

Memorandum

Date: March 22, 2022

To: Members of Council

From: Myuran Palasandiran, Director, Finance / Chief Financial Officer

Subject: Supplementary Information for Notice of Motion – Request for Financial Assistance to Permit a Trailer at 14195 Torbram Road

This memo is to provide supplementary information regarding the Notice of Motion to provide financial assistance for the Town's portion of development charges to permit the placement of a residential trailer on vacant land at 14195 Torbram Road.

The proposal is for a trailer located at 12035 Dixie Road to be moved to 14195 Torbram Road. At the Dixie Road location, the trailer was used as a secondary agricultural residence for farm help. At the new location, the trailer will be a primary residence as there is no other residence located on the property.

Pursuant to the Town's Development Charges By-law 2019-031, as amended (hereinafter referred to as the DC By-law), the trailer was originally exempted from development charges as it was used as a secondary dwelling on an agricultural property, used as housing for farm help (Section 11(1)(j)). This exemption only applies if there is a primary dwelling on the property as the primary dwelling would have paid development charges.

Once moved to the new property at 14195 Torbram Rd., the trailer will become a permanent, primary dwelling subject to development charges as there is no other dwelling on the property. If the structure were temporary, they would be exempt from development charges.

Under the Town, Region and School Board DC by-laws, development charges are applicable to this development. They total \$67,344.65 comprised of:

- Town \$46,006.56
- Region \$16,109.00
- Transit \$657.09
- School Boards \$4,572.00.

The Town's DC by-law includes provision that allows Council on a case-by-case basis to provide for the exemption of the payment of Town development charges in whole or in part for, however this situation does not fall under any of those exceptions. As this exemption is considered discretionary under the Development Charges Act, Council has the option to provide a grant in lieu of DCs and the exemption must be funded by the Town from another source of revenue (e.g., property taxation). The Town has not previously made it a practice to provide grant in lieu of DC's to residential properties.

Development charges paid stay with the property and not the structure if the structure is moved. Therefore, should the financial assistance be given in the form of the grant in lieu, the development charges for the Town's portion of 14195 Torbram Road would be considered paid. If the trailer is removed or demolished in the future, there would be a DC re-development credit available so that a future residential dwelling at this location would not be subject to pay development charges. This increases the value of the property as this credit would be granted to future owners of the property. By paying DCs today, in effect, the rate would be frozen through the redevelopment credits available in the Town's DC by-law. Treatment under the Region of Peel's DC by-law is similar in approach.

The Town's DC Exemption/Grant account (01-10-415-42230-365-62251) included in the 2022 operating budget is \$100,000.

Based on the information presented in this Memo, providing financial assistance for this type of arrangement could set a precedent and lead to similar requests from property owners that the Town may not be able to support. As a result staff do not support this approach.