



March 8, 2019

Hillary Bryers
Deputy Treasurer/Manager, Revenue
Finance and Infrastructure Services
Town of Caledon
6311 Old Church Road
Caledon, ON
L7C 1J6

Dear Ms. Bryers,

RE: Town of Caledon Development Charges Review and Update

With more than 1,500 member-companies, BILD is the voice of the land development, home building and professional renovation industry in the Greater Toronto Area. Our industry is essential to the Region of Peel's long-term economic strength and prosperity. In 2018 alone, the residential construction industry in Peel generated over 52,000 on-site and off-site jobs in new home building, renovation and repair – one of the Region's largest employers. These jobs paid \$3.1 billion in wages and contributed \$6.5 billion in investment value to the local economy.

BILD is aware that the Town of Caledon has initiated their 5-year Development Charges (DC) By-law review, as the current by-law is scheduled to expire on June 25, 2019. The Town held a public stakeholder meeting on February 27th with members BILD Peel Chapter to deliver information on the proposed methodology and policy considerations for their DC Background Study, the draft growth-related capital needs, and timeframes for public consultation.

At this meeting, members learned that an average increase of 6% to residential charges and 41% to non-residential charge are being contemplated by the Town. In particular, of the proposed changes to residential DCs, the current single and semi-detached charge of \$26,088 shows a significant 18% increase (or by an additional \$4,812). 'Other' residential units (typically traditional townhouses) are proposed to increase by 7.8% (or by an additional \$1,706). Members of the BILD Peel Chapter reserve the opportunity to comment further on the makeup of these proposed increases once the full Background Study is released.

In addition to the proposed rate changes, Town staff are contemplating a number of policy changes for this DC review, many of which are concerning to the BILD Peel Chapter. As such, we respectfully submit the following initial comments for your consideration, on behalf of our members.

1) Treatment of Stacked and Back-to-Back Townhouses

With respect to residential development charge categories, Town staff propose to apply the 'Large Apartment' rate (\$17,953) on stacked townhouse units, whereas back-to-back townhouses will be categorized under the 'Other' category (\$23,525).

Stacked and back-to-back townhouse units are recognized as forms of housing that provide 'gentle density', along with being a more affordable choice for middle-income households, first-time

homebuyers and seniors. As such, BILD and its members continuously encourage our municipal partners to enable the timely delivery of these types of units. Most importantly, we ask municipalities to ensure that the charges associated with these units reflect their share of growth-related services and are categorized in a fair and equitable way that supports a municipality's affordable housing objectives.

BILD believes that the Town should have back-to-back townhouse units categorized under Large Apartments. These housing forms are similar in size and number of bedrooms, resulting in a similar growth-related footprint. While we understand that the rationale for this policy change is to remain consistent with Census Data, in the interest of good planning, staff should holistically consider how their DCs and related policies contribute to the Town's broader community building and housing affordability objectives.

2) Redevelopment Credits

BILD Peel Chapter members are concerned with the proposal to provide redevelopment credits where the time period between demolition permit and development is 5 years or less. This eligibility window is too narrow especially given multi-year timelines our members experience with regard to the development approval processes, today.

In an instance where a building is destroyed by a fire, we understand that the Town proposes an updated policy that would consider the date of destruction as the demolition date and therefore a property owner would have 5 years from that point to redevelop and obtain a demolition credit. Given that this type of demolition is largely uncontrollable, we recommend that the Town consider a longer eligibility horizon for redevelopment credits such as 15-years.

The proposed timing of redevelopment credits is especially problematic when considering vacant buildings that may be inhabited by endangered or threatened species under the Species at Risk Act. Under these circumstances, the Ministry and Natural Resources and Forestry requires the demolition of vacant buildings within a certain time window to limit the risk of these species habituating the structure. However, a landowner may miss this window to demolish as a result of trying to delay the time of demolition to stay within the 5-year redevelopment credit. In order to address conflicting timeframes of these processes and provide additional flexibility, we believe that the Town should allow a longer time period for redevelopment credits.

3) Timing of the Proposed Rates

Staff have advised that they intend to bring forward a final DC Background Study and By-law for Council passage on May 28th – one month earlier than the June 25th expiration date of the current by-law but it is not clear from staff why the Town are seeking to bring forward a new DC By-law sooner. Therefore, we ask that staff extend the public commenting period on the Background Study and instead seek Council's adoption in June.

Furthermore, there has been no suggestion from Town staff on whether transition policies are being considered. However, given the magnitude of proposed increases for some of the rate categories, BILD strongly recommends that the Town provide provisions in this regard.

CC: *Gavin Bailey, Peel Chapter Co-Chair*
Katy Schofield, Peel Chapter Co-Chair
BILD Peel Chapter Members



April 18, 2019

BILD
c/o Carmina Tupe
20 Upjohn Road, Suite 100
North York, ON M3B 2V9

RE: 2019 Development Charges Background Study

Dear Ms. Tupe,

Thank you for your letter dated March 8, 2019 with the BILD's comments on the Town of Caledon's draft 2019 Development Charges Background Study and By-law. Throughout the process, the Town has been encouraging comments with stakeholders since February 27, 2019 to present and discuss the D.C. methodology, draft findings and changes to the D.C. by-law policies. I have reviewed your letter and provide the following in response to the questions and comments therein.

Treatment of Stacked and Back-to-Back Townhomes

Under the Town's 2014 D.C By-law, both back-to-back townhomes and stacked townhomes were classified as "other residential dwellings" and charges as such, similar to other townhouse and row dwelling units. This is also consistent with the Region of Peel's treatment of back-to-back and stacked townhomes in the definition of a townhouse and treatment of them as "other residential units". For the 2019 D.C. By-law update, it is proposed that stacked townhomes be treated as large apartments while back-to-back townhomes remain treated as other residential dwellings.

Based on our review of Census definitions, back-to-back townhomes most closely reflects the definition of a townhouse from a built form perspective. With regard to average housing occupancy, or average persons per unit (PPU), back-to-back townhouses more closely resemble the characteristics of a townhouse as opposed to an apartment. In our review of Census data, stacked townhomes most closely resemble an apartment with less than five storeys. In terms of average household occupancy, a stacked townhouse most closely resembles a large apartment based on the results of the 2016 Census. Based on the foregoing, the D.C. growth forecast and methodology treats back-to-back townhouses as "other residential dwellings" and stacked townhouses as apartments. As such, the proposed D.C.s are intended to be imposed consistent with these assumptions.

Redevelopment Credits

The proposed by-law provides for a 5-year period for residential redevelopment and a 10-year period for non-residential redevelopment in order to receive a credit for the demolition of a qualifying structure. The majority of municipalities in Ontario with D.C. by-laws provide for a five-year period between demolition and the subsequent redevelopment. This typically reflects the required assessment of the increased needs for the new development arising from the 5-year D.C. review and the time period for which municipalities will reserve the service capacity vacated by a demolition.

However, in response to the comments received following the initial stakeholders consultation meeting, the Town will propose a further transition of this policy, whereby developments demolished prior to the date of the by-law will have 5 years and 10 years respectively to undertake the subsequent redevelopment of a residential and non-residential development and qualify for the D.C. credit. This transition policy is reflected in the Town's D.C. Background Study and proposed by-law.

Timing of the Proposed Rates

The Town's D.C. Background Study proposed Council adopting the new D.C. by-law at the May 28, 2019 meeting with the changes coming into effect the following day. This is approximately one month prior to the expiry of the Town's 2014 D.C. By-law.

Upon further consideration, it will be proposed that the new D.C. by-law will be presented to Council for an adoption on May 28, 2019 with an effective date of May 29, 2019. However, the changes under the new by-law will be phased-in from current rates to the proposed rates on June 25th, consistent with the expiry date of the existing by-law.

Sincerely,



Hillary Bryers, MBA, CPA, CGA
Deputy Treasurer / Manager, Revenue
Finance and Infrastructure Services
TOWN OF CALEDON

Development Charges (DC)

- **Applied fairly**

A DC is a tax, and as such should be applied as fairly and equitably as possible. Staff involvement to determine variables can be seen as favouring one business over another. DC's should be charged using as few variables as possible

- **Simple to explain**

Taxes, including DC's should not be seen as a penalty on one business compared to another. There should be no difficulty in explaining tax policies.

- **Should reflect financial realities, Everyone pays**

All businesses enjoy the services provided by the municipality and region. Therefore every business should pay their "fair share."

- **Temporal considerations must apply**

Development charges are currently administered based on the size of an operation, without consideration given to the time a business is open.

Restrictions are placed on all businesses. It can be the unavoidable seasonal situation or the restraints enforced in a protected area such as the Oak ridges Moraine or the NEC. These overriding environmental agencies enforce their own policies that restrict businesses from being able to compete with similar opportunities outside of these protected areas.

Days of operation should be considered when applying DC's. Identical businesses, separated by government oversight are forced to pay the same DC's, even though the hours of operation can be unfairly disproportionate.

- **Current policy reductions**

The Town of Caledon currently forgives the total DC's on businesses listed as On Farm Diversified, unless staff arbitrarily decides otherwise. Our tax payers must subsidize the DC fund for these savings enjoyed by these businesses.

- **Proposed DC policy change.**

All new or expanding businesses should pay Development Charges.

The current Town of Caledon policy of charging a business based on square footage employed should continue, with the added caveat of a reduction in charges be given based on the days of operation.

The Town should not be responsible for compensating the DC fund for services that are reduced due to days of operation as this policy does not show forgiveness or an exception but just the reality of services enjoyed.

Regional and school taxes should also reflect discounts based on the days of operation.

- **Suggested charges**

Up to 120 days of operation	33% of the DC's
Between 120 and 240 days	66% of the DC's
Over 240 days	100% of the DC's

Who will be advocating the Region on this?

Hi.

here is another recap of my thoughts on the DC's.

You seem fairly entrenched in your position and I see no changes being made.

But, I'll keep trying.

Thx

--

Don MacDow

Rainbow Valley Wedding Barn

16847 Heart Lake Rd.,

Caledon, Ontario

L7C 2L4

416 875 2232

Hi Ms. Haire.

I see your policy on exempting wedding facilities from exemptions has not changed and it looks like you have now placed Cannabis in the same boat.

/"6.//Agricultural uses exclude banquet and wedding facilities as well as the //production of controlled substances under//the //Controlled Substances Act//, //including the growing, processing//, production and s//ale of Cannabis."/

I know the PFA are good with the decision on the wedding barn, and although it may give provide a confirmation from outside of the Town Hall on the decision, it does not really give permission. The permission is not theirs to give.

A couple questions:

I don't think any business should be exempt, however, I would like to know the*planning justification *for this decision. I know you mentioned that the barn is rented out so the decision is they would not be exempt under OFDU; but the rental factor is really not a planning issue.

I'd just like to know where this decision came from? Was there something in the OMAFRA guidelines? PPS?

What is the exact*planning justification* that you are using for this decision.

I get the feeling it was just "made up."

Quick question re: cannabis.

Do you, or would you exempt tobacco farms?

I truly believe both of these developments are seen as "cash cows" and decisions have been made accordingly.

If this is the case, it really is despicable.

And yes, I am aware that the Town has the right to make these decisions.

However, because there is a "right to do something" does not necessarily mean it should be done.

I see there is no difference in the*charges by area* in the Town as well. The driving factor seems to be financial, not fairness.

The parts of our municipality in the NEC/ OM, GB, etc are significantly impacted by these over riding agencies and financial considerations should apply accordingly.

Why would restriction from these agencies not be considered when applying DC's?

Finally, due to the environmental agencies listed above. inequities develop.

A real case scenario would be Cambium Farms, who is under the Town of Caledon jurisdiction and my location within the NEC/Town.

Cambium will pay about the same DC's as I, however he can open year round while I am restricted to 30 days a year.

First, do you see this as unfair?

And assuming you do, what is your thought process to balance our an unfair situation?

As noted above, the Town has the ability to make these decisions and correct an inequitable situation.

This is a very “broad stroke” statement that is being used to deny the DC exemption from OFDU wedding barns; an industry that is a huge part of Caledon’s Agri-tourism.

The property is 60 acres.

To qualify for OFDU, less than 2% of the property is allowed to be utilized. We are at 1.39%.
To qualify for OFDU, the new development cannot impede current agricultural use.

The comment “**where the property is leased to a third party**” is not defined.

Does this mean the property in its entirety?

Does it refer to a yearlong lease process?

Does it refer to any small portion of the property?

Does it therefor negate all bed and breakfasts because, renting is their business?

Does it negate breweries or wineries who allow rental of equipment for personal brewing on site?

Does it negate a country inn, whose entire business is rental?

It should be clarified that “**the property**” **is not being leased** out to a third party.

We hold one event per weekend, usually weddings that occupy ½ of the unused barn space for a period of nine and one half hours.

However, Caledon is currently denying the exemption based on a fabricated reason not related to a planning determination.

I would ask why the Town has singled out wedding barns and cannabis as taxable.

Are new and growing industries that “can afford the charges” targeted?

Or is there a planning issue that I am unaware of that would dictate this policy?

And yes, the Province allows the Municipalities to determine their own by-laws governing Development Charges, but these by-laws should be managed with fairness in mind, not used to punish industries as “cash cows.”

Fairness must be front and center when deciding Development Charge policy.

Don MacDow
16847 Heart Lake Rd.,
Caledon, Ontario
L7C 2L4
416 875 2232



April 18, 2019

Don MacDow
By email

RE: 2019 Development Charges Background Study

Dear Mr. MacDow,

Thank you for your emails dated April 10 and April 12, 2019 with your comments on the Town of Caledon's draft 2019 Development Charges Background Study and By-law. Throughout the process, the Town has been encouraging comments with stakeholders since February 27, 2019 to present and discuss the D.C. methodology, draft findings and changes to the D.C. by-law policies. I have reviewed your emails and provide the following in response to the questions and comments therein.

The Development Charges Act prescribes the methodology that must be followed by all municipalities imposing D.C.'s. The Town's D.C. Background study adheres to the prescribed methodology in the determination of the increase in needs for all new types of development, for which services are permitted and the Town anticipates an increase in need. These types of development include residential and non-residential developments as well as expansions of existing non-residential buildings. The Town's by-law and the comments contained in this correspondence are for the Town's development charges by-law only. Development charges are also charged by the Region of Peel and local school boards under their own respective policies and by-laws that are independent of the Town's by-law. They each follow their own public process for input into the update of their by-laws.

Under the Act, there are statutory exemptions from the payment of D.C.'s for specific types of development that must be adhered to by municipalities imposing D.C.'s. These include:

- Land owned by and used for the purposes of a municipality or a board as defined in subsection 1(1) of the Education Act
- Expansion of an existing industrial building up a limit equal to 50% of the previously existing gross floor area
- Redevelopment of residential units through either an expansion of an existing dwelling or the creation of an additional dwelling unit (subject to regulated conditions).

In addition to these statutory exemptions, municipalities have the ability to provide "rules" within the D.C. by-law to provide for non-statutory exemptions from the payment of D.C.s for other types of development. However, while Council has this authority under the Development charges Act, to the extent that Council elects to provide exemptions from payment of D.C.'s, these foregone revenues cannot be made up by an increase in the D.C. for other types of development. As such, these exemptions must be funded from a non-D.C. source of funding, such as property taxation revenue.

Consistent with practice in other municipalities, the Town's 2014 D.C. By-law provides for non-statutory exemptions. The proposed D.C. by-law in the 2019 D.C. Background Study maintains the following non-statutory exemptions, with modifications as noted:

- Development within the Bolton Business Improvement Area and the Caledon East Commercial Core Area(modified to apply to non-residential developments only)
- Land that is owned and used for the purposes of:
 - A college or university that is eligible to receive funding from the Province of Ontario
 - A hospital as defined in Section 1 of the Public Hospitals Act
 - The Ontario Provincial Police and
 - A temporary building if erected for a maximum of 8 months.
- Institutional uses may be eligible for a full or partial exemption via Council resolution
- The following types of development are exempt, unless converted to a non-exempt use following the occupancy permit date:
 - A country inn
 - A building or structure used for the purpose of agricultural tourism
 - A farm-based home industry
 - A farm cidery
 - A farm winery
 - A garden suite
 - A non-residential agricultural building or structure (excluding banquet and wedding facilities, and the production of controlled substances under the Controlled Substances Act, including the growing, processing, production and sale of Cannabis);
 - An outbuilding
 - An on-farm diversified use building or structure; and
 - A secondary portable dwelling on an agricultural property, used as housing for farm help and occupied year-round
- Bed and breakfast establishments may be eligible for a refund of D.C.'s paid subject to conditions; and
- Discounts ranging from 5% to 27.5% of D.C.'s payable are available for non-residential buildings/structures that incorporate green technologies and/or incorporate LEED standards that result in LEED certification (subject to a \$250,000 maximum application in-take per year).

For the agricultural exemptions listed above, they are available to bona fide farmers where the exempt activity or structure is secondary to the primary use of agriculture. They would not be available where the primary use of the property is commercial in nature nor where the property is leased to a third party.

Discretionary development charge discounts and exemptions are reviewed every five years as part of the Development Charge background study process and are included, along with appropriate definitions within the Town's DC by-law. These discounts and exemptions exist to incentivize development that supports Council's strategic goals. They can be designed in a way that Council sees fit and do not necessarily have to match a definition used by another policy or organization or planning policy. Once passed by Council, Town staff must administer and interpret the by-law as passed by Council.

In response to the request for temporal considerations, the Town's D.C. By-law provides exemptions for temporary buildings if erected for a maximum of 8 months. Most municipalities provide exemptions for temporary buildings as these types of development do not reflect a permanent increase in need for service over the long-term. However, the suggestion that D.C.'s should be imposed based on the period of operation of a building that is permanent, disregards the peak service demands and associated increase in need for service being accommodated by the municipality continuously over the long-term. Development Charges are governed under the Development Charges Act. It does not promote a mandatory exemption or discount for properties used part of the year. Any discount over and above the mandatory exemptions is a choice of Council and must be supported through the transfer of property tax revenues to development charge reserves.

Sincerely,



Hillary Bryers, MBA, CPA, CGA
Deputy Treasurer / Manager, Revenue
Finance and Infrastructure Services
TOWN OF CALEDON

Fairness in our Development Charges

April 24, 2019

Current position:

- Rainbow Valley is a NEC approved wedding barn in Caledon, but not yet permitted.
- The NEC has limited the operations to 30 days a year, maximum of 175 people.
- Classified by OMAFRA, the NEC and the Land Tribunals of Ontario as “On Farm Diversified Use”
- Also classified as Agri-tourism based on the OMAFRA definition.
- There is no argument that the property does not qualify as On Farm Diversified Use.
- The OFDU DC exemption has been denied by the Town because the property is rented out.

Objection:

- Development Charges to be imposed on this development of approximately \$65,000 for the 30 days a year, 175 maximum capacities.
- Similar Wedding barn, Cambium, located twelve minutes away, is a year round operation because they are not in a restricted area and have the capacity of 250 people.

Options

Implement a fair Development Charge program.

- Elimination of all OFDU exemptions.
- Tax dollars no longer used for “topping up” the DC's.
- Current criteria and structures for exemptions cannot be enforced. An example would be an OFDU brewery that must produce 70% of his ingredients on site to qualify for a DC exemption. What happens if his crops fail for three years, or his sales growth out paces his properties ability to produce the ingredients? Who polices the conditions?
- Every business uses the Municipal services and should pay accordingly
- Institute a program where every business pays their fair share bases on **spacial and temporal** factors.
- Businesses where the days of operation are restricted by Government agencies would pay a pro-rated DC.
- Businesses allowed year round accessibility but choose to be closed would pay the full amount.
- The Development Charges Act does not **“promote”** temporal exemptions. I would assume the DCA also does not deny temporal exemptions. (Tab 4, page 3)

Exempt Wedding barns from DC's based on OFDU

- The barn is designated as OFDU.
- And based on the OMAFRA definition could also be designated as Agri-tourism.

Caledon refuses to apply the DC exemption to OFDU **properties** that are leased out. In letter attached, page 2, there is a list of all OFDU activities that would be DC exempt, unless:

“.... the property is leased to a third party”

The concept of fairness seems to be lacking in the application of this tax.
It seems the driving factor is the amount of DC's collected, and not the justification behind the charges.
I don't think the amount collected, and whether there will be a short fall should be the driving factor behind the charges.

I'd appreciate your feed back on these issues.
And I'd be very happy to sit down and discuss it with you and anyone else on your team.
It's much easier on a personal basis than over email.

I truly believe all businesses should pay their fair share of taxes.
They all use the services!
People are not happy that Loblaw's is receiving \$12 million in carbon tax money from the Federal Liberals to refit their refrigerators. I would guess the citizens of Caledon would feel the same if they knew that Downey's DC's were paid for by the tax payers of Caledon.

There are zero reasons for private enterprises to be exempt, unless it is a hospital, school, hospice, etc....
However, fairness is paramount.

--

Don MacDow
Rainbow Valley Wedding Barn
16847 Heart Lake Rd.,
Caledon, Ontario
L7C 2L4
416 875 2232



May 9, 2019

Don MacDow
By email

RE: 2019 Development Charges Background Study

Dear Mr. MacDow,

Thank you for your email dated April 24, 2019 with further comments on the Town of Caledon's draft 2019 Development Charges Background Study and By-law. I have reviewed your letter and provide the following in response to the questions and comments therein.

The *Development Charges Act* prescribes the methodology that must be followed by all municipalities imposing D.C.'s. The Town's D.C. Background study adheres to the prescribed methodology in the determination of the increase in needs for all new types of development, for which services are permitted and the Town anticipates an increase in need. These types of development include residential and non-residential developments as well as expansions of existing non-residential buildings.

Under the Act, there are statutory exemptions from the payment of D.C.'s for specific types of development that must be adhered to by municipalities imposing D.C.'s. In addition to these statutory exemptions, municipalities have the ability to provide "rules" within the D.C. by-law to provide for non-statutory exemptions from the payment of D.C.s for other types of development. However, while Council has this authority under the *Development Charges Act*, to the extent that Council elects to provide exemptions from payment of D.C.'s, these foregone revenues cannot be made up by an increase in the D.C. for other types of development. As such, these exemptions must be funded from a non-D.C. source of funding, such as property taxation revenue.

Consistent with practice in other municipalities, the Town's proposed 2019 D.C. By-law provides for non-statutory exemptions. Council can choose what types of discretionary exemptions the Town will provide based on the type of incentives and industries they wish to promote.

On-farm diversified use for the purposes of calculating the Town's Development Charges (DC) payable is defined within the Town's DC by-law. The NEC and OMAFRA decision or classification regarding your farm does not change the fact that the Rainbow Wedding Barn does not meet the definition of on-farm diversified use building or structure within the Town of Caledon's DC By-law. Specifically, to qualify for the Town's on-farm diversified use building or structure DC exemption, the use of the building cannot involve rental or lease of commercial space, per the Town's DC By-law. The Town also considers wedding venues to be a primary use of an agricultural property and farming to be second, therefore not eligible for the on-farm diversified use or the agricultural tourism exemption. Accordingly the Rainbow Valley Wedding Barn does not qualify for a DC exemption under the

Town's DC By-law. Thank you for your comments on this, the proposed by-law will add more clarity to the on-farm diversified use definition.

In the case of agricultural wedding venues, in general, the Town has consistently applied the definition in the Town's DC by-law and denied the on-farm diversified use (Town) DC exemption and agricultural tourism exemptions. An inconsistent application of development charges may result in the Town providing one private / for-profit business an unfair economic advantage.

Development Charges are used for growth-related infrastructure. Development Charge exemptions provided for in the Town's DC By-law, such as the exemption for qualifying on-farm diversified use buildings or structures, are known as discretionary DC exemptions. Any discretionary exemption provided requires the Town to top-up or pay for the exemption using property tax dollars to ensure that there will be sufficient funding for future growth-related infrastructure. As such, careful consideration is given to the exemptions and qualifications for exemptions included in the Town's DC by-law. The Town worked collaboratively with the Peel Federation of Agriculture in order to develop the definition and DC exemption for on-farm diversified use buildings or structures in the Town's DC By-law.

Finally, the Town collects development charges on behalf of the Town, Region of Peel and School Boards (Education). The Region and Education development charges by-laws are independent of the Town's by-law and do not include all of the discretionary exemptions that the Town offers. Regional and Education development charges may still apply even if a discretionary DC exemption was provided by the Town for the Town portion of the total development charges payable.

In response to the request for temporal considerations, the Town's D.C. By-law provides exemptions for temporary buildings if erected for a maximum of 8 months. Most municipalities provide exemptions for temporary buildings as these types of development do not reflect a permanent increase in need for service over the long-term. However, the suggestion that D.C.'s should be imposed based on the period of operation of a building that is permanent, disregards the peak service demands and associated increase in need for service being accommodated by the municipality continuously over the long-term. To provide a temporal exemption on how much a business uses a property/facility would also be practically impossible to prove and enforce making the collection of Development Charges administratively burdensome, along with constant appeals from businesses in regards to the Town's position.

Sincerely,



Heather Haire, CPA, CA

Treasurer

Finance and Infrastructure Services

TOWN OF CALEDON



March 8, 2019

Refer to file: 400-001

Town of Caledon
6311 Old Church Road
Caledon, ON L7C 1J6

Attention: Hillary Bryers, MBA, CPA, CGA
Deputy Treasurer, Manager of Revenue

**Re: Development Charge Study – Stakeholder Consultation
Mayfield West Phase 2 Secondary Plan
Town of Caledon**

On behalf of the Mayfield West Phase 2 Landowner Group, we wish to thank the Town for the Stakeholder Consultation session held on February 27, 2019. As we have not yet received all materials regarding the Development Charge Background Study, please accept this letter as initial comments. We look forward to receiving additional materials and completing a more detailed review on the Study.

In principle, we are concerned with the proposed changes which impose the large apartment rate for stacked townhouses and applying the townhouse rate for back-to-back townhouse housing forms. These housing types are intended to contribute to the affordable housing stock. The affordability of these housing types will be affected by the current study.

With respect to cost estimates for road infrastructure, we wish to provide further updated estimates for the Spine and McLaughlin Road improvements as follows:

McLaughlin Road (Mayfield to 265m north of Spine)

Engineering	\$16,809,150
Landscaping	\$831,750
Utility	\$4,191,523
TOTAL	\$21,832,423

Spine Road (McLaughlin to Collector Road F)

Engineering	\$11,217,608
Landscaping	\$1,338,625
Utility	\$958,302
TOTAL	\$13,514,535

Spine Road (McLaughlin to Chinguacousy Road)

Engineering	\$9,679,923
Landscaping	\$1,887,730
Utility	\$1,389,920
TOTAL	\$12,957,573



We request that the above estimates be reflected in the development charges calculation. A detailed breakdown of the above cost estimates is enclosed with this letter.

With respect to the Highway 10 / Highway 410 Interchange, we understand that the cost estimate for the modifications is informed by the October 10, 2018 Cost Estimate Memo prepared by Wood. While we recognize that the total \$30,256,000 cost estimate shown in the draft DC calculation includes an additional \$1,441,500 estimate for land acquisition which was not included in the \$28,814,500 Wood estimate, we wish to request a further increase to account for costs of moving and/or altering utilities / building removals, design, contract administration, construction inspection, and material testing. As per the Wood memo, these costs were not included as part of the interchange modifications cost estimate. As such, we request increasing the current cost estimate to \$35,000,000.

Further, based on the updated Mayfield West Phase 2 Transportation Master Plan, a number of new longer-term improvements have been recommended which we believe would be appropriate to include in the DC calculation. They include:

1. Intersection Improvements at Hurontario Street and Old School Road by 2031 (Eastbound left-turn and shared through/left-turn lanes);
2. Signalization of McLaughlin Road and Old School Road by 2031;
3. Widening of Hurontario Street from four to six lanes from Old School Road to the Highway 410/Valleywood Boulevard Interchange before 2041;
4. Consideration for the widening of McLaughlin Road from two to four lanes from 265 metres north of the Spine Road to 600m north of the Spine Road; and
5. Consideration for GTA West Corridor interchange provisions.

We also wish to confirm the Town's receipt of our letter dated January 30, 2019 regarding the McLaughlin Road Hydro Relocation funding commitment. The letter is intended to provide the Landowner Group's commitment to front-end the cost of hydro relocation works along McLaughlin Road within the Mayfield West Phase 2 Secondary Plan Area provided that the Town compensates the underground relocation premium to the developers in the form of Development Charge Credits. We kindly request the Town's confirmation of the requested Credits and that the underground cost estimates are included within the 2019 DC Background Study.



GLEN SCHNARR & ASSOCIATES INC.
URBAN & REGIONAL PLANNERS, LAND DEVELOPMENT CONSULTANTS

We trust these comments will assist in finalizing the DC Background Study. Please feel free to contact the undersigned if you have any questions or require anything further.

Yours very truly,

GLEN SCHNARR & ASSOCIATES INC.

Jason Afonso, MCIP RPP
Senior Associate

- c. H. Haire, Town of Caledon
R. Hughes, Town of Caledon
Mayfield West Phase 2 Landowner Group



April 18, 2019

Glen Schnarr & Associates
c/o Jason Afonso
10 Kingsbridge Garden Circle Suite 700
Mississauga ON L5R 3K6

RE: 2019 Development Charges Background Study

Dear Mr. Afonso,

Thank you for your letter dated March 8, 2019 with the Mayfield West Phase 2 Landowner Group's comments on the Town of Caledon's draft 2019 Development Charges Background Study and By-law. Throughout the process, the Town has been encouraging comments with stakeholders since February 27, 2019 to present and discuss the D.C. methodology, draft findings and changes to the D.C. by-law policies. I have reviewed your letter and provide the following in response to the questions and comments therein.

Treatment of Stacked and Back-to-Back Townhomes

Under the Town's 2014 D.C By-law, both back-to-back townhomes and stacked townhomes were classified as "other residential dwellings" and charges as such, similar to other townhouse and row dwelling units. This is also consistent with the Region of Peel's treatment of back-to-back and stacked townhomes in the definition of a townhouse and treatment of them as "other residential units". For the 2019 D.C. By-law update, it is proposed that stacked townhomes be treated as large apartments while back-to-back townhomes remain treated as other residential dwellings.

Based on our review of Census definitions, back-to-back townhomes most closely reflects the definition of a townhouse from a built form perspective. With regard to average housing occupancy, or average persons per unit (PPU), back-to-back townhouses more closely resemble the characteristics of a townhouse as opposed to an apartment. In our review of Census data, stacked townhomes most closely resemble an apartment with less than five storeys. In terms of average household occupancy, a stacked townhouse most closely resembles a large apartment based on the results of the 2016 Census. Based on the foregoing, the D.C. growth forecast and methodology treats back-to-back townhouses as "other residential dwellings" and stacked townhouses as apartments. As such, the proposed D.C.s are intended to be imposed consistent with these assumptions.

Cost Estimates for Infrastructure

Your letter and attached, updated cost estimates for specific road projects were provided to the Town's consultants, HDR Inc., for review with Town staff. Subsequently revisions were made to the February 27th draft findings. These changes were reflected in the Town's D.C. Background Study, as filed on our website March 22, 2019.

Sincerely,



Hillary Bryers, MBA, CPA, CGA
Deputy Treasurer / Manager, Revenue
Finance and Infrastructure Services
TOWN OF CALEDON



IBI GROUP
7th Floor – 55 St. Clair Avenue West
Toronto ON M4V 2Y7 Canada
tel 416 596 1930 fax 416 596 0644
ibigroup.com

April 25, 2019

Ms. Hillary Bryers, MBA, CPA, CGA
Deputy Treasurer/Manager, Revenue
Town of Caledon
6311 Old Church Road
Caledon, ON L7C 1J6

Dear Ms. Bryers:

TOWN OF CALEDON DRAFT 2019 DEVELOPMENT CHARGES BACKGROUND STUDY REVIEW

IBI Group has been retained by the Mayfield West Phase 2 Landowners Group to conduct a review of the Draft 2019 Town of Caledon Development Charges Background Study, dated March 22, 2019 (DCBS). IBI Group acknowledges that additional correspondence on behalf of the Mayfield West Phase 2 Landowners Group was submitted by Glen Schnarr & Associates, and that the following correspondence from the Town has been received by the Landowners Group:

- Letter dated April 18, 2019 re: 2019 Development Charges Background Study; and,
- Letter dated April 22, 2019 re: McLaughlin Road Hydro Relocation Funding Commitment Mayfield West Phase 2.

Based on the review of the DCBS and the correspondence received from the Town, IBI has the following questions/comments.

Demographics and Forecasting

1. How many units (by type) have been attributed to MW1 vs. MW2 to 2029 and 2031 in the DCBS?
2. When does the 2019 DCBS anticipate the full build out for MW1? Are all units for MW2 expected to be built out by 2031?
3. How have the growth forecasts from the Peel 2041 work been integrated into the DCBS? The Peel 2041 analysis forecasts the Town of Caledon's population to increase to 116,000 residents and 50,970 jobs by 2031, which exceeds the 104,361 residents and 46,000 jobs forecast in the DCBS.
4. Mayfield West Phase 2 – Stage 2 (MW2-2) is anticipated to be brought into the Settlement Boundary based on the allocation of the 2031B Growth Plan forecasts and the expected changes from Amendment 1 to the 2017 Growth Plan. MW2-2 would introduce 7,800 residents and 600 jobs in the Mayfield West Phase 2 lands. How have these lands and anticipated development been integrated into the DC program to 2031?

Ms. Hillary Bryers, MBA, CPA, CGA – April 25, 2019

5. As per page 3-7 of the DCBS, the High Density PPU is derived from Peel Region data. Can you please provide details on how the high density PPU was adjusted to 1.764?
6. Can you please provide details on the adjustments to the PPU for low and medium density units to account for the upward PPU trends in new and older units?

Growth Studies

7. Can you please provide details on the Mayfield West II Studies and what they would entail? Has the costing accounted for the ongoing work completed by the Mayfield West Landowners group?
8. Please provide a rationale for a 25% benefit to existing (BTE) for the Heritage Designation Studies, Sustainability Initiatives and Cultural Heritage landscapes.
9. Please provide details on Item 20 – Transportation Studies, and provide a rationale for not including post-period benefit, considering the nature of these studies it to forecast based on future populations which are often beyond the 10-year planning horizon.

Fire Facilities

10. The costs associated with additions to existing fire halls (Caledon Village, Palgrave, Mono Mills, and Alton) have increased 50% since 2014. Please provide a rationale for the cost increases. If the cost increase is attributed to recent tender costs, please provide details.
11. Please explain the BTE calculation for Caledon Village, Palgrave, Mono Mills, and Alton fire stations.
12. Please explain why the 2018 value per sq.ft. for Fire Hall's 1,2,3,5,7 and 9 have increased over 100% since 2014 and the value for the Fire Administration building has increased over 500% since 2014.

Parks

13. Please explain why the capital cost of the two Bolton Hardball diamonds increased by 63% from the 2014 DCBS (\$1,000,000 to \$1,630,000).
14. Please explain the fluctuation in 2019 capital costs in the three skate parks (Caledon East, Mayfield West and Mayfield West II).
15. The size of the Community Park – Mayfield West (Line 8) has decreased from 10 acres in the 2014 DCBS to 5 acres in the 2019 DCBS. When the capital costs are compared on a per 5 acre basis, the capital costs increase 140% between 2014 and 2019. Please provide the rationale for the substantial increase in park costs and please also provide clarification for the change in park size.
16. MW2-2 has two neighbourhood parks that could be brought online within the planning horizon of the 2019 DCBS. Please explain how the inclusion of these parks will impact the parks program.
17. If the District Park is Town-wide, why is the BTE only 10%? It is assumed this park will provide amenity to both established and growth areas in equal proportions.

Ms. Hillary Bryers, MBA, CPA, CGA – April 25, 2019

Recreation

18. Please provide details on the cost per square foot and gross floor area for the new facilities. Please also confirm if the capital costs include the cost of land.
19. The quality standard for recreation centres has increased 86% from the 2014 DCBS (\$1,644 to \$3.057). Please explain the substantial increase.
20. What are the “Other Deductions” taken from the Mayfield West 2 Facility?
21. Please provide the rationale for BTE and post period benefit (PPB) attributions in the capital program.

Library

22. Please explain why the cost per square foot for all libraries, with the exception of Bolton, has increased over 60% from the 2014 DCBS.
23. Has the Mayfield West 2 Branch been planned to accommodate the future growth occurring in MW2-2?

Public Works

24. In comparing the 2014 DCBS and the 2019 DCBS, the quality standard for operations facilities were changed from dollars per square meter to dollars per square feet. When converting the 2019 DCBS quality standard to dollars per square metre, the quality standard increases significantly, ranging from 227% to 885%. Please explain.
25. The service standard for works facilities has increased significantly (approximately 323%). Please justify the increase.

Roads

26. The following road programs have overlap in their extent (between Mayfield Road and the Spine Road). Is there the potential for a consolidation of projects/a reduction in capital costs associated with the overlap?
 - a. Traffic Zone 1288 – CG023: Chinguacousy Road Rural Road construction between Old School Road and Mayfield Road
 - b. Mayfield West Settlement Area: Chinguacousy Road Urban Reconstruction between the Spine Road and Mayfield Road
27. IBI has been informed that further to recent correspondence with the group planner, Urbantech is undertaking an analysis on the unit rates for the Chinguacousy Road improvement cost estimate, with further comments to be provided to the Town within the coming weeks.
28. Please explain the approach used for the determination of BTE and PPB for the Roads program.
29. The Mayfield West Landowners Group has provided updated Spine Road costing from Urbantech Engineering Ltd. Please ensure that the updated costing is reflected in any revisions to the 2019 DCBS.

Ms. Hillary Bryers, MBA, CPA, CGA – April 25, 2019

30. The “Timing” column for many of the roads programs has a value of “0”. Please update estimated timelines for each project.
31. With respect to the Highway 10/Highway 410 interchange, please update the capital cost to \$35,000,000 to account for costs of moving and/or altering utilities/building removals, design, contract administration, construction inspection and material testing as per the Wood memo submitted to the Town by the Mayfield West Landowners Group.
32. From the Mayfield West Phase 2 Transportation Master Plan, the Mayfield West Phase 2 – Stage 2 Transportation Assessment and the 2017 Town of Caledon Transportation Master Plan, please consider including the following road works programs in the 2019 DCBS:
 - a. Intersection improvements (i.e. Eastbound left turn lane) at Hurontario St. and Old School Road by 2031;
 - b. Traffic control signalization at Chinguacousy Rd./Old School Road and McLaughlin Rd./Old School Road by 2031;
 - c. Widening of Hurontario St. from four to six lanes from Old School Rd. to the Highway 410/Valleywood Blvd. interchange; and,
 - d. Widen McLaughlin Rd. from two to four lanes 265 m north of the Spine Road to 600 m north of the Spine Road.
33. Based on the McLaughlin Rd. Environmental Assessment conducted by R.J. Burnside, the following roads program should be considered for inclusion in the 2019 DCBS works program:
 - a. Reconstruction of the McLaughlin Rd. bridge over Etobicoke Creek. Additional consideration in costing should be given to the provision of a larger bridge abutments to allow for future road expansions to McLaughlin Rd. as per the recommendations from the R.J. Burnside environmental assessment.

Development Charge By-law

34. Please explain why the DC charge for stacked townhouses is not based on unit size similar to apartments. Given the potential variation in unit sizes for stacked townhouse units, it may be more appropriate to apply either the small or large apartment DC rates to future stacked units based on unit size.
35. Given the lengthy nature of the development approvals process, the 5 year timeline for DC credit eligibility for residential units (between demolition permit and redevelopment) could be too short. The non-residential DC eligibility timeline of 10 years should be considered for residential units as well.

Ms. Hillary Bryers, MBA, CPA, CGA – April 25, 2019

Thank you for your consideration on the comments above. We would like to request a meeting with staff to discuss any further questions or comments that may arise from this letter. Please do not hesitate to contact me directly

Yours truly,

IBI GROUP

A handwritten signature in black ink that reads "Audrey Jacob". The signature is written in a cursive, flowing style.

Audrey Jacob MCIP RPP PLE
Deputy Regional Director, Canada East



May 3, 2019

IBI Group
c/o Audrey Jacob
7th Floor, 55 St. Clair Avenue West
Toronto ON M4V 2Y7

RE: 2019 Development Charges Background Study

Dear Ms. Jacob,

Thank you for your letter dated April 25, 2019 with IBI's comments on the Town of Caledon's draft 2019 Development Charges Background Study and By-law. This Background study was posted to the Town's website on March 22, 2019, i.e. at least 60 days prior to the intended passage of a new D.C. by-law. Throughout the process, the Town is encouraging comments with the development industry stakeholders by having a meeting on February 27, 2019 to discuss the D.C. methodology, draft findings and changes to the D.C. by-law policies. The Town also held a special Council meeting on April 23, 2019 to receive feedback from the public.

I have reviewed your letter and provide the following in response to the questions and comments therein.

1. How many units (by type) have been attributed to MW1 vs. MW2 to 2029 and 2031 in the DCBS?
 - A specific breakdown of forecast households between MW1 and MW2 to 2029 and 2031 has not been provided as part of the 2019 D.C. Background Study (DCBS).
2. When does the 2019 DCBS anticipate the full build out for MW1? Are all units for MW2 expected to be built out by 2031?
 - The 2019 D.C. Background Study anticipates MW1 and MW2 (excluding MW2-2) will be fully developed by 2031.
3. How have the growth forecasts from the Peel 2041 work been integrated into the DCBS? The Peel 2041 analysis forecasts the Town of Caledon's population to increase to 116,000 residents and 50,970 jobs by 2031, which exceeds the 104,361 residents and 46,000 jobs forecast in the DCBS.
 - The Town of Caledon 2019 D.C. growth forecast has been prepared in accordance with the Town of Caledon Official Plan, consolidated April, 2018. At the time the 2019 D.C. Background Study was prepared, the final Regional Council endorsed Peel 2041 growth forecast allocations were not yet available. For this reason, the Town of Caledon 2019 D.C. Background Study did not utilize the most recent Region of Peel 2041 growth forecast.
4. Mayfield West Phase 2 – Stage 2 (MW2-2) is anticipated to be brought into the Settlement Boundary based on the allocation of the 2031B Growth Plan forecasts and the expected changes from Amendment 1 to the 2017 Growth Plan. MW2-2 would introduce 7,800 residents and 600 jobs in the Mayfield West

Phase 2 lands. How have these lands and anticipated development been integrated into the DC program to 2031?

- As previously identified, the Town of Caledon 2019 D.C. Background Study growth forecast has been prepared in accordance with the Town of Caledon Official Plan, consolidated April, 2018. As noted in Section 1.3, page 1-6, of the Town's Official Plan, Provincial policy conformity amendment, OPA 226, was adopted by Council on June 8, 2010.
- OPA 226 contains modifications to the Town's forecasts prepared under ROPA 24 and adjustments to the population allocations contained in OPA 203. At the Town-wide level, the Town of Caledon's total 2031 population was reduced from 111,000 to 108,000, while the Town's employment forecast was reduced from 48,000 to 46,000. In accordance with Council-endorsed modifications to OPA 226 on September 11, 2012, the planning considerations for Mayfield West Phase 2 were revised, as summarized below in Figure 1.

Figure 1

Summary of Adjustments to Mayfield West Phase 2 Population and Housing Allocations
as per OPA 203 and OPA 226

	Proposed OPA 203 ¹	OPA 226 Modifications (Adjusted as per OPA 222) ²	Difference
Population (Excluding Net Census Undercount)	11,638	9,913	-1,725
Population (Including Net Census Undercount @ 4.4%)	12,150	10,348	-1,802
Population-Related Employment	2,907	2,635	(272)
Employment Lands Employment	2,988	1,164	(1,824)
Total Residents and Jobs	18,045	14,147	-3,898
Land Area (ha)	350.0	207.5	-142.5
Residential/Population-Related Employment Land Area	258.0	191.5	-66.5
Density (Residents and Jobs per ha)	51.6	68.2	16.6

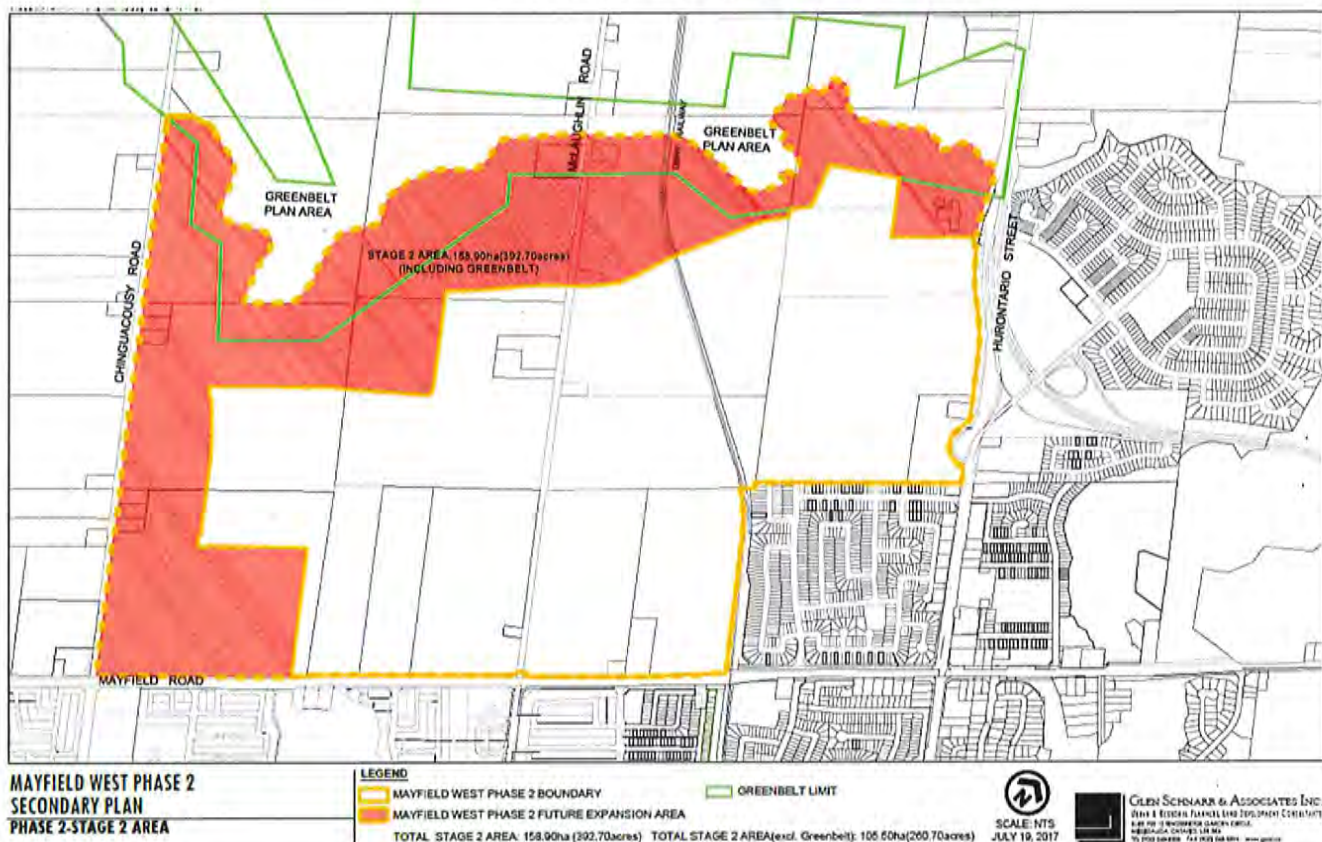
¹ Town of Caledon Development Approval & Planning Policy Dept., Report DP-2013-013, January 2013.
Pg. 5.

² Town of Caledon Development Approval & Planning Policy Dept., Report DP-2013-013, January 2013.
Pg. 5. It is noted that the total land area for the Mayfield West Secondary Plan under OPA 222 is 207.52 ha.

- Council-endorsed modifications to OPA 226, specifically to Mayfield West Phase 2, resulted in the exclusion of 144 hectares of land originally proposed by the August 2010 preferred scenario (76 hectares of land east of Highway 10 and 66 hectares of land west of Highway 10). This resulted in a reduction in the Mayfield West Phase 2 population allocation by approximately 1,800 residents and approximately 270 population-related jobs within the Mayfield West Phase 2 lands. The above-mentioned land area adjustments to Mayfield West Phase 2 also resulted in a reduction of 1,800 total employment lands jobs and the removal of the proposed employment area on the east side of Highway 10. Map 1 illustrates the geographic location of the refined Mayfield West Phase 2 boundary.

Map 1

Mayfield West Phase 2 Secondary Plan Boundary of Mayfield West Phase 2



- In accordance with the information provided above, the MW2-2 lands have not been included in the Town of Caledon 2019 D.C. Background Study growth forecast. The proposed expansion to the Mayfield West Rural Service Centre for the MW2-2 lands is currently under the consideration of the Region of Peel as part of the Growth Plan ROPA. In support of the ROPA, the landowners have submitted numerous studies that have supported the development of the lands.¹
- As per page 3-7 of the DCBS, the High Density PPU is derived from Peel Region data. Can you please provide details on how the high density PPU was adjusted to 1.764?
 - The high density PPU has been derived from Region of Peel high-density PPU data. For the Town of Caledon, the high-density PPU assumption was downwardly adjusted based on the low-density PPU ratio between the Town of Caledon and the Region of Peel (Town of Caledon low-density PPU 3.66/Region of Peel low-density PPU 4.208 = 87.1%).
 - Can you please provide details on the adjustments to the PPU for low and medium density units to account for the upward PPU trends in new and older units?

¹ Town of Caledon Staff Report 2018-65.

- As per schedule 8a, Appendix A of the Town of Caledon 2019 DCBS, low-density households built between 2001 and 2016 have an average PPU of 3.54. This average was upwardly adjusted to 3.666 based a review of recent PPU trends in accordance with the 2016 Census. The average PPU for medium-density households built over the same historical time period in the Town of Caledon was 2.708. This average was upwardly adjusted to 2.791 based a review of recent PPU trends in accordance with the 2016 Census. In both cases a logarithmic curve was utilized to model forecast PPU trends based on historic Census data between 2001 and 2016.
7. Can you please provide details on the Mayfield West II Studies and what they would entail? Has the costing accounted for the ongoing work completed by the Mayfield West Landowners group?
 - Mayfield West II Studies has been carried forward from the 2014 D.C. Background Study which showed a gross cost of \$1.6 million. As of the end of 2018, the cost estimate has increased to \$2,450,000. Of this amount, \$2,137,615 has been spent to date and has given rise to D.C. credits which have not yet been drawn on.
 - Town Staff Report 2018-65 - Mayfield West 2, Stage 2 Initiate Local Official Plan Amendment Process, Ward 2 provides additional details of the cost estimate.
 8. Please provide a rationale for a 25% benefit to existing (BTE) for the Heritage Designation Studies, Sustainability Initiatives and Cultural Heritage landscapes.
 - The rationale for this allocation is that growth, including redevelopment, is driving the need for these studies, however it is recognized that there are benefits to the existing community arising from these studies, therefore a 25% deduction has been made. For example, Heritage Designation Studies are undertaken to protect against demolition and to provide guidelines for alterations. Moreover, the Cultural Heritage Landscape Inventory provides the Town with a tool to plan and manage the preservation of the heritage character of its unique places through the development process.
 - The three studies were included in the 2014 D.C. Background Study with BTE deductions of 25%. For consistency in approach and funding, this BTE attribution has been maintained for the 2019 D.C. Background Study.
 9. Please provide details on Item 20 – Transportation Studies, and provide a rationale for not including post-period benefit, considering the nature of these studies is to forecast based on future populations which are often beyond the 10-year planning horizon.
 - The rationale for not including a post-period benefit deduction is that the capital program is confined to the 10-year forecast period. These studies are undertaken approximately every 5 years, as such, subsequent reviews will be undertaken beyond the 10-year forecast period to further assess the needs of development to the 2031 forecast period.
 - This approach is consistent with the Town's 2014 D.C. Background Study, where two Transportation Studies were identified over the 10-year forecast period with no post-period benefit deduction.
 10. The costs associated with additions to existing fire halls (Caledon Village, Palgrave, Mono Mills, and Alton) have increased 50% since 2014. Please provide a rationale for the cost increases. If the cost increase is attributed to recent tender costs, please provide details?
 - The capital cost estimates have been updated based on the Town's benchmark construction prices, informed by the recent experience with the Caledon East OPP Station.

11. Please explain the BTE calculation for Caledon Village, Palgrave, Mono Mills, and Alton fire stations.
- Each of these projects involves an addition to an existing station to accommodate growth. A 10% BTE deduction was made for the Alton and Caledon Village projects, and a higher 25% BTE deduction was made for the Palgrave and Mono Mills projects. These deductions are provided to reflect the marginal increase in levels of service to existing constituents in these areas arising from the expansions.
 - These BTE attributions are consistent with those provided in the 2014 D.C. Background Study for the same projects.
12. Please explain why the 2018 value per sq.ft. for Fire Hall's 1,2,3,5,7 and 9 have increased over 100% since 2014 and the value for the Fire Administration building has increased over 500% since 2014.
- The building values used in the 2019 D.C. Background Study reflect the Town's recent experience with the Caledon East OPP Station. An average replacement cost of \$500 per square foot was applied to Firehalls No. 2, 7 and 9, as well as the Fire Administration Building. For the remaining Firehalls, an average replacement cost of \$400 per sq.ft. was assumed. These replacement values include provisions for furnishings and fixtures, as well as site servicing. Land costs were also added based on an average cost per acre of \$507,000. No land value has been assumed for the Fire Administration Building (or the Portable).
 - The 2014 D.C. Background Study replacement values were indexed from the 2009 D.C. Background Study, which were previously indexed from the 2004 D.C. Background Study.
13. Please explain why the capital cost of the two Bolton Hardball diamonds increased by 63% from the 2014 DCBS (\$1,000,000 to \$1,630,000).
- The capital cost estimate is taken from the Town's 10-year Capital Budget Forecast.
 - The increase in cost estimate, as compared to the 2014 D.C. Background Study, reflects recent capital costs incurred by the Town for a hardball diamond at the Bolton Camp, plus the provision for additional electrical servicing, driveway and parking area capital costs.
14. Please explain the fluctuation in 2019 capital costs in the three skate parks (Caledon East, Mayfield West and Mayfield West II).
- The capital cost estimate is taken from the Town's 10-year Capital Budget Forecast.
 - The Caledon East Skatepark is provided net of \$210,000 in park development costs already funded.
15. The size of the Community Park – Mayfield West (Line 8) has decreased from 10 acres in the 2014 DCBS to 5 acres in the 2019 DCBS. When the capital costs are compared on a per 5 acre basis, the capital costs increase 140% between 2014 and 2019. Please provide the rationale for the substantial increase in park costs and please also provide clarification for the change in park size.
- The Town's 2014 D.C. Background Study identified Community Parks for Mayfield West, Bolton, Caledon East and Mayfield West II. With the exception of the Mayfield West Community Park, all of the Community Parks were estimated at 5 acres each with a capital cost estimate of \$1.0 million per park (or \$200,000 per acre).

- The 2019 D.C. Background Study maintains the need for Community Parks in Mayfield West, Bolton, Caledon East and Mayfield West II, at 5 acres per park with a capital cost estimate of \$1.2 million per park (or \$240,000 per acre). This represents an increase of approximately 20% from 2014 estimates.
16. MW2-2 has two neighbourhood parks that could be brought online within the planning horizon of the 2019 DCBS. Please explain how the inclusion of these parks will impact the parks program.
- Neighbourhood park capital cost estimates average approximately \$400,000 per acre. This would suggest a potential additional capital cost of \$800,000, with \$720,000 D.C. eligible (i.e. net of the 10% statutory deduction). If these projects were to be added, the D.C. recoverable capital costs for Parkland and Trail Development Services would increase by approximately 5%, with a similar increase in the proposed charges for this service.
17. If the District Park is Town-wide, why is the BTE only 10%? It is assumed this park will provide amenity to both established and growth areas in equal proportions.
- The requirement for additional parkland is largely to meet the needs of growth. As with any new facility, there will be significant use by new population vs. existing population, redistributed throughout the entire network so as to reflect additional assets and users. To equally proportion the cost of the additional park over existing and new population would serve to disregard the current level of service of existing residents.
18. Please provide details on the cost per square foot and gross floor area for the new facilities. Please also confirm if the capital costs include the cost of land.
- The total capital cost per square foot and gross floor area are as follows:
 - i. Caledon East Phase 3 - \$500/sq.ft. and 20,000 sq.ft.
 - ii. Rotary Expansion (Seniors) - \$500/sq.ft. and 8,800 sq.ft.
 - iii. Mayfield Recreation Complex Expansion (2nd pad plus 2 community rooms) - \$375/sq.ft. and 40,000 sq.ft.
 - iv. Mayfield West Facility 2 - \$400/sq.ft. and 75,000 sq.ft.
 - v. Caledon East (CECC) Phase 4 - \$600/sq.ft. and 20,000 sq.ft.
 - vi. Bolton Indoor Recreation Centre (includes land cost) - \$600/sq.ft. and 50,000 sq.ft.
19. The quality standard for recreation centres has increased 86% from the 2014 DCBS (\$1,644 to \$3,057). Please explain the substantial increase.
- The combined quality/quantity level of service standard of \$3,059 per capita is based on the average quantity standard of 5.87 square feet of indoor recreation facility space per capita over the period 2009 to 2018, multiplied by an average cost per square foot of \$521. The 10-year average quantity standard has increased from 5.67 sq.ft. per capita in the 2014 D.C. Background Study due to additions to the Caledon Centre for Recreation and Wellness and the Caledon East Community Complex, as well as the new Senior Centre and Palgrave Community Centre. At the same time, the quality standard has increased as a result of updated construction and land acquisition costs.
20. What are the "Other Deductions" taken from the Mayfield West 2 Facility?
- This reduction is provided to reflect the MW 2-2 development beyond 2031.
21. Please provide the rationale for BTE and post period benefit (PPB) attributions in the capital program.

- The 5% deduction for benefit to existing development that has been applied to all indoor recreation facility projects is consistent with the 2014 D.C.B.S. which states that: "generally, the provision of additional floor space of recreation facilities at a level that is within the allowable service level cap (e.g. \$/capita of recreation space), would have limited benefit to existing development as it simply assists in maintaining the Town's service level. Every new facility will result in shifts in terms of which users patronize which particular service locations, but if the overall amount of service available per capita doesn't increase, then existing users haven't benefited in that regard. A deduction of 5% has been applied in order to reflect the benefit to existing development of improved access and range of facilities."
 - PPB deductions are provided based on the share of development anticipated to occur beyond the 2028 forecast period to 2031.
22. Please explain why the cost per square foot for all libraries, with the exception of Bolton, has increased over 60% from the 2014 DCBS.
- The 2019 D.C. Background Study cost per sq.ft. for library facilities assumes an average construction cost of \$420 per square foot including furnishings, fixtures and equipment. This assumption is based on the Town's recent cost estimates for similar projects. Land costs have been added based on an assumption of \$507,000 per acre and a lot coverage of 20%.
 - The 2014 D.C. Background Study replacement values were indexed from the 2009 D.C. Background Study, which were previously indexed from the 2004 D.C. Background Study.
23. Has the Mayfield West 2 Branch been planned to accommodate the future growth occurring in MW2-2.
- No express oversizing has been provided in the Mayfield West 2 Branch to accommodate MW2-2.
24. In comparing the 2014 DCBS and the 2019 DCBS, the quality standard for operations facilities were changed from dollars per square meter to dollars per square feet. When converting the 2019 DCBS quality standard to dollars per square metre, the quality standard increases significantly, ranging from 227% to 885%. Please explain.
- In the 2019 D.C. Background Study the calculated quality standard for Public Works facilities is \$419 per square foot. This compares to \$100 per square foot in the 2014 D.C. Background Study.
 - It has been determined that the replacement value of the buildings including furnishings, fixtures and equipment is \$500 per square foot. For salt domes, an average cost per square foot of \$125 has been assumed. These assumptions are based on the Town's recent cost estimates for similar projects. Land costs have been added to these amounts based on an average value of \$507,000 per acre and a lot coverage of 20%.
 - The 2014 D.C. Background Study replacement values were indexed from the 2009 D.C. Background Study, which were previously indexed from the 2004 D.C. Background Study, which did not include land costs.
25. The service standard for works facilities has increased significantly (approximately 323%). Please justify the increase.
- The combined quality/quantity level of service standard of \$424 per capita is based on the average quantity standard of 1.0116 square feet of facility space per capita over the period 2009-

2018, multiplied by an average cost per square feet of \$419. The 10-year quantity standard has increased from 0.967 sq.ft. per capita in 2014. This is due, in part, to the addition to the Castlederg facility in 2009 and 2018 and also as a result of revised floor area estimates.

- At the same time, the quality standard has increased from as a result of updated construction and land acquisition costs. This basis for the figure in the 2019 D.C. Background Study is discussed in our response to question 24, above.

26. The following road programs have overlap in their extent (between Mayfield Road and the Spine Road). Is there the potential for a consolidation of projects/a reduction in capital costs associated with the overlap?

- a. Traffic Zone 1288 – CG023: Chinguacousy Road Rural Road construction between Old School Road and Mayfield Road
 - b. Mayfield West Settlement Area: Chinguacousy Road Urban Reconstruction between the Spine Road and Mayfield Road
- The Town is intending to reconstruct the road as an interim measure, with the final improvement to urbanize the road. On this basis there is no duplication in the projects and no change to the estimates in the 2019 D.C. Background Study.

27. IBI has been informed that further to recent correspondence with the group planner, Urbantech is undertaking an analysis on the unit rates for the Chinguacousy Road improvement cost estimate, with further comments to be provided to the Town within the coming weeks.

- Comment noted. No action required at this time.

28. Please explain the approach used for the determination of BTE and PPB for the Roads program.

- Regarding BTE allocations, please refer to section 4.9.2 of Appendix E – Roads Component (Table 4-15) for a detailed review of the BTE-BTG cost allocation percentages used for the Town of Caledon. The methodology and values in Table 4-15 were applied except where a project was subject to a development charge credit agreement (DCCA) wherein a cost share had been agreed upon such as projects in Mayfield West 1 and Mayfield West 2.
- It was understood that, where applicable, cost sharing percentages set in DCCAs take precedence to the recommendations in the Table 4-15. The cost shares agreed upon in the Mayfield West I and II DCCA have been assumed binding and were applied accordingly to project costs for the 2019 D.C. Background Study.
- Regarding PPB allocations, based on a review of area-specific growth assumptions in the Caledon TMP and Bolton TMP relative to the Official Plan, it is noted that the discrepancies appear to occur primarily in the existing Bolton urban area and the Bolton urban expansion area. Based on this, it is recommended that a post-period deduction be applied to projects identified in the Bolton TMP, based on the difference in incremental growth in people and jobs in the Bolton Area between the Bolton TMP growth assumptions (which are consistent with the transportation model), and the Official Plan growth assumptions. The recommended deduction for post-period benefit will only be applied to projects identified in the Bolton TMP based upon transportation modelling, which include road widenings and new roads. This ultimately results in deductions to two projects: Albion-Vaughan Road widening from 2-4 lanes from Queensgate Boulevard to Highway 50; and George Bolton Parkway new construction from Industrial Road to Highway 50.

Please refer to section 4.9.1 for a more in-depth explanation of the Post-Period Allocation for the Bolton Area.

29. The Mayfield West Landowners Group has provided updated Spine Road costing from Urbantech Engineering Ltd. Please ensure that the updated costing is reflected in any revisions to the 2019 DCBS.
 - Upon further review by HDR Inc., it is noted that \$1.4 million in additional landscaping costs was not captured in the 2019 D.C. Background Study. As such, the project for Spine Road between McLaughlin and Collector Road F should be revised from a capital cost estimate of 12.1 million to \$13.5 million.
30. The "Timing" column for many of the roads programs has a value of "0". Please update estimated timelines for each project.
 - HDR Inc.'s format for the capital program followed that of the Town's 2014 D.C. Background Study, which did not specify the timing for construction of individual projects. Their workplan validated transportation needs to 2031. Timing for many of these works are identified in the Town's Capital Budget Forecast which could be provided.
31. With respect to the Highway 10/Highway 410 interchange, please update the capital cost to \$35,000,000 to account for costs of moving and/or altering utilities/building removals, design, contract administration, construction inspection and material testing as per the Wood memo submitted to the Town by the Mayfield West Landowners Group.
 - The capital cost estimate of \$35,000,000 is reflected in the 2019 D.C. Background Study. Please see section 4.2.1 and Appendix E5 which indicate this updated cost.
32. From the Mayfield West Phase 2 Transportation Master Plan, the Mayfield West Phase 2 – Stage 2 Transportation Assessment and the 2017 Town of Caledon Transportation Master Plan, please consider including the following road works programs in the 2019 DCBS:
 - a) Intersection improvements (i.e. Eastbound left turn lane) at Hurontario St. and Old School Road by 2031
 - o There is an existing EBL lane on Old School Road (below). HDR Inc. has double checked the recommendations from the 2018 MW2 Stage 2 Transportation Assessment (MW2S2 TA), and note that Table 2.9 on P. 28 identifies an EBL lane and a shared through-right lane which matches the aerial below. However, in Section 3.2 Recommendations, P. 42, it identifies an EBL and a shared through-left lane. HDR Inc. verified the recommendations with the Town and confirmed that the recommendation on P.42 is a typo. As such no revision is required to the 2019 D.C. Background Study.



- b) Traffic control signalization at Chinguacousy Rd./Old School Road and McLaughlin Rd./Old School Road by 2031
 - o This project could be added to the 2019 D.C. Background Study with 100% deduction for post period benefit, based on the recommendation on P. 42 of MW2S2 TA, that signals be considered at the intersection of Chinguacousy Road and Old School Road, and that the actual need and approximate timing of installation will be confirmed through future signal warrant assessment in accordance with Town of Caledon and Peel Region policies.
- c) Widening of Hurontario St. from four to six lanes from Old School Rd. to the Highway 410/Valleywood Blvd. interchange
 - o This project could be added to the 2019 D.C. Background Study with 100% deduction for post period benefit, based on the recommendation on P. 42 of MW2S2 TA, where the widening of Hurontario Street from two to three lanes in each direction from Old School Road to the Highway 410 and Valleywood Boulevard Interchange be explored, subject to the GTA West Transportation Corridor Route Planning and Environmental Assessment Study.
- d) Widen McLaughlin Rd. from two to four lanes 265 m north of the Spine Road to 600 m north of the Spine Road
 - o This project could be added to the 2019 D.C. Background Study with 100% deduction for post period benefit, based on the "consideration" noted in the MW2 Secondary Plan, i.e. "It is noted that the section of McLaughlin Road north of Collector Road A (265 m north of Spine) is proposed to have a basic two lane cross-section with a right of way of 28 and 24 metres. However, in conjunction with final plans for the second phase of the Mayfield West Phase 2

development, the need for McLaughlin Road to be widened to four lanes along with a wider right of way should be considered. Conditions that might give rise to the need for this widening might include future urban development north of the Etobicoke Creek, the final plans for the GTA West corridor or limits on the capacity of the Spine Road connection to Hurontario Street."

33. Based on the McLaughlin Rd. Environmental Assessment conducted by R.J. Burnside, the following roads program should be considered for inclusion in the 2019 DCBS works program: a. Reconstruction of the McLaughlin Rd. bridge over Etobicoke Creek. Additional consideration in costing should be given to the provision of a larger bridge abutments to allow for future road expansions to McLaughlin Rd. as per the recommendations from the R.J. Burnside environmental assessment.
- This project could be added to the 2019 D.C. Background Study with 100% deduction for post period benefit.
34. Please explain why the DC charge for stacked townhouses is not based on unit size similar to apartments. Given the potential variation in unit sizes for stacked townhouse units, it may be more appropriate to apply either the small or large apartment DC rates to future stacked units based on unit size.
- Under the Town's 2014 D.C. By-Law, stacked townhouses were classified as "other residential dwellings", and charged as such, similar to other townhouse and row dwelling units.
 - The Region of Peel includes stacked townhouses in the definition of a townhouse and treats these as "other residential units". The City of Brampton treats stacked townhouses as apartment units where they are developed on a block with a minimum density of 60 units per hectare. Otherwise these units fall into the "row/other multiple" category. Also, the City of Mississauga does not specifically address these types of units in its by-law. Provided the floor area exceeds 700 sq.ft., the "other residential" category would apply.
 - Statistics Canada reference guide catalogue No. 98-301-X defines private and collective dwellings by structural type in accordance with the Census. Stacked townhouses are not explicitly reported on by Statistics Canada, nor are they explicitly defined in the reference catalogue. In accordance with Catalogue no. 98-301-X, stacked townhouses appear to most closely resemble an apartment with less than five storeys (Code 4). In terms of average household occupancy, it is our opinion that a stacked townhouse most closely resembles a small townhome or a large apartment (2 bedrooms or greater) based on the results of the 2016 Census.
 - Based on the foregoing our D.C. growth forecast and methodology treat stacked townhouses as large apartments. As such the proposed D.C.s are intended to imposed consistent with these assumptions.
35. Given the lengthy nature of the development approvals process, the 5 year timeline for DC credit eligibility for residential units (between demolition permit and redevelopment) could be too short. The non-residential DC eligibility timeline of 10 years should be considered for residential units as well.
- The Town's 2014 D.C. By-Law provides for a redevelopment credit for buildings or structure that are demolished in whole or in part on or after November 6, 1991, or for buildings that are to be demolished.

- The length of time between demolition and replacement of a building varies by municipality. While the Region of Peel and the City of Brampton use a fixed date in 1991, similar to the Town of Caledon, the majority of municipalities in Ontario with D.C. by-laws provide for a five-year period between demolition and the subsequent redevelopment. This typically reflects the required assessment of the increase needs for new development arising from the 5-year D.C. review and the time period for which municipalities will reserve the service capacity vacated by a demolition.
- In response to the comments received on the proposed change in the redevelopment credit policy to 5-years for residential and 10-years for non-residential, the Town has provided a further transition of this policy, whereby developments demolished prior to the date of the by-law will have 5 years and 10 years respectively to undertake the subsequent redevelopment of a residential and non-residential development and qualify for the D.C. credit. This transition policy is reflected in the Town's D.C. Background Study and proposed by-law.
- However the Town has received your feedback and will take it into consideration in the preparation of the final staff report and proposed DC By-law to be presented to Council on May 21, 2019.

We trust this letter sufficiently addresses these questions. However, if there are any further questions in this regard, we would be pleased to discuss them with you further at your convenience.

Sincerely,



Heather Haire, CPA, CA
Treasurer
Finance and Infrastructure Services
TOWN OF CALEDON



c/o Lisa Garbutt, 12171 Heritage Road, Caledon ON L7C 1T8 (416)990-7359 peelfederationofagriculture@gmail.com

April 12, 2019

Ms. Hillary Bryers
Deputy Treasurer, Manager, Revenue
Finance and Infrastructure Services
Town of Caledon
6311 Old Church Road
Caledon ON L7C 1J6

Re: DC Charges Background Study

Dear Hillary;

Thank you for allowing the Peel Federation of Agriculture to comment on the proposed changes to the DC Charges for Agricultural use. As you are aware, our members take up the vast majority of land in the Township, and for our members to have sustainable farms, we need to keep their costs down as much as we possibly can.

We are in agreement with excluding banquet and wedding facilities, especially if this is their sole or primary source of income on the property. We agree that this would be considered more of a commercial use, as opposed to agricultural.

We are however, in disagreement with excluding "the production of controlled substances under the *Controlled Substances Act*, including the growing, processing, production, and sale of Cannabis". Now that Cannabis is legalized, this has become a very different matter. If Cannabis is grown outdoors as an agricultural crop on agricultural zoned properties, the accessory processing, drying, and storage should be DC Charge exempt, similar to all other crops. The PFA also supports the continued exemption for all agricultural buildings.

We look forward to hearing more from you on this matter.

Best,

Lisa Garbutt for
The Directors of the Peel Federation of Agriculture

c.c. Mayor Allan Thompson
Councillor Christina Early
Councillor Johanna Downey



May 3, 2019

Peel Federation of Agriculture
c/o Lisa Garbutt
12171 Heritage Road
Caledon ON L7C 1T8

RE: 2019 Development Charges Background Study

Dear Lisa,

Thank you for your letter dated April 12, 2019 with the PFA's comments on the Town of Caledon's draft 2019 Development Charges Background Study and By-law. Throughout the process, the Town has been encouraging comments with stakeholders since February 27, 2019 to present and discuss the D.C. methodology, draft findings and changes to the D.C. by-law policies.

Your feedback has been valuable in order to understand the position relating to Cannabis from an agricultural perspective. We have addressed some of your concerns in our draft Development Charges By-law that will be available May 17th.

If you would like to discuss our proposed changes further I can be reached at 905-584-2272 ext 4185.

Sincerely,

Heather Haire, CPA, CA
Treasurer
Finance and Infrastructure Services
TOWN OF CALEDON



SMARTCENTRES®

3200 HIGHWAY 7 | VAUGHAN, ON. CANADA L4K 5Z5
T 905 326 6400 F 905 326 0783

March 8, 2019

Via E-mail

Ms. Hillary Bryers, MBA, CPA, CHA
Deputy Treasurer/Manager, Revenue
Finance and Infrastructure Services
Town of Caledon
6311 Old Church Road
Caledon, ON L7C 1J6

**RE: 2019 Town of Caledon Development Charge Study
Lands Located at the North East Corner of Airport Road and Mayfield Road
Airfield Developments Inc. and Airfield II Developments Inc.**

Dear Ms. Bryers,

We are representatives of Airfield Developments Inc. and Airfield II Developments Inc. who are the owners of two contiguous properties totaling 23 acres of land located at the north east corner of Airport Road and Mayfield Road (the "Property").

The Town of Caledon is in the process of preparing a new Development Charge By-Law ("the By-Law") as the current By-Law is set to expire in June 2019.

In support of this initiative, we respectfully submit the following comments for consideration by staff as part of the completion of the Development Charge Background Study:

- The Property is located within the Tullamore Secondary Plan Area (the "Tullamore Area") which consists of approximately 292 acres of land located at the intersection of Airport Road and Mayfield Road. The Tullamore Area is strategically located in the southern part of Caledon and is in close proximity to significant residential growth occurring within the City of Brampton. However, the full build out of the Tullamore Area as an industrial/commercial centre has been challenged due to the significant up-front infrastructure costs that are required including a new municipal road system, communal stormwater management facility and all other required infrastructure.

In order to support the future development of the Tullamore Area, we respectfully request that the Town consider the creation of an Area Specific Development Charge. The creation of an Area Specific Development Charge would allow for all land owners to share infrastructure costs equitably and we respectfully believe that this initiative would trigger future investment in the Tullamore Area. Moreover, it would address the challenge of a fragmented ownership structure by involving all land owners through a public process.

- The Draft Technical Appendix of the Development Charge Study prepared by Watson and Associates Economists Ltd. presents a list of future Development Related Studies that are anticipated to be completed. In support of the future development of the Tullamore Area, we respectfully request that all engineering and planning costs required to facilitate the design and construction of required infrastructure be considered for funding through Development Charges. This would include costs associated with the preparation of Municipal Servicing Class Environmental Assessment Master Plan.
- We understand that Development Charges generally increase over time in order to pay for growth related capital expenditures. The current proposed Non-Industrial Development Charge represents a significant increase of 41%. We feel that the proposed increase to the Non-Residential Development Charge would impact the feasibility of development in the Tullamore Area. Further, the proposed increase to the Development Charge is not representative of current commercial lease rates. Nor is it representative of projected commercial lease rates to an extent that the increase would be mitigated. In order to support the future development of the Tullamore Area, we respectfully request that the Town consider the incremental phasing in of the proposed increase to mitigate the financial impact to future development.

Thank you for considering the above comments. We look forward to continued discussions on these matters and hope that alternative solutions can be developed which jointly address our concerns while providing the necessary capital funding to pay for future growth within the Town of Caledon and Tullamore Area.

Regards,



Nikolas Papapetrou
Development Manager



April 18, 2019

SmartCentres
c/o Nikolas Papapetrou
3200 Highway 7
Vaughan ON L4K 5Z5

RE: 2019 Development Charges Background Study

Dear Mr. Papapetrou ,

Thank you for your letter dated March 8, 2019 with the Smart Centre's comments on the Town of Caledon's draft 2019 Development Charges Background Study and By-law. Throughout the process, the Town has been encouraging comments with stakeholders since February 27, 2019 to present and discuss the D.C. methodology, draft findings and changes to the D.C. by-law policies. I have reviewed your letter and provide the following in response to the questions and comments therein.

Request for Area Specific Development Charge for Tullamore Secondary Plan Area

At our meeting and as per your letter, Smart Centres has requested the creation of an area-specific development charge for the Tullamore Secondary Plan Area to address the up-front local service costs of municipal roads, communal stormwater management facilities and other municipal infrastructure. As the 2019 D.C. background study process reflects Townwide infrastructure, it would not be possible to include an area-specific development charge as part of this process. This would be a separate area-specific D.C. by-law from the Town's comprehensive by-law being considered through this process and could be considered at a later time.

Timing of the Proposed Rates

The Town's D.C. Background Study proposed Council adopting the new D.C. by-law at the May 28, 2019 meeting with the changes coming into effect the following day. This is approximately one month prior to the expiry of the Town's 2014 D.C By-law.

Upon further consideration, it will be proposed that the new D.C. by-law will be presented to Council for an adoption on May 28, 2019 with an effective date of May 29, 2019. However, the changes under the new by-law will be phased-in from current rates to the proposed rates on June 25th, consistent with the expiry date of the existing by-law.

Sincerely,



Hillary Bryers, MBA, CPA, CGA
Deputy Treasurer / Manager, Revenue
Finance and Infrastructure Services
TOWN OF CALEDON



March 7, 2019

VIA EMAIL AND COURIER

Town of Caledon – Finance and Infrastructure Services
6311 Old Church Road
Caledon, Ontario
L7C 1J6

Attention: Ms. Hillary Bryers, Deputy Treasurer / Manager, Revenue

Dear Ms. Bryers,

RE: Stakeholder Comments on the Town of Caledon 2019 DC Update

Thank you for the opportunity to comment on the Town's 2019 Development Charge Background Study and draft 2019 DC By-law.

Over the past few years we've completed the registration of two subdivisions within Caledon's Mayfield West Phase 1 Community - those being the Argo Caledon Corporation, Phase 1 (Draft Plan 21T-12001C) and Yeoman Developments Inc. (Draft Plan 21T-12002C) projects. We're also in the process of registering the second phase of our Argo Caledon project.

The Town's current DC By-law (2014-054) provided a *Phasing In* period after the by-law was passed on June 25, 2014. Developers were eligible to pay the Town's prevailing DC rate for residential dwellings provided that the *Phasing In* terms defined under Section 15 of the by-law had been complied with.

We support the use of such *Phasing In* provisions as contemplated by subsection 5(1)10 of the *Development Charges Act, 1997* and request that the Town incorporate similar rules into their new by-law. We would support the use of the same timing stipulations for building permits, as defined in Section 15 of the current by-law (excerpt attached). We believe such transition has represented a fair compromise in the past, between the Town's need to increase growth-related revenue and the development industry's need to keep costs down to address affordability, and continue to believe it represents a fair compromise moving forward.


Tel: 416.736.8854
Fax: 905.660.7650

*


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*


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We further note that the draft 2019 DC By-law is proposing to repeal and replace the existing DC by-law prior to its expiry. While it is within the Town's authority to repeal a DC by-law in advance of its 5-year expiry, we do request that the Town revise the draft 2019 DC By-law so that it comes into effect upon the expiry of the existing DC by-law on June 25, 2019. In fairness, the development industry reviewed and accepted the existing DC by-law on the assumption that it would be applied to growth within the Town for the full five-year term. We are not aware of any change in policy or other pressure that should cause the Town to cut the existing DC by-law's term one month short.

Finally, the Town is proposing to categorize conventional street townhouses and back-to-back townhouses under the "Other Residential Dwellings" category in the new DC by-law. It's our understanding that this is being done to keep the dwelling categorizations consistent with Statistics Canada Census data. It is our position that this is inappropriate planning rationale for grouping the back-to-back townhouses under "Other Residential Dwellings", and that they're more appropriately suited in the category of "Apartments larger than 70 m²". In the absence of an amenity area and rear yard, back-to-back townhouses have a utility and functionality which is more comparable to apartments and stacked townhouses than to street townhouses. Including back to back townhouses in the "Other" category places undue upward price pressure on a product designed to be affordable. We understand that the City of Brampton and the Region of Halton have categorized back to back townhouses as Apartment dwellings, which result in a Development Charge amount less than that for standard townhouses. As a result, we request that back-to-back units be categorized as "Apartments larger than 70 m²", which is consistent with the categorization for stacked townhouse units.

The intent of this letter is to ensure the continued use of transitional clauses within the Town's new DC by-law, to ensure that the current rates remain in force until the end of the five-year window prescribed in the by-law (June 25, 2019), and to request the appropriate categorization of back-to-back townhouse units under the "Apartments larger than 70 m²" category.

Please note that these comments are being provided without the benefit of reviewing the 2019 DC Background Study and draft DC By-law, and that we may have additional comments once this information is made available to the public.



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We would like to request a meeting with you for the week of March 11, 2019, so that we can carefully explain the concerns outlined in this letter, and will be contacting you shortly to make the meeting arrangements.

If you have any question with respect to the content of this letter please feel free to contact myself or Justin Pica.

Yours truly,

ARGO CALEDON CORPORATION

by its Development Manager, Trinison Management Corp.

A handwritten signature in blue ink that reads "J. Scott Rettie".

J. Scott Rettie

Senior Director – Development and Financial Analysis

cc: Carmina Tupe, Building Industry and Land Development Association (BILD)
Justin Pica, Argo Caledon Corporation
Adam Ribeiro, Argo Caledon Corporation
Patrick Harrington, Aird & Berlis



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agreed in an agreement made under section 39 of the Act; and,

- (ii) in no event shall the Town be required to make a cash payment to such owner or owners.
- (3) Nothing in this by-law shall prevent the Council of the Town from requiring, as a condition of any approval under the *Planning Act*, that the owner or owners of land install such local services as the Council of the Town may require in accordance with the policies of the Town with respect to local services.
- (4) The Town may require the owner or owners of land that is to be developed to enter into an agreement, including the provision of security for the obligations of such owner or owners under the agreement, pursuant to section 27 of the *Development Charges Act* providing for all or part of a development charge to be paid before or after it otherwise would be payable, and the terms of such agreement shall prevail over the provisions of this by-law.

Unpaid Development Charges

- 14. (1) If a development charge or any part thereof remains unpaid after it is payable, the amount unpaid shall be added to the tax roll and shall be collected in the same manner as taxes.
- (2) If any unpaid development charges are collected as taxes in accordance with subsection 1 of this section, the monies so collected shall be credited to the appropriate development charges reserve fund.

Phasing-In

- 15. (1) Subject to subsection 2 of this section, the development charges described in Schedule A to this by-law shall, subject to indexing and any exemptions provided for in this by-law, be payable in full with respect to residential development from and including June 25, 2014.
- (2) With respect to any residential development for which a building permit application has been submitted to the Town on or before September 15, 2014, development charges shall, subject to the indexing and any exemptions provided for in this by-law, be calculated at a rate of \$19,658.43 for single-detached, semi-detached, and duplex dwellings, \$13,105.96 for apartments > 70 square metres, \$7,692.55 for apartments 70 square metres or smaller, and \$15,384.08 for other residential dwellings, provided that a building permit for such development is issued on or before January 15, 2015."

Effective Date

- 16. This by-law shall come into force and effect on 25 June 2014.

Repeal

- 17. By-law No. 2009-090, as amended, shall be and is hereby repealed effective on the date that this by-law comes into force and effect.

Expiry Date

- 18. This by-law shall expire five years from the date that it comes into force and effect, unless it is repealed at an earlier date by a subsequent by-law.



April 18, 2019

Trinison Management Corp.
c/o J. Scott Rettie
8600 Dufferin Street
Vaughan ON L4K 5P5

RE: 2019 Development Charges Background Study

Dear Mr. Rettie,

Thank you for your letter dated March 7, 2019 and subsequent letter dated April 8, 2019 with your comments on the Town of Caledon's draft 2019 Development Charges Background Study and By-law. Throughout the process, the Town has been encouraging comments with stakeholders since February 27, 2019 to present and discuss the D.C. methodology, draft findings and changes to the D.C. by-law policies. I have reviewed your letter and provide the following in response to the questions and comments therein.

Treatment of Stacked and Back-to-Back Townhomes

Under the Town's 2014 D.C By-law, both back-to-back townhomes and stacked townhomes were classified as "other residential dwellings" and charges as such, similar to other townhouse and row dwelling units. This is also consistent with the Region of Peel's treatment of back-to-back and stacked townhomes in the definition of a townhouse and treatment of them as "other residential units". For the 2019 D.C. By-law update, it is proposed that stacked townhomes be treated as large apartments while back-to-back townhomes remain treated as other residential dwellings.

Based on our review of Census definitions, back-to-back townhomes most closely reflects the definition of a townhouse from a built form perspective. With regard to average housing occupancy, or average persons per unit (PPU), back-to-back townhouses more closely resemble the characteristics of a townhouse as opposed to an apartment. In our review of Census data, stacked townhomes most closely resemble an apartment with less than five storeys. In terms of average household occupancy, a stacked townhouse most closely resembles a large apartment based on the results of the 2016 Census. Based on the foregoing, the D.C. growth forecast and methodology treats back-to-back townhouses as "other residential dwellings" and stacked townhouses as apartments. As such, the proposed D.C.s are intended to be imposed consistent with these assumptions.

Timing of the Proposed Rates

The Town's D.C. Background Study proposed Council adopting the new D.C. by-law at the May 28, 2019 meeting with the changes coming into effect the following day. This is approximately one month prior to the expiry of the Town's 2014 D.C By-law.

Upon further consideration, it will be proposed that the new D.C. by-law will be presented to Council for an adoption on May 28, 2019 with an effective date of May 29, 2019. However, the changes under the new by-law will be phased-in from current rates to the proposed rates on June 25th, consistent with the expiry date of the existing by-law.

Request for Pre-payment Agreement

Subsection 13(4) of the Town's 2014 D.C. By-law provides that "the Town may require the owner or owners of land that is to be developed to enter into an agreement, including the provision of security for the obligations of such owner or owners under the agreement, pursuant to Section 27 of the Development Charges Act providing for all or part of a development charge to be paid before or after it otherwise would be payable, and the terms of such agreement shall prevail over the provisions of this by-law."

These provisions to enter into an agreement to alter the timing of payment are provided under Section 27 of the Development Charges Act. These provisions are for agreements that are mutually agreed to by the municipality and the landowners, and cannot be required on one party by the other without mutual agreement. The Town may consider the use of such agreements when they are in the interests of the Town and the landowner, however, Staff are not considering the use of such agreements at this time.

Sincerely,



Hillary Bryers, MBA, CPA, CGA
Deputy Treasurer / Manager, Revenue
Finance and Infrastructure Services
TOWN OF CALEDON