called the public meeting to order at 10:50 a.m. in the Council Chamber, Regional Administrative Headquarters, 10 Peel Centre Drive, Suite A, Brampton. He stated that the public meeting was open and was being held pursuant to the *Development Charges Act, 1997* to inform the public and to hear representations with respect to the proposed Region of Peel Development Charge By-law and Background Study.

* See text for arrivals

♦ See text for departures

3. CONFIRMATION OF NOTIFICATION

Carol Reid, Regional Clerk, stated that Notice of the Public Meeting was given in accordance with the *Development Charges Act, 1997* by publication in the following news media having general circulation in the Region of Peel:

Mississauga News	-	May 16 and May 25, 2012
Brampton Guardian	-	May 16 and May 25, 2012
Caledon Enterprise	-	May 17 and May 24, 2012
Caledon Citizen	-	May 17 and May 24, 2012
Mississauga This Week	-	May 17 and May 24, 2012

In addition, the Notice of Public Meeting was posted on the Region's website as of May 17, 2012.

4. FURTHER NOTICE REQUEST

The Regional Chair stated that any person who would like further notice of the future passage of a by-law regarding development charges should give their full name, address, postal code, and telephone number in writing at the Clerk's Reception Counter prior to leaving the meeting.

5. DEVELOPMENT CHARGES PROPOSAL**Staff Presentations**

- a) 2012 Development Charges By-law Update
Presentation by Ed Zamparo, Manager, Financial Policy and Development Financing

Received

A copy of the presentation is available from the Office of the Regional Clerk.

Ed Zamparo, Manager, Financial Policy and Development Financing, provided an overview of the 2012 Proposed Development Charges (DC) highlighting: the objectives; DC funded programs from 2012-2031; proposed DC rates; Greater Toronto Area (GTA) comparisons; attributable factors to increases; the estimated Regional debt; the technical review process; proposed policy changes; and, the financial effect of the 2007 transition plan. It is proposed that the DC By-law be presented to Regional Council for enactment on July 5, 2012.

Councillor McCallion requested clarification as to when the DC review started and when the developers were notified of the review. Ed Zamparo responded that the review started in December 2010 and that developers were provided with updates during quarterly meetings.

Councillor Morrison inquired if input would be considered from the public meeting held May 17, 2012 with developers including the Building Industry and Land Development Association (BILD). Norma Trim, Chief Financial Officer and Commissioner of Corporate Services confirmed that all input received to date will be considered by Regional staff.

Councillor McCallion inquired if staff could provide information on the capital budget for water and the requirements for the next 10 to 15 years, specifically the Hanlan Transmission Main. Norma Trim confirmed that the data is included in the Background Study and that staff would provide the information to Regional Council Members.

6. PUBLIC PARTICIPATION

a) Oral Submissions

- i) Phil King, President, Orlando Corporation

Received

Phil King, President, Orlando Corporation, stated that he represents the non-residential sector, being the industrial component. Phil King highlighted four areas of non-residential concern regarding the basic assumptions, suggesting some solutions:

- 1) A transition period is required to accommodate applications where financial commitments have been made. The non-residential sector is suggesting that any applications with site plans submitted by October 4, 2012 fall under the current DC rate and that the Developer would pre-pay the development charge.
- 2) There is a concern with the fundamental assumptions which have been included in the proposed DC regarding employment densities, water consumption, wastewater generation and the cost of the road program. Data which was used in the fundamental assumptions in the technical review is out of date. Current data confirms that 90 per cent of buildings built on industrial lands are warehousing and/or distribution, not manufacturing, resulting in a reduced square foot per building requirement; the proposed DC By-law estimates are too high. The design flows for water and wastewater are over estimated in office and industrial buildings at 280 litres per employee per day. A review of the average water bill indicates 10 to 20 litres for industrial usage and approximately 30 litres for office usage, per employee per day. Assumptions should be based on current data, not historical numbers.
- 3) Increased non-residential DCs will result in reduced municipal revenues. The proposed DC rates will require increased rental rates for lease holders, which will have a negative impact on the construction of future speculative buildings. Speculative buildings equate to 50 per cent of DC revenue and industrial growth taxes.

- 4) The proposed enactment of the DC By-law on July 5, 2012, does not permit a thorough technical review to resolve the issues. The building industry is requesting that the DC By-law be effective on October 4, 2012 to allow time for further discussion with Regional staff.

Phil King stated that a different DC model is required to alleviate the shortfall in DC revenues and prevent increased borrowing and ultimately, further DC increases. He noted that phasing in the DC would not avoid the negative impact on the non-residential sector and suggested that the Region of Peel provide incentives to compete with municipalities along the Highway 401 corridor. Phil King suggested that incentives could be funded by increased water rates, noting the Region of Peel has the lowest water rates in the GTA. Increased water rates would provide a stable source of revenue without providing a disincentive to new growth. Phil King requested that Regional Council direct staff to investigate the financial impact of increased water rates and a transition phase.

Councillor Mullin enquired what the financial impact would be if the DC By-law was not enacted until October, 2012. Norma Trim responded that there would be a cost to the delay. If the Region of Peel continues with planned spending, then the current \$2.6 billion debt would need to be increased and the transition cost between the July and October date would need to be transferred to the next DC By-law.

Councillor Fennell inquired how new businesses in neighbouring municipalities such as Halton and Hamilton pay for core infrastructure. Councillor Fennell suggested that the DC By-law not be enacted until October to allow Regional staff to review the projected employment growth with area municipal Economic Development staff. Councillor Fennell stated that the DC model is a band-aid solution and that the Federal and Provincial governments need to assist with funding for core infrastructure projects.

- ii) Darren Steedman, Chair, Building Industry and Land Development Association (BILD) Peel Chapter

Received

Darren Steedman, Chair, Building Industry and Land Development Association (BILD) Peel Chapter, indicated that he represents residential and non-residential companies across the GTA, however, his presentation focuses on the residential component. Darren Steedman stated that the residential market is currently strong but time is needed to absorb the 122 per cent projected increase in the DC. He noted that during 2007, the DC was \$3.5 billion and five years later the DC is proposed at \$4.8 billion. Although an increase was anticipated, it was not predicted to be at 122 per cent and the proposed rates were not presented to BILD until March, 2012. The new DC would increase the total cost to the average home from \$17,000 to just under \$40,000. Darren Steedman stated that the increase could be absorbed by the industry with time, utilizing a transition period. He requested that Regional Council establish a 'bench mark' date of October 4, 2012, to allow time for further discussion and to review solutions raised by Phil King. As a tool of the transition period, the residential industry will pre-pay the DC in full, prior to registration.

Councillor Mullin requested that staff provide Regional Council with information regarding the financial impact of the proposed transition process and pre-paying the DC prior to registration. David Szwarc, Chief Administrative Officer, undertook to include the issues in the upcoming report to Regional Council on July 5, 2012.

Councillor Moore inquired if smaller developers would have the financial ability to pre-pay the DC prior to registration. Darren Steedman responded that pre-paying the DC prior to registration is a familiar practice with GTA developers and the banking industry, and he has not heard of any concerns.

Councillor McCallion inquired if developers would consider providing a credit from interest accrued from the pre-paid DC to the Region of Peel to fund infrastructure projects. Darren Steedman responded that BILD would review Councillor McCallion's suggestion.

b) **Written Submissions**

- i) **Paula Tenuta, Vice President, Policy and Government Relations, Building Industry and Land Development Association (BILD)**, Letter dated June 13, 2012 Regarding the 2012 Development Charges Study – Preliminary Findings

Received

- ii) **Louise Bonnell, Director, Real Estate, Acklands Grainger**, Letter dated June 14, 2012 Regarding a Proposed 500,000 Square Foot Distribution Centre, Caledon, Ontario

Received

- iii) **John M. Alati, Davies Howe Partners LLP**, Letter dated June 14, 2012 Advising Regional Council of their Position with Respect to the Development Charges Increase

Received

7. CONCLUSION AND CLOSING OF PUBLIC MEETING

Regional Chair Kolb advised those in attendance that comments expressed will be taken into consideration and a final report and supporting by-law will be considered by Regional Council at the July 5, 2012 Regional Council Meeting.

8. ADJOURNMENT

Regional Chair Kolb officially closed the meeting at 12:46 p.m.

RESPECTFULLY SUBMITTED:

Carol Zneid

Regional Clerk