

Regional Municipality of Waterloo

Administration and Finance Committee

Minutes

Tuesday, November 22, 2016

10:47 a.m.

Regional Council Chamber

150 Frederick Street, Kitchener

Present were: Chair S. Strickland, L. Armstrong, E. Clarke, S. Foxtan, T. Galloway, D. Jaworsky, H. Jowett, K. Kiefer, G. Lorentz, J. Mitchell, J. Nowak, K. Redman, K. Seiling, S. Shantz and B. Vrbanovic

Members absent: D. Craig

Declarations of Pecuniary Interest under the “Municipal Conflict Of Interest Act”

None declared

Delegations

RC-16-02, Canada’s 150th Anniversary

Marilyn Scott, Chair, Region of Waterloo Arts Fund, addressed the Committee and gave [a presentation](#); a copy is appended to the original minutes. She expressed her appreciation to Regional Councillors and stated that she strongly supports the motion. Her presentation included pictorial samples of granted projects with corresponding testimonials.

She spoke to the ripple effect of Arts Fund granted projects and the impact on local artists and the local economy. Noting that the Arts Fund has been over-subscribed since its inception, she provided data regarding the number of applications received and 2275982

number of grants approved. She advised that 2017 will mark the 15th anniversary of the Arts Fund and in light of Canada's 150th birthday, a special grant, the 15 / 150 Grant has been established by the board. She stated that successful grant recipients will be announced at the end of the year. She invited all Regional Councillors to save the date May 11, 2017, with details to follow.

Members of the Committee thanked M. Scott and the Arts Fund board members for the work that they do, noting the comprehensive review process and the high standard of decision making.

K. Seiling stated that the Region of Waterloo Arts Fund has been a tremendous success story the past 15 years and that his recommendation is a great way to celebrate the 150th and to leverage other funding for local artists. He added that supporting local arts and culture is one of the pillars of the Region of Waterloo.

Moved by K. Seiling

Seconded by K. Kiefer

That the Region of Waterloo recognize Canada's 150th Anniversary by increasing the allocation to the Region of Waterloo Arts Fund by \$150,000 to be funded in 2017 from the anticipated 2016 operating surplus and subsequently provided for in the 2018 base budget and that the 2017 base budget be amended accordingly, as outlined in report RC-16-02, dated November 22, 2016.

Carried, unanimously

COR-FSD-16-32, Development Charges for Transit and Waste Management

Art Sinclair, Vice President, Public Policy and Advocacy, Greater K-W Chamber of Commerce, addressed the Committee and noted that Chamber members have met with Regional staff over the past several months and have gained greater insight about the proposed by-law amendments. He stated that information requested about comparators has been provided and reviewed and that he believes the Region is taking the right path in amending the by-law. He added that rural economic development is also important and that with the established Waterloo Region Economic Development Corporation, the Region will be able to attract investment in the rural sector. He responded to a Committee question regarding the challenges of economic development in the townships.

Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer, addressed the Committee with [a staff presentation](#); a copy is appended to the original minutes. He summarized the purpose of development charges (DCs); financing options for growth related capital costs; and, the recent legislative changes affecting waste management

and transit services.

He noted the distinction between the terms 'maximum permissible rate' and 'cost recovery', adding that full cost recovery is not possible given the limitations and caps prescribed in various provincial regulations and legislation. He stated that the current Regional Development Charges (RDC) by-law is in force until July 31, 2019 and that the staff recommendations are proposed amendments to the current by-law, 14-046. He stated that The Background Study was conducted by Hemson Consulting Limited, with assistance from Dillon Consulting Limited, and he identified the representatives present in the audience.

C. Dyer summarized the public consultation and communication processes involved with various stakeholders during the review of the proposed amendments, including the Waterloo Region Home Builders' Association and the Area Municipalities. He advised that the rates have been adjusted to reflect the subsidy from the federal Public Transit Infrastructure Fund (PTIF) and summarized the various revisions, noting that all the changes for residential development are related to transit services and that there are no revisions related to waste management services. He added that the capital costs remain unchanged.

He shared data related to Residential DCs per single detached units (SDU) with comparator municipalities and related to Industrial DCs per square feet. He stated that the Region is still at the lower end of the scale of comparator municipalities. He outlined the rationale for the staff recommendation, adding that the reserves have been decreasing and that the RDC is a significant source of funding for the Region's Capital Program.

He summarized each clause of the report's recommendation noting the impact and intent. He added that staff are proposing that no additional public meetings be planned and that the small number of amendments be made to the 2017 budget; these budget revisions will come forward to the December Budget Committee meeting.

He concluded his presentation to the Committee with an overview of next steps and dates, advising that, accounting for the 40-day window of opportunity for an appeal, the amended by-law would be fully in force no later than January 10, 2017.

C. Dyer responded to Committee questions regarding communications with area municipal staff, the flexibility for implementation of the legislative changes, the impact on development projects in progress and the status of Regional assessment growth data.

S. Strickland advised the Committee how the review of each clause of the recommendation will be dealt with and he responded to member concerns regarding amendments.

C. Dyer responded to Committee questions regarding the current downtown core area exemptions and the policy related to these; the services listed in the DC by-laws for the Area Municipalities; and, the manner in which the downtown core area exemptions are recovered. He provided details about how the various exempted services are funded, noting that as a result all Regional property taxpayers are impacted by any exemptions for water supply and wastewater treatment services. He also responded to a question about the reserve balance.

K. Seiling advised that he is in agreement with the Chair's proposed handling of the motions and said that he is prepared to move the entire recommendation.

B. Vrbanovic called a Point of Order on the issue of amending the proposed motions.

L. Wetzel, Manager, Council and Administrative Services/Deputy Clerk advised that Section 56(b) of the Region's Procedural By-law addresses the Point of Order on amendments; she read the relevant section to the Committee, which supported the direction of the Committee Chair.

C. Dyer responded to Committee questions regarding the impact of RDC amendments on the 2017 budget and the percent value of the proposed transit DC allocated to the Light Rapid Transit project.

Moved by K. Seiling

Seconded by E. Clarke

1. That the Regional Municipality of Waterloo approve the Development Charge Background Study dated August 15, 2016 as amended, including the capital program contained in the study, for the purpose of complying with Section 10 of the Development Charges Act, 1997, as amended.

Carried

Moved by K. Seiling

Seconded by E. Clarke

2. That the Regional Municipality of Waterloo, having considered the input provided by the public and stakeholders regarding the development charge rates as calculated in the Background Study, and regarding various policy and implementation matters, take the following action with respect to Regional Development Charges and incorporate such action in the amended Regional Development Charges By-law as applicable as set out in Report COR-FSD-16-32, dated November 22, 2016:

- a. Approve the residential development charge rates for Waste Management in the amended Development Charge by-law at the rates set out in Table A1 in Appendix A on a Region-wide basis;
- b. Approve the non-residential development charge rates for Waste Management in the amended Development Charge by-law at the rates set out in Table A2 in Appendix A on a Region-wide basis.

A recorded vote was requested.

Yays: L. Armstrong, E. Clarke, S. Foxton, T. Galloway, D. Jaworsky, H. Jowett, K. Kiefer, G. Lorentz, J. Mitchell, J. Nowak, K. Redman, K. Seiling, S. Shantz, S. Strickland and B. Vrbanovic

Carried, Unanimously

Moved by K. Seiling

Seconded by E. Clarke

That the Regional Municipality of Waterloo take the following action:

- c. Approve the residential development charge rates for Transit in the amended Development Charge by-law at the rates set out in Table A1 in Appendix A on a Region-wide basis;
- d. Approve the non-residential development charge rates for Transit in the amended Development Charge by-law at the rates set out in Table A2 in Appendix A on a Region-wide basis.

A recorded vote was requested.

Yays: G. Lorentz and S. Strickland

Nays: L. Armstrong, E. Clarke, S. Foxton, T. Galloway, D. Jaworsky, H. Jowett, K. Kiefer, J. Mitchell, J. Nowak, K. Redman, K. Seiling, S. Shantz and B. Vrbanovic

Motion Defeated

Some Committee members expressed their concerns that increased DC rates will result in project delays and will have a negative impact on economic development throughout the Region. Some stated their concerns for the short notice given to developers, the impact on taxpayers and with DCs charged for services which residents in some municipalities don't receive. Other members expressed their support for the proposed DCs and the benefits to the Region and taxpayers. Members shared their views on the matter and their preferred options for the implementation of DCs on transit and waste management services.

2275982

B. Vrbanovic advised that he is prepared to move amendments to the original clauses for 2c, d and e.

Moved by B. Vrbanovic

Seconded by S. Shantz

That the Regional Municipality of Waterloo take the following action:

Approve the residential development charge rates for Transit in the amended Development Charge by-law, at the rates set out in Table A1 in Appendix A on a Cities Only basis;

Approve the non-residential development charge rates for Transit in the amended Development Charge by-law at the rates set out in Table A2 in Appendix A on a Cities Only basis.

A recorded vote was requested.

Yeas: L. Armstrong, S. Foxton, D. Jaworsky, H. Jowett, K. Kiefer, J. Mitchell, J. Nowak, K. Redman, K. Seiling, S. Shantz and B. Vrbanovic

Nays: E. Clarke, T. Galloway, G. Lorentz and S. Strickland

Carried

Moved by K. Seiling

Seconded by E. Clarke

That the Regional Municipality of Waterloo take the following action:

- e. Apply the existing downtown core exemption to Transit and Waste Management development charges provided that the lower-tier municipality provides for the same exemption until January 1, 2018, at which point such charges shall become payable.

A recorded vote was requested.

Yays: E. Clarke, T. Galloway, G. Lorentz, J. Mitchell, K. Seiling and S. Strickland

Nays: L. Armstrong, S. Foxton, D. Jaworsky, H. Jowett, K. Kiefer, J. Nowak, K. Redman, S. Shantz and B. Vrbanovic

Motion defeated

Moved by B. Vrbanovic

2275982

Seconded by L. Armstrong

That the Regional Municipality of Waterloo take the following action:

Apply the existing downtown core exemption to Transit and Waste Management development charges provided that the lower-tier municipality provides for the same exemption until February 28, 2019, at which point such charges shall become payable.

A recorded vote was requested.

Yays: L. Armstrong, S. Foxton, D. Jaworsky, H. Jowett, K. Kiefer, J. Mitchell, J. Nowak, K. Redman, S. Shantz and B. Vrbanovic

Nays: E. Clarke, T. Galloway, G. Lorentz, K. Seiling and S. Strickland

Carried

Moved by H. Jowett

Seconded by T. Galloway

That the Regional Municipality of Waterloo take the following action:

- f. Approve the proposed amending By-law, as amended, with an effective date of January 1, 2017.

Carried

S. Strickland advised that the [City of Waterloo](#) has submitted a revised motion regarding the Regional Development Charges by-law amendments; a copy is appended to the original minutes.

Moved by D. Jaworsky

Seconded by J. Mitchell

That the Regional Municipality of Waterloo take the following action:

Notwithstanding recommendations 2(e) and 2(f), exempt development occurring in the City of Waterloo Downtown Exemption Area as set out in Schedule D (Page 5) to By-law 14-046, from the payment of increased residential and non-residential Regional development charges arising from the implementation of the Region's amending development charges by-law for Transit and Waste Management Services, for the period of January 1, 2017 to February 28, 2019 inclusive.

A recorded vote was requested.

2275982

Yays: L. Armstrong, E. Clarke, S. Foxtan, T. Galloway, D. Jaworsky, H. Jowett, K. Kiefer, G. Lorentz, J. Mitchell, J. Nowak, K. Redman, K. Seiling, S. Shantz, S. Strickland and B. Vrbanovic

Carried, Unanimously

Moved by K. Redman

Seconded by J. Nowak

That the Regional Municipality of Waterloo take the following action:

3. That Regional Council determine that no further public meeting is necessary in order to consider the changes made to the proposed amendments to the Development Charge by-law, pursuant to Section 12 of the Development Charges Act, 1997.

Carried

Moved by H. Jowett

Seconded by J. Nowak

That the Regional Municipality of Waterloo take the following action regarding Regional Development Charges:

4. That staff be directed to prepare amendments to the preliminary 2017-2026 Waste Management and Transit capital programs and the preliminary 2017 Tax Supported Operating Budget as required in accordance with the above noted recommendations, and submit such proposed amendments to the Budget Committee for consideration as part of the Region of Waterloo's 2017 Budget deliberations.

Carried

Request to Remove Items from Consent Agenda

There were no requests to remove items from the Consent Agenda. S. Strickland advised that he has contacted the Clerk's Office seeking information about the changes to the 'Municipal Elections Modernization Act, 2016' regarding campaign funding and requested that a report come back on this matter.

Motion to Approve Items or Receive for Information

Moved by K. Redman

Seconded by J. Mitchell

That the following item be approved:

- That the minutes of the Audit Committee meeting held November 16, 2016 be approved.

And that the following items be received for information:

- **HRC-CP-16-02**, Municipal Benchmarking Network Canada - 2015 Performance Measurement Report
- **PDL-CAS-16-17**, Municipal Elections Act Amendments – Overview

Carried

Regular Agenda Resumes

Information/Correspondence

City of Cambridge, Re: Region of Waterloo's Proposed Transit and Waste Management Development Charges, dated November 17, 2016 was received for information.

Council Enquiries and Requests for Information Tracking List – No items pending

[Goodmans LLP](#), Re: Waterloo Region Transit and Waste Management DC Review, dated November 21, 2016 was received for information and distributed to the Committee in advance of the meeting. A copy is appended to the original minutes.

Next Meeting – December 6, 2016

Adjourn

Moved by S. Foxton

Seconded by H. Jowett

That the meeting adjourn at 1:21 p.m.

Carried

Committee Chair, S. Strickland

Committee Clerk, S. Natolochny

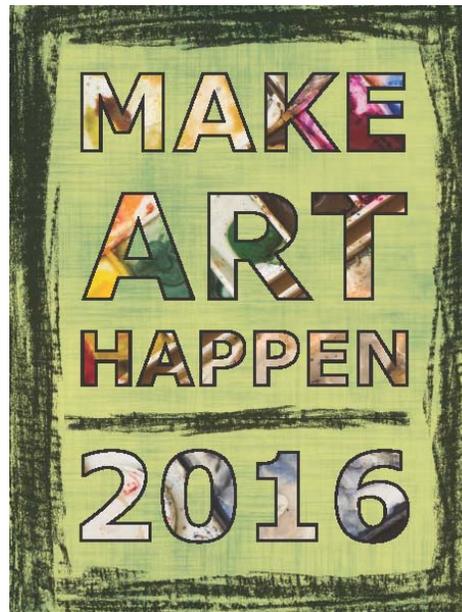
region of waterloo



Region of Waterloo Arts Fund

Goal:

Make Art Happen



Region of Waterloo Arts Fund

Goal:

Make Art Happen

Success:

The achievement of one's aim or goal.

Region of Waterloo Arts Fund

Cambridge Symphony Orchestra

The CSO is very grateful for the support of the Arts Fund. May I add on a personal note, that it has been a pleasure working with your organization. The Arts Fund's support has had a significant impact on the orchestra's ability to deliver musical programming for the benefit of the community and encourages us to believe that what we are doing is of value in making art happen in Waterloo Region.

In Remembrance
Honouring our local veterans

cambridge
symphony
orchestra

with Music Director
Sabatino Vacca
presents . . .

Verdi Requiem

Stacie Carmona soprano
Kristine Dandavino
mezzo-soprano
Andrew Haji tenor
Gary Relyea bass-baritone
Grand River Chorus
Richard Cunningham
Artistic Director.

Nov. 11, 2016, 7:30 pm
Forward Church,
455 Myers Rd.,
Cambridge.

region of waterloo
ARTS FUND
www.cambridgeorchestra.ca
Design: Unexpected Company
unexpected@sympatico.ca

Bill Roberts, CSO Board of Directors

Region of Waterloo Arts Fund



Maca Suazo and Pamela Rojas

Highland Stirling Community Group is very proud to be the recipient of the beautiful art installation that was generously made possible by Region of Waterloo Arts Fund...We are very grateful that the Region of Waterloo Arts Fund granted Ms. Maca Suazo and Ms. Pamela Rojas of Globe Studios the opportunity to design, create and install the lovely rendition of our neighbourhoods.

Karen Taylor-Harrison, Executive Director

Region of Waterloo Arts Fund



Photo credit: unknown

Waterloo Concert Band

We sincerely appreciate the grant of \$5,500 to help with our project: Commission Original Concert Band Music by Howard Cable. When we embarked on the challenge to commission the original works and stage the ambitious May 1st World Premiere, we could not predict the overwhelming community support and success we would achieve.

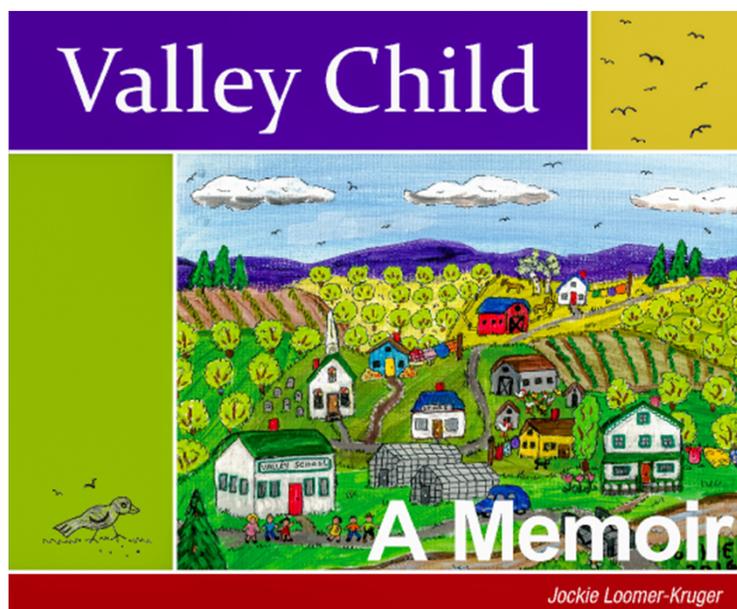
The RWAFF grant was instrumental in this success. We could not have completed this project without the funding from the Region of Waterloo Arts Fund and for that we are truly grateful.



Pauline Finch, WCB Board of Directors

Region of Waterloo Arts Fund

Jockie Loomer-Kruger



I'm expecting my book to be published within the next four weeks. It's all very exciting. I'm so appreciative of the support through the Region of Waterloo Arts Fund grant.

It really made the difference in putting together what I think is a high quality book and one that would not have had as much professional input.

Region of Waterloo Arts Fund

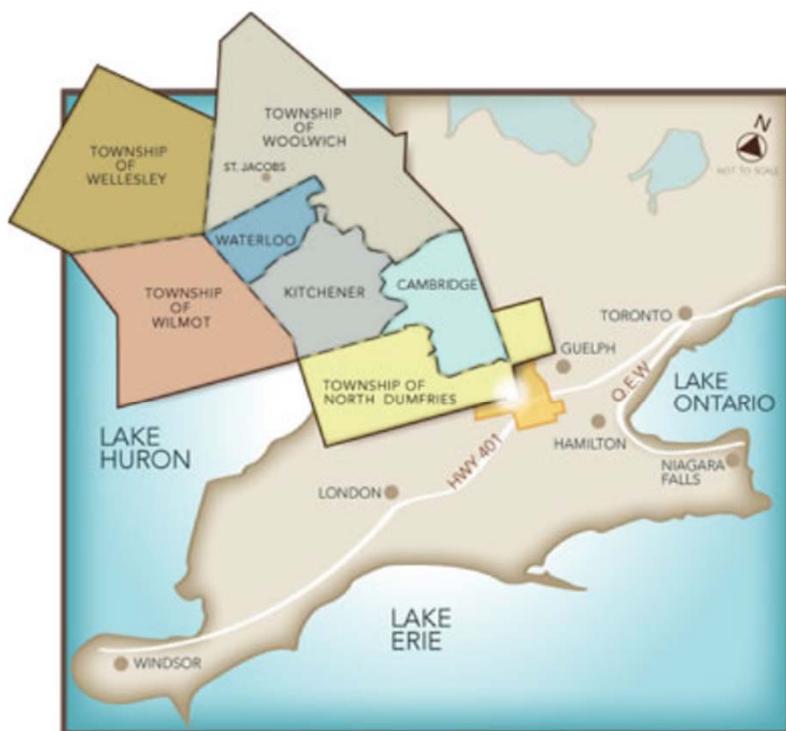
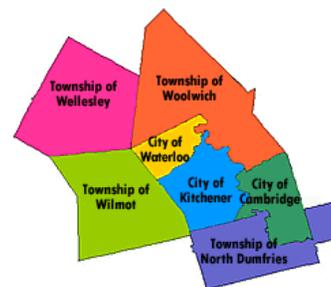


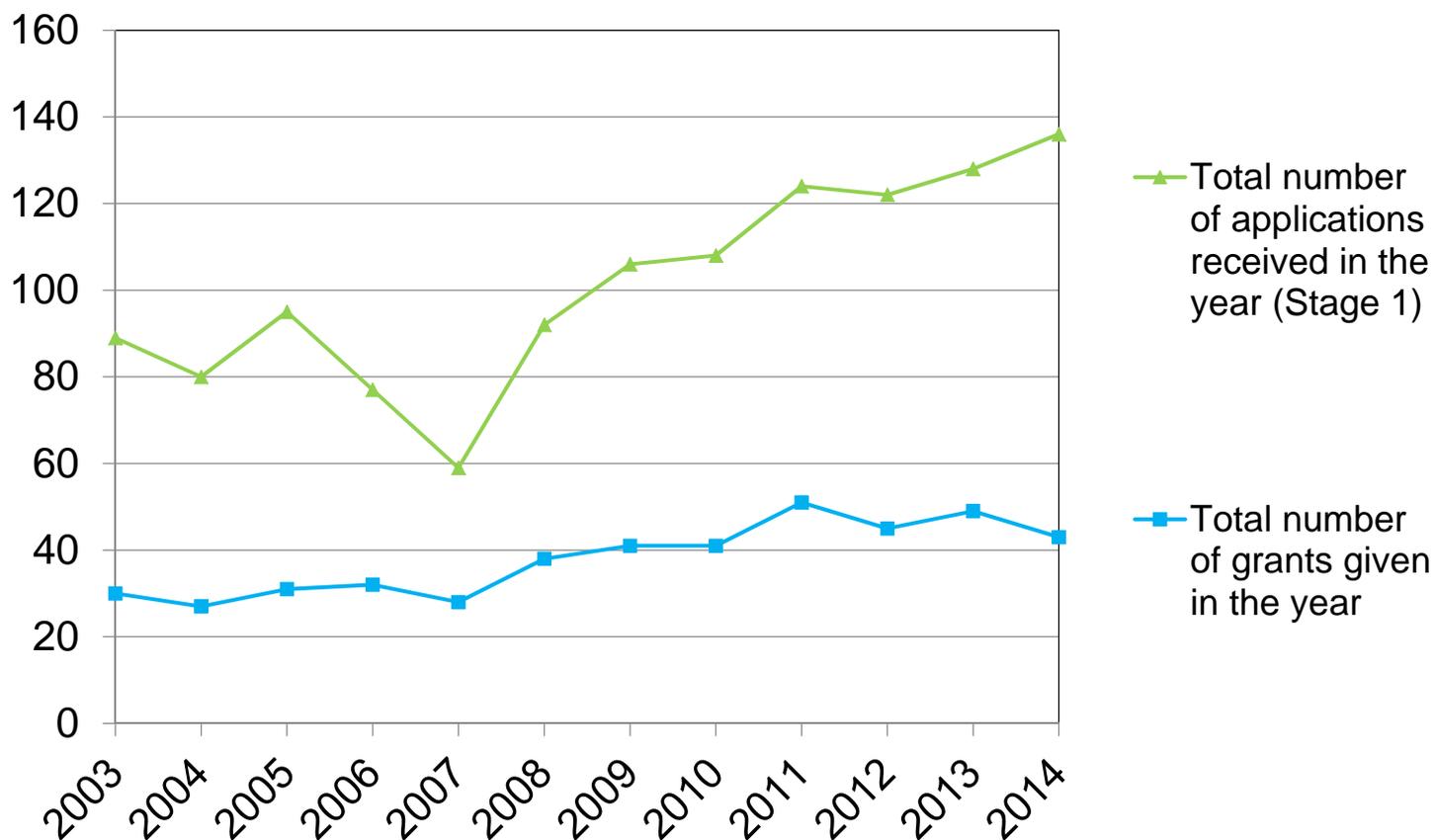
Figure 1.1: Location of study area (Waterloo Region, Ontario, Canada)³

The Arts Fund accepts applications from everywhere within the Region of Waterloo.



Region of Waterloo Arts Fund

**Trend line per Year
for Numbers of Applications and Grants Provided**



Region of Waterloo Arts Fund

Goal:

Make Art Happen

Success:

The achievement of one's aim or goal.

Potential:

Currently unrealized ability

Region of Waterloo Arts Fund



Region of Waterloo Arts Fund



region of waterloo



ARTS FUND
celebrating
15 / 150

Stage 1 deadlines:

Spring Applications:
4 p.m. Friday, March 3, 2017

Fall Applications:
4 p.m. Friday, September 8, 2017

Open House Sessions:*
February 7 and August 15, 2017
5 to 7 p.m.

artsfund.ca



Region of Waterloo

2016 RDC Background Study and By-law for Transit and Waste Management

Administration & Finance Committee
November 22, 2016

Docs # 2274874



Region of Waterloo

Agenda

- Background
- 2016 DCBS
- Public Input and Consultations
- Revised Rates
- Staff Recommendations



Background

- Development Charges are:
 - Fees imposed on development to finance “growth-related” capital costs
 - Funding source for new infrastructure and facilities to maintain service levels
 - Principle is “growth pays for growth” so that financial burden is not borne by existing tax/rate payers – not possible under current rules



Region of Waterloo

Background

- Key legislation: Development Charges Act 1997
- Bill 73 “Smart Growth for Our Communities Act” received royal assent Dec 3, 2015
- Waste management (WM) now an eligible service (excluding landfill and waste incineration)
- Changes to the treatment of transit services – no 10% discount, cost recovery based on a planned level of service



Region of Waterloo

Background

- Council passed RDC By-law 14-046 on June 27, 2014
- Effective date Aug. 1, 2014 and expires Aug. 1, 2019
- January 2016: Council directed staff to prepare a Development Charge Background Study (DCBS) for Transit & Waste Management
- Proposed charges incorporated into an amending by-law imposing DCs for transit and WM
- Does not impact the life-cycle of existing by-law



Region of Waterloo

2016 DCBS

- Current RDC By-law to remain in force for all other services
- Most policy items remain as prescribed in the current By-law:
 - Downtown core exemptions for all services except Transit & Waste Management
 - 50% Discount on Industrial Development
 - Brownfield Exemptions
 - Redevelopment Time Frame



Region of Waterloo

2016 DCBS

- Policy items related to Transit and Waste Management DCBS considered by the Steering Committee include:
 - Downtown core area exemptions
 - Area rating
- DCBS prepared by Hemson Consulting Ltd. in accordance with provisions of the DC Act
 - Released Aug 15, 2016



Region of Waterloo

Public Input – Consultations

- Stakeholder consultation took place throughout the process
- RDC By-law timeline extended to provide more time for consultation
- Relevant reports and materials distributed directly to stakeholder list



Region of Waterloo

Public Input – Consultations

- Waterloo Region Homebuilders' Association – Ongoing
- City of Kitchener Staff – August 25
- City of Waterloo Economic Development Committee – September 20
- City of Kitchener Economic Development Committee – September 28
- City of Cambridge Staff - October 11
- Greater KW Chamber of Commerce – November 7
- Regular updates to Area Municipality Treasurers



Revised Rates

Rates Adjusted For:

- Public Transit Infrastructure Funding (PTIF)
 - \$11.2 M applied to planned growth-related transit infrastructure
- Cash flow
 - Adjusted to fully account for indexing of DC Rates for Transit
- Timing of UW Transit Plaza, RT Station Integration and Fairview Mall Terminal
 - Adjusted to provide better alignment between Capital Budget and DCBS
 - Capital costs remain unchanged – only timing adjusted

Rates have decreased from those in the DCBS



Revised Rates - Residential

Region of Waterloo

Calculated DC Rates Per	SDU Per DCBS		SDU Revised		% Change	
	Cities	Twshp	Cities	Twshp	Cities	Twshp
Single Detached Unit (SDU)						
Transit (Cities Only)	\$3,969	-	\$3,465	-	-13%	0%
Transit (Region-Wide)	3,641	3,641	3,188	3,188	-12%	-12%
Transit (Differentiated)	3,740	1,958	3,426	1,736	-8%	-11%
Waste Management	255	255	255	255	0%	0%



Revised Rates - Residential

Region of Waterloo

Residential Rates per Single Detached Unit (SDU)				
Cities				
Service Area	Current 2016	Revised Calculated		
		(Uniform Region-Wide Transit)	(Differentiated Transit)	(Cities Only Transit)
Waste	\$0	\$255	\$255	\$255
Transit	\$794	\$3,188	\$3,426	\$3,465
Other services*	\$17,268	\$17,268	\$17,268	\$17,268
Total	\$18,062	\$20,711	\$20,949	\$20,988
<i>\$Change</i>		\$2,649	\$2,887	\$2,926
<i>%Change</i>		15%	16%	16%
Townships				
Service Area	Current 2016	Revised Calculated		
		(Uniform Region-Wide Transit)	(Differentiated Transit)	(Cities Only Transit)
Waste	\$0	\$255	\$255	\$255
Transit	\$0	\$3,188	\$1,736	\$0
Other services*	\$17,480	\$17,480	\$17,480	\$17,480
Total	\$17,480	\$20,923	\$19,471	\$17,735
<i>\$Change</i>		\$3,443	\$1,991	\$255
<i>%Change</i>		20%	11%	1%



Region of Waterloo

Revised Rates – Non-Residential

Calculated DC Rates	Non-Res Per DCBS		Non-Res Revised		% Change	
	Cities	Twshp	Cities	Twshp	Cities	Twshp
Per Square Foot						
Transit (Cities Only)	\$2.15	-	\$1.89	-	-12%	0%
Transit (Region-Wide)	\$1.53	\$1.53	\$1.34	\$1.34	-12%	-12%
Transit (Differentiated)	\$1.69	\$0.67	\$1.49	\$0.59	-12%	-12%
Waste Management	\$0.01	\$0.01	\$0.01	\$0.01	0%	0%



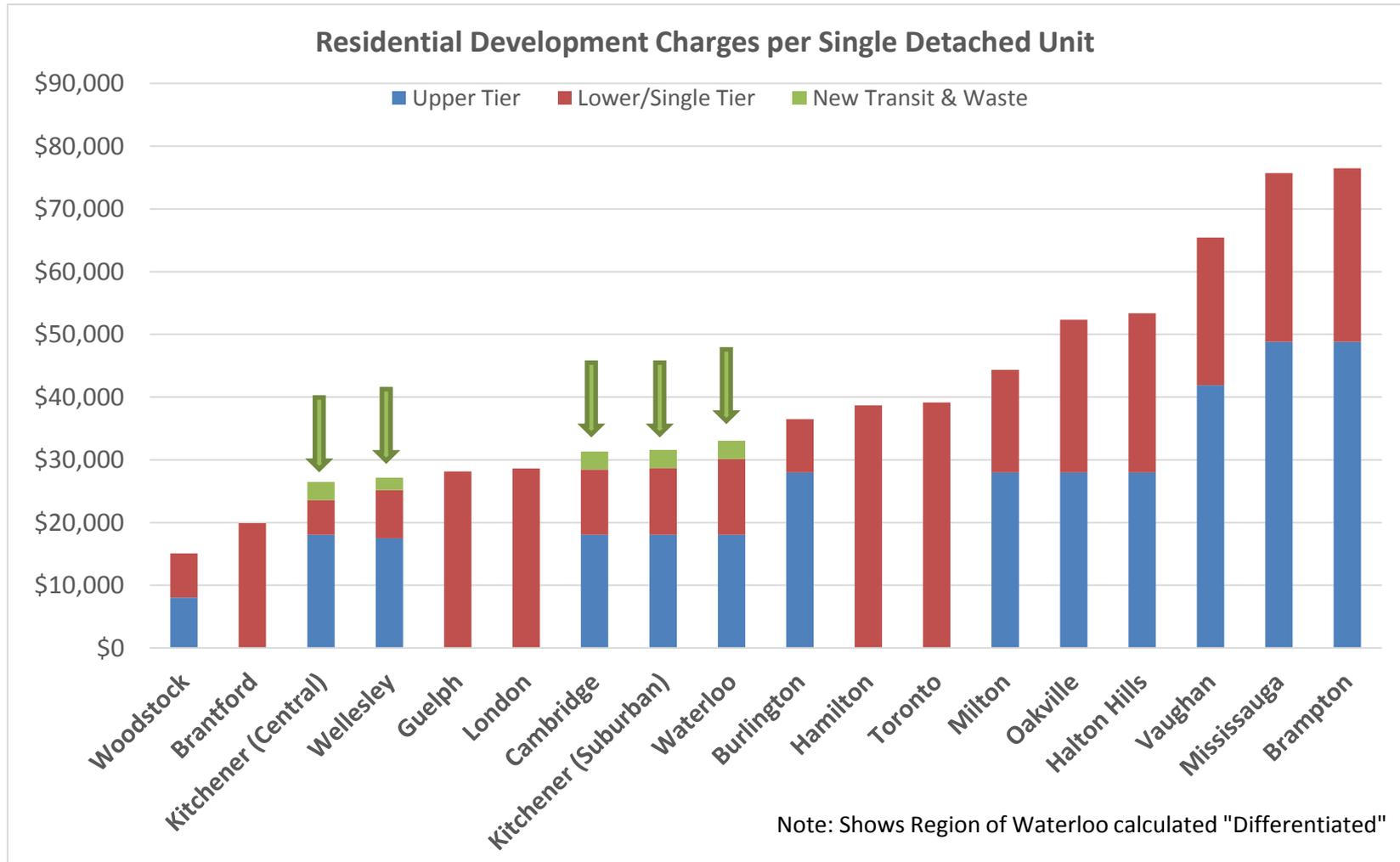
Revised Rates – Non-Residential

Region of Waterloo

Non - Residential Rates per Square Foot				
Cities				
Service Area	Current 2016	Revised Calculated		
		(Uniform Region-Wide Transit)	(Differentiated Transit)	(Cities Only Transit)
Waste	\$0.00	\$0.01	\$0.01	\$0.01
Transit	\$0.44	\$1.34	\$1.49	\$1.89
Other services*	\$9.40	\$9.40	\$9.40	\$9.40
Total	\$9.84	\$10.75	\$10.90	\$11.30
<i>\$Change</i>		\$0.91	\$1.06	\$1.46
<i>%Change</i>		9%	11%	15%
Townships				
Service Area	Current 2016	Revised Calculated		
		(Uniform Region-Wide Transit)	(Differentiated Transit)	(Cities Only Transit)
Waste	\$0.00	\$0.01	\$0.01	\$0.01
Transit	\$0.00	\$1.34	\$0.59	\$0.00
Other services*	\$9.40	\$9.40	\$9.40	\$9.40
Total	\$9.40	\$10.75	\$10.00	\$9.41
<i>\$Change</i>		\$1.35	\$0.60	\$0.01
<i>%Change</i>		14%	6%	0%



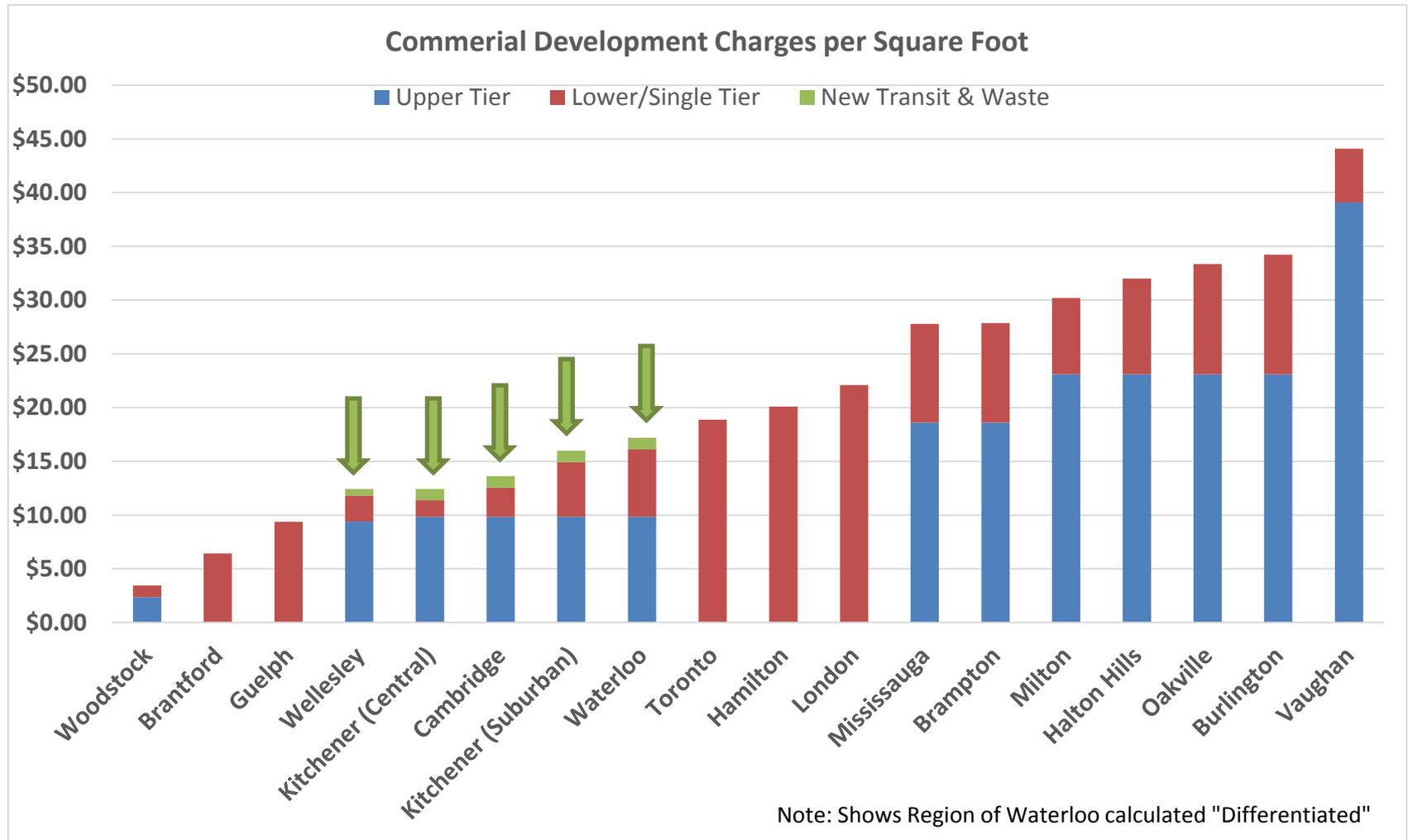
Residential DCs Per SDU





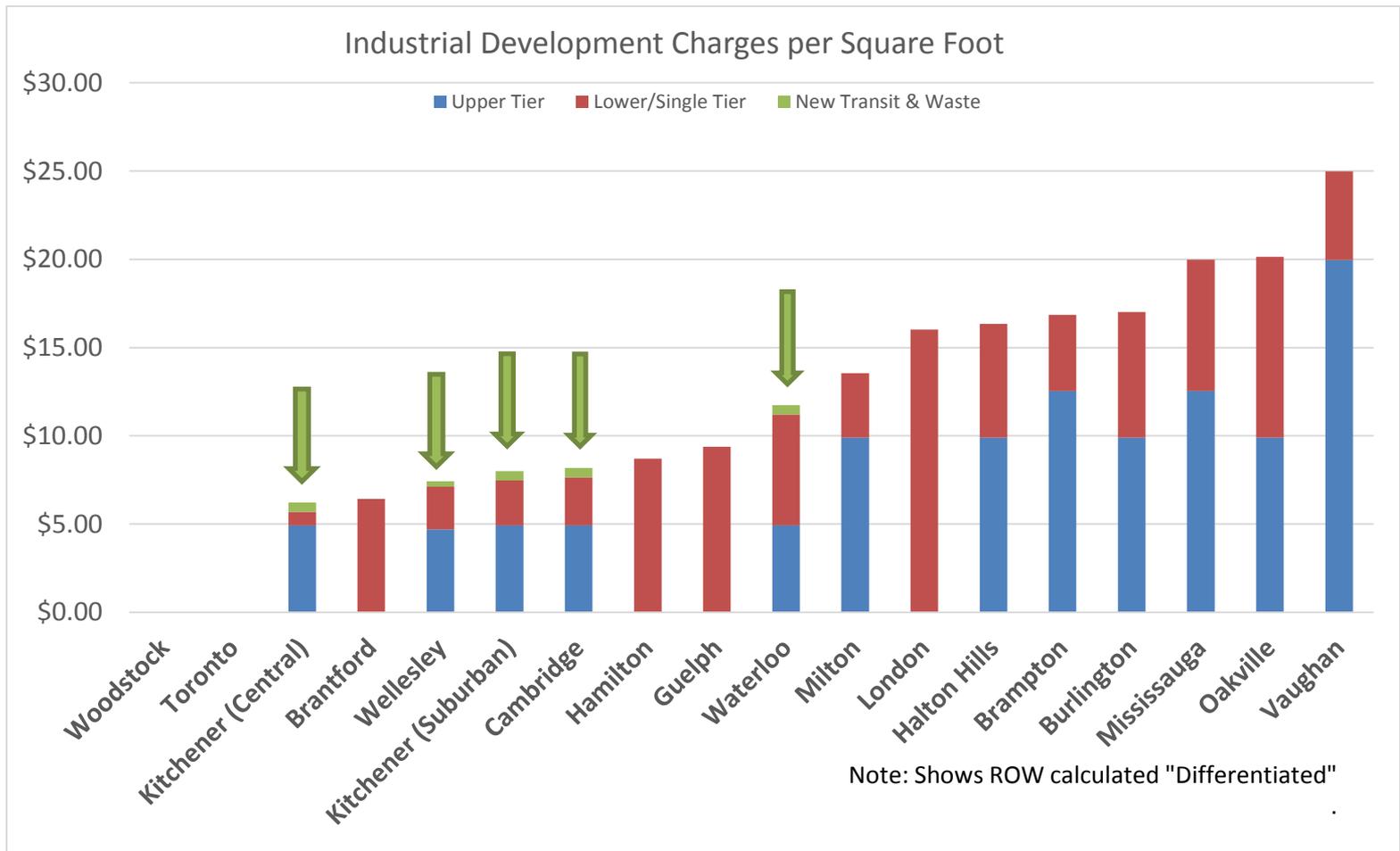
Region of Waterloo

Commercial DCs Per Sq.Ft.





Industrial DCs Per Sq.Ft.





Region of Waterloo

Staff Recommendations - Considerations

- Recommendations developed taking into account the following:
 - Region has been requesting changes to the DCA since 2009
 - RDC is a significant funding source for the Region's Capital Program
 - If the maximum permissible DC rate is not imposed, property-tax supported budgets must fund the forgone revenues or projects must be deferred



Region of Waterloo

Staff Recommendations - Considerations

- DC Act provisions including ineligible services and costs, 10% discount for some services, mandatory exemptions and 10 year backward looking service level for all but transit results in increasing burden on taxpayers to fund growth-related infrastructure
- DC reserve balances have been decreasing while need for growth-related debt has increased
- Proposed DC rates reflect the cost of providing growth related services for Transit and waste management



Region of Waterloo

Staff Recommendations - Considerations

- Broad range of input and feedback received from stakeholders with respect to the rates and implementation policies
- Regardless of where development occurs, new Regional infrastructure is required to provide capacity to support the growth
- Regional DCs remain comparable to those of the Region's neighbours



Region of Waterloo

Staff Recommendations

- Implement maximum permissible rates on a Region-wide basis for WM and Transit
- Apply Downtown Core Exemption (s/t matching local DC exemption) to Transit and WM until January 1, 2018
- Implement new rates January 1, 2017
- No additional public meeting
- Amendments to 2017 budgets



Region of Waterloo

Next Steps

Activity	Date
Regional Council (By-law Passage)	30 Nov
Communications regarding amended by-law distributed	December
New rates take effect	January 1, 2017



Staff Recommendations

Recommendation 2(a) and 2(b) – Waste management RDC rates

- Approve the residential development charge rates for Waste Management in the amended Development Charge by-law at the rates set out in Table A1 in Appendix A of Report COR-FSD-16-32 on a Region-wide basis;
- Approve the non-residential development charge rates for Waste Management in the amended Development Charge by-law at the rates set out in Table A2 in Appendix A of Report COR-FSD-16-32 on a Region-wide basis;



Staff Recommendations

Recommendation 2(c) and 2(d) – Transit RDC rates

- Approve the residential development charge rates for Transit in the amended Development Charge by-law at the rates set out in Table A1 in Appendix A of Report COR-FSD-16-32 on a Region-wide basis;
- Approve the non-residential development charge rates for Transit in the amended Development Charge by-law at the rates set out in Table A2 in Appendix A of Report COR-FSD-16-32 on a Region-wide basis;



Staff Recommendations

Recommendation 2(e) – Downtown core exemption – Transit & Waste Management

- Apply the existing downtown core exemption to Transit and Waste Management development charges provided that the lower-tier municipality provides for the same exemption until January 1, 2018, at which point such charges shall become payable;



Downtown Core Exemptions

Region of Waterloo

Core Area Exemptions	Jan 1, 2017	Jan 1, 2018	Mar 1, 2019
Kitchener and Cambridge (local DC exemption in place)	All services exempt	All services exempt except Transit/WM	No exemption
Waterloo and Townships (no local DC exemption)	No exemption	No exemption	No exemption



Staff Recommendations

Recommendation 2(f) – Implementation of Amending By-law

- Approve the proposed amending By-law, as set out in Appendix C to Report COR-FSD-16-32, with an effective date of January 1, 2017.



Staff Recommendations

Recommendation 3 – Additional Public Meeting

- That Regional Council determine that no further public meeting is necessary in order to consider the changes made to the proposed amendments to the Development Charge by-law, pursuant to Section 12 of the Development Charges Act, 1997.



Staff Recommendations

Recommendation 4 – 2017 Budget amendments

- THAT staff be directed to prepare amendments to the preliminary 2017-2026 Waste Management and Transit capital programs and the preliminary 2017 Tax Supported Operating Budget as required in accordance with the above noted recommendations, and submit such proposed amendments to the Budget Committee for consideration as part of the Region of Waterloo's 2017 Budget deliberations.

November 22, 2016

Regional Municipality of Waterloo
Corporate Resources Department
150 Frederick Street, 3rd Floor
Kitchener, ON N2G 4J3

**ATTENTION: Kris Fletcher, Director, Council & Administrative Services/
Regional Clerk**

Dear Ms. Fletcher:

**RE: City of Waterloo Comments on Region of Waterloo Revised DC By-law Update for
Transit and Waste Management**

Please be advised that the following resolution was ratified by the Council of The Corporation of the City of Waterloo at its meeting held on November 21, 2016:

WHEREAS: The Regional Municipality of Waterloo is considering the passing of a new Development Charges By-law;

AND WHEREAS: the Provincial Growth Plan has identified three (3) Urban Growth Centres within the Regional Municipality of Waterloo;

AND WHEREAS: the Regional Municipality of Waterloo's Official Plan has identified Uptown Waterloo as a desired location for intensification and investment;

AND WHEREAS: the proposed by-law is applied differently amongst City member municipalities within the Regional Municipality of Waterloo;

AND WHEREAS: the rate when applied provides a difference of 9.2% - 14.7% (depending on development type) in Regional Development Charges over current rates, resulting in a combined Region + City DC payment of \$18,423 for a 2/3 bedroom apartment in the Uptown Waterloo core area versus \$0 in downtown Kitchener's core area;

AND WHEREAS: the Cities of Waterloo and Kitchener receive the same level of service from the Regional Municipality of Waterloo;

AND WHEREAS: the proposed by-law results in the City of Waterloo tax base subsidizing development occurring elsewhere in the Regional Municipality of Waterloo yet not receiving similar benefit;

THEREFORE BE IT RESOLVED: that the City of Waterloo opposes the Region's draft by-law for Transit & Waste Management DC's as it stands.

AND THAT: the City of Waterloo requests delaying the implementation of Transit & Waste Management DC rates in Waterloo's core area until January 1, 2018 and that they be identical for all cities core areas regardless of whether or not a core area exemption is currently in place.

AND THAT: a copy of this motion be circulated to the Region of Waterloo as well as local area municipalities on November 22, 2016.

Yours truly,



Olga Smith, City Clerk & Director
Legislative Services, Corporate Services
City of Waterloo|100 Regina Street South
PO Box 337, STN Waterloo|Waterloo ON N2J 4A8
P: 519.747.8703|F: 519.747.8510|TTY: 1.866.786.3941

OS/sp

cc: Christine Tarling, City Clerk, City of Kitchener
Michael Di Lullo, City Clerk, City of Cambridge
Valrie Hummel, Township Clerk, Township of Woolwich
Barb McLeod, Township Clerk, Township of Wilmot
Grace Kosch, Township Clerk, Township of Wellesley
Lori Heinbuch, Township Clerk, Township of North Dumfries

November 21, 2016

Our File No.: 16-2413

Via Email

Chair Sean Strickland and
Member of the Administration and Finance Committee
Region of Waterloo
150 Frederick Street
Kitchener ON N2G 4J3

Dear Chair Strickland and Committee Members:

**Re: Waterloo Region Transit and Waste Management DC Review
Report COR-FSD-16-32
November 22, 2016 Committee Meeting**

We are writing on behalf of our client, the Waterloo Region Home Builders' Association ("WRHBA"), regarding the Region's proposed new development charges for Transit and Waste Management Services.

WRHBA has reviewed the report from Regional staff to be considered at the Administration and Finance Committee's November 22, 2016 meeting. WRHBA continues to have fundamental concerns in respect of several aspects of the calculation of the proposed developments charges, and is very disappointed that staff have not addressed the concerns WRHBA previously raised.

WRHBA does support the staff recommendation, in principle, that the Transit development charge should apply on a Region-wide basis. However, WRHBA continues to have concerns about the quantum of the Transit and Waste management development charges, and also believes that the background study does not provide the asset management plans required by the Act.

WRHBA also believes that the by-law proposed by staff does not provide for reasonable and appropriate grandfathering or phasing-in of the increased development charges. Development charge increases of this nature impact businesses and home buyers in the Region. For example, agreements of purchase and sale are generally entered into in advance of the issuance of a building permit and payment of the development charge for residential units, often by many months. WRHBA believes that planned development should be protected from the proposed increases for a period of at least six months.

We acknowledge that WRHBA received a package of information from Regional staff in response to questions posed by WRHBA's consultants arising from the calculations in Hemson's

background study. While the information provided by staff satisfactorily answered some of WRHBA's questions, several concerns remain. We wrote a letter to staff on November 7, 2016, a copy of which is attached, with a list of WRHBA's outstanding concerns and with follow-up questions and requests for additional information that would assist WRHBA's consultants in their understanding of the Region's calculations. A response to that letter has not yet been received.

In conclusion, WRHBA believes that in several respects the calculation of proposed Transit and Waste Management development charges are not fair and reasonable, and do not comply with the requirements of the Act. WRHBA does not believe that the by-law proposed by staff should be enacted by Council.

WRHBA remains open to discussing its concerns with staff, if that might be helpful in reaching development charge increases that are mutually acceptable to the Region and to the development industry.

Yours truly,

Goodmans LLP



Robert D. Howe

encl.

cc: Mr. Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer
Ms. Cathy Deschamps, Director, Financial Services and Development Financing
Waterloo Region Home Builders' Association

November 7, 2016

Our File No.: 16-2413

Via Email

Region of Waterloo
Corporate Services
Financial Services and Development Financing
150 Frederick Street
Kitchener ON N2G 4J3

Attention: Ms. Cathy Deschamps Director, Financial Services and Development Financing

Dear Ms. Deschamps:

Re: Waterloo Region Transit and Waste Management DC Review

Thank you for your letter of October 7, 2016, with which you provided the Region's response to the September 2, 2016 memo by Altus Group on behalf of the Waterloo Region Home Builders' Association ("WRHBA") regarding the Region's Background Study for Transit and Waste Management Services.

While the information that the Region provided has satisfactorily answered some of WRHBA's questions, WRHBA still has concerns regarding many aspects of the Background Study, including:

- the allocation of transit capital costs among existing development, benefit during the study period and post period benefit;
- the absence of any recognition of excess capacity in the transit services at 2031;
- the absence of any future level of service calculations regarding transit;
- the absence of an asset management plan for transit in accordance with the requirements of the Act and Regulations;
- the inclusion of hydro upgrade and relocation costs in the calculation of the transit development charge;
- the manner in which the Region may calculate differentiated development charges for development in the Cities and Townships;

- the inclusion of capital assets associated with services that are contracted out by the Region in the historic level of service calculations;
- the inclusion of capital costs that are not proposed to be incurred by the Region in the calculation of the waste management development charge; and
- the absence of an asset management plan for waste management.

Through their review of the Region's response and further review of the Background Study, WRHBA's consultants have identified some additional information that would assist in their understanding of the Region's calculations, and which could in turn assist in addressing WRHBA's concerns. Accordingly, WRHBA is requesting that the Region provide the following additional information:

1. Population, employment and transit mode share data by traffic zone (including mapping identifying traffic zone boundaries) for 2011 and 2031 based on the modeling used for the Region's 2010 Transportation Master Plan, and for any interim years for which the data is available. Also, identification of the growth designation for each traffic zone (high, medium or low) as referred to in the response to question 2 related to transit mode share.
2. More specific details/supporting information regarding the Utility Relocation works to be done through the LRT project. Does any aspect of this work as part of the LRT project avoid the need for future replacement or upgrades that would be required if the LRT was not proceeding? In other words does any aspect of this work reduce future capital expenditures? Are the "upgrades" referenced required solely to provide hydro services to the LRT system, or is the upgraded hydro service to provide a benefit to other development? What is meant by the reference to "Early Works" in relation to the LRT costs in Staff Report F-14-062?
3. Copies of all contracts with any and all Regional waste management service providers. Please also provide copies of contracts with the City of Guelph in respect of organics processing. Please provide details of the equipment to be acquired respecting curbside separated organics collection. Please advise how the Region intends to expend funds collected on account of new waste management collection vehicles – is it the Region's intention to actually purchase new waste transfer vehicles?
4. Details of the historic waste management capital expenditures made by the Region for the 2006-2015 period.

We are hopeful that the Region will provide the above information in order to assist WRHBA's ongoing consideration of the proposed development charges. We note that WRHBA may have additional questions or requests for information in the future.

Yours truly,

Goodmans LLP



for: Robert D. Howe

cc: Kevin Fergin and Marie Schroeder, Waterloo Region Home Builders' Association
Daryl Keleher, Altus Group
Paul Sarjeant, BA Group

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