Regional Municipality of Waterloo

Consolidated Special Council Agenda

Regional Development Charges

Friday, June 27, 2014

* 2:00 p.m. (Note Time Change)

Regional Council Chamber
150 Frederick Street, Kitchener, ON

*Denotes Item(s) Not Part of Original Agenda

The purpose of the meeting is to continue the discussion of the Administration and Finance Committee with respect to the Regional Development Charges and to make a decision regarding Regional Development Charges

1. **Declaration of Pecuniary Interest Under the “Municipal Conflict of Interest Act”**

2. **Motion to Go Into Committee Of The Whole**
   
   a) Opening comments by T. Galloway
   
   * b) **F-14-088, Additional Information for 2014 Development Charges By-law Review**
   
   * c) Review and discussion of Development Charges recommendations

3. **Communications**
   
   * a) **Polocorp Inc.**

   * b) **Langs** (includes correspondence from 15 different agencies across Waterloo Region)

4. **Motion for Committee Of The Whole To Rise And Council Resume**

1656931
5. **Motion to Adopt Proceedings Of Committee Of The Whole**

6. **Enactment of By-Laws – First, Second & Third Readings**
   a) A By-law to Establish Development Charges for the Regional Municipality of Waterloo
   b) A By-law to Confirm the Actions of Council – June 27, 2014

7. **Adjourn**
Region of Waterloo
Finance Department
Financial Services & Development Financing

To: Regional Chair Ken Seiling and Members of Regional Council

Date: June 27, 2014

File Code: F27-50

Subject: Additional Information for 2014 Development Charges By-law Review

Recommendation:

1. That the Regional Municipality of Waterloo approve the Development Charge Background Study dated March 2014 as amended, including the capital program contained in the study, for the purpose of complying with Section 10 of the Development Charges Act, 1997.

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, take the following action with respect to Regional Development Charges and incorporate such action in the new Regional Development Charges By-law as applicable:

   a. Set the residential development charge rates in the Development Charge by-law at the rates described in the “2014 Recommended” column of Table 1 in Appendix A of Report F-14-088, incorporating a 10% deferral of water, wastewater and roads capital projects;

   b. Set the non-residential development charge rates in the Development Charge by-law at the rates described in the “2014 Recommended” column of Table 2 in Appendix A of Report F-14-088, incorporating a 10% deferral of water, wastewater and roads capital projects;

   c. Approve a 50% discount of the non-residential development charge rate established under recommendation 2(b) applicable to Industrial Development.
3. That the Regional Municipality of Waterloo, having considered the input provided by the public and stakeholders regarding development charge policy and implementation options, take the following action with respect to Regional Development Charges and incorporate such action in the new Regional Development Charges By-law as applicable:

a. Extend the period of time for eligible redevelopment and brownfield credits from 5 years to 7 years;

b. Determine eligibility for the statutory 50% industrial expansion exemption based on the existing building on a site as of the effective date of the new Regional Development Charges by-law, being August 1, 2014;

c. Take no action with respect to the request to provide Regional development charge exemptions for non-profit organizations and community groups;

d. Continue the current practice of not providing a Regional development charge exemption for non-exempt educational institutions;

e. Take no action with respect to the request from the Waterloo Region Homebuilders’ Association to delay the effective date of new Regional development charge rates by 3 months;

f. Take no action with respect to the request from the City of Cambridge to phase in the Regional development charges;

g. Phase out the Downtown Core Regional Development Charge exemption, incorporating the expanded area in the City of Kitchener on July 1, 2016, on the following basis:

   i. Aug. 1, 2014 - Dec. 31, 2016 = 100% exemption


   iii. Jan. 1, 2018 – Dec. 31, 2018 = 50% exemption

   iv. From Jan. 1, 2019 onward = no exemption;

h. Take no action with respect to the request from the City of Waterloo to phase in the residential and non-residential development charge increases within the Uptown Waterloo Urban Growth Centre;

i. Take no action with respect to the request from Fusion Homes for an additional Regional development charge exemption applicable to the expanded area of the City of Kitchener’s downtown core for the 5 year term of the Regional Development Charges by-law.
4. That Regional Council determine that no further public meeting is necessary in order to consider the changes made to the proposed Development Charge by-law, pursuant to Section 12 of the Development Charges Act, 1997.

5. That the 2014-2023 capital program, as approved by Council on January 15, 2014, be amended to include the development charge revenues as calculated in the capital program contained in the Background Study.

6. That having reviewed the development charge rates and determined the rates to be included in the Development Charges by-law, direct staff to monitor the development charge collections and capital program expenditures and report back annually on any shortfalls which may result to assist Council in determining the sufficiency of the rates established under the Development Charge by-law and the appropriateness of re-opening the by-law at that time, with the first report not later than fall 2015.

7. That the Administration and Finance Committee be delegated the authority of Council to conduct hearings relating to complaints made under Section 20 of the Development Charges Act, 1997.

8. That the Regional Development Charges By-law, as set out in Appendix H to Report F-14-088, be approved with an effective date of August 1, 2014.

Summary:

This report provides additional information to Regional Council to assist in its deliberations with respect to the Region’s Development Charges (RDC) By-law. The recommendations described herein have been endorsed by the Working Group and were developed taking into account the following:

- Development charge reserve balances have been decreasing and the Region needs to maximize the development charge revenue collected over the life of the by-law. Development charge collections need to increase in order to sufficiently fund the costs associated with development. The proposed increase in residential development charge rates is reflective of the cost of providing growth related services.

- The majority of the increase in the residential development charge is required to offset development charge reductions put in place in 2009 while the economy was in recession. Revenue over the 5 years of the current by-law was $60 million less than the permissible maximum and the deferred implementation of 5 months in 2009 cost an additional $10 million in foregone RDC revenue.

- Growth does not pay for growth, despite this being a principle established by the province. Ineligible services and costs, a mandatory 10% discount for some services, mandatory exemptions, and a ten year backward looking service level
standard make it impossible for “growth to pay for growth.” The result is an ever increasing burden on taxpayers and ratepayers. Development charges fund only 25% of the Region’s 10 year capital program.

- As a result of reduced RDC collections and growth being less than projected, the Region issued $70 million in debt in 2013 to finance growth related wastewater capital costs. For the next 20 years, the first $5 million annually in wastewater RDC revenue is needed simply to fund the associated debt servicing costs. It is estimated that up to $250 million in additional debt will be issued over the next ten years in order to put the infrastructure in place needed to service growth, with resulting debt servicing costs of $15-$18 million per year. This presents an ever increasing risk to the property taxpayer and water and wastewater ratepayers if RDC collections are reduced and/or are insufficient to meet the debt servicing costs. The need to collect a sufficient amount of development charges to cover such costs has never been greater.

- Recent business investment and location decisions have spawned discussion with regards to implementing incentives for industry to both locate and expand in the Region.

- The regional component of the total development charge has increased significantly, and as a result the cost of discretionary exemptions is borne predominantly by the Region.

- Regardless of where development occurs in the Region, new Regional infrastructure is required to provide the capacity to support the growth.

- Regional development charges should be comparable to those of the Region’s neighbours.

The report provides a description, analysis, options and rationale relating to development charge rates, policies and implementation options. The existing RDC by-law expires on July 31, 2014.

Report:

1. Background

The Region is required to undertake a review of the Regional Development Charge and the Regional Development Charge By-law every five years. The current RDC By-law expires on July 31, 2014.

Before passing a new Development Charge By-law, a municipality is required to prepare a Background Study. This Background Study and the draft development charge by-law must be made available to the public at least two weeks prior to a
statutory public meeting where the Council will hear representations on the proposed By-law. The draft Background Study dated March 2014 was presented to Administration and Finance Committee on April 1, 2014 (F-14-043) and posted on the Region’s website. The draft RDC By-law was posted on the Region’s website on May 21, 2014.

It is required that Council hold a public meeting to hear input on the Background Study and the draft development charge by-law before the by-law is approved. The public meeting was held on June 4, 2014. Staff submitted report F-14-073 to the Administration & Finance Committee on June 17, 2014 which included the proposed RDC by-law. The Committee deferred consideration of the proposed RDC by-law pending the receipt of additional information relating to certain implementation options. The purpose of this report is to provide such information.

The development charge rates are the subject of recommendations 2(a), 2(b) and 2(c). Development charge implementation and policy matters are the subject of recommendations 3(a) to 3(i).

The Development Charge working group comprised of councillors Tom Galloway (chair of the working group), Jim Wideman, Jane Brewer, Carl Zehr, Todd Cowan, Claudette Millar, Les Armstrong, Ken Seiling and Regional staff met on June 25, 2014 to review and finalize the recommendations. The Development Charge working group has endorsed and is putting forward these recommendations for Council’s consideration.
Development Charge Rate Recommendations

Recommendation 2(a) – Residential development charge rates

Set the residential Development Charge rates in the Development Charge by-law at the rates described in the “2014 Recommended” column of Table 1 Appendix A of Report F-14-088, incorporating a 10% deferral of water, wastewater and roads capital projects.

Description:

- The residential development charge rates calculated, as detailed in Appendix A Table 1, are the maximum amount that can be included in the development charge by-law. The maximum permissible residential development charge rates represent an increase of 49% over current rates.
- The increase is the result of the significant increase in both the number and cost of capital projects which are necessary to support growth.
- Imposing the maximum permissible rate provides the maximum funding for capital projects from the development charge. It also reduces the risk of property tax and user rate impacts, especially related to the debenture financing required for growth related projects. This follows, to the extent possible, the principle of “growth pays for growth.”
- A municipality may elect to reduce the development charge rate by reducing the services which are included in the by-law and/or reduce the number and cost of projects expected to be completed under the by-law. The capital projects included in the Transportation, Water and Wastewater sections of the Background Study are all included in the Region’s approved ten year capital program and these projects are required to be completed to meet the needs of development.
- The working group recommends that a 10% deferral of capital costs related to Transportation (Roads), Water and Wastewater projects be implemented. This deferral of $85 million in capital costs would result in a residential single detached unit urban rate of $17,936 which is a 35% increase over the 2014 actual rate of $13,288 and a 1% increase over the 2009 calculated rate (indexed) of $17,769. These are the amounts shown in the draft by-law and Table 1 Appendix A “2014 Recommended” column.
- Staff were requested to calculate the effect of a 15% deferral of capital costs related to the same services. Such a deferral would result in a reduction of the residential sd urban rate of $710 to $17,226.
- A 10% deferral reduces RDC collections by $38 million, and a 15% deferral increases the foregone revenue to $58 million.
Rationale for recommendation:

The proposal reduces the overall increase in the residential RDC, and provides flexibility for staff to review the growth related capital plan on an annual basis and defer projects as required if growth estimates are not achieved. Comparative residential development charges in other municipalities are shown in Appendix B.

Recommendation 2(b) – Non-residential development charge rates

Set the non-residential Development Charge rates in the Development Charge by-law at the rates described in the “2014 Recommended” column of Table 2 Appendix A of Report F-14-088, incorporating a 10% deferral of water, wastewater and roads capital projects.

Description:

- The non-residential development charge rates calculated, as detailed in Appendix A Table 2, are the maximum amount that can be included in the development charge by-law. The maximum permissible non-residential development charge rates represent an increase of 13% over current rates.
- The working group recommends that a 10% deferral of capital costs related to Transportation (Roads), Water and Wastewater projects be implemented. The non-residential urban rate would be $9.73 per sq.ft. which is a 1.5% increase over the 2014 actual rate of $9.59 per sq.ft. and a 30% decrease from the 2009 calculated rate (indexed) of $13.82 per sq.ft. These are the amounts shown in the draft by-law and Table 2 Appendix A “2014 Recommended” column.
- Staff were requested to calculate the effect of a 15% deferral of capital costs related to the same services. The capital deferral would result in a further reduction of the non-residential urban rate of $0.34 per sq.ft. to $9.39 per sq. ft.
- A 10% deferral reduces RDC collections by $38 million, and a 15% deferral increases the foregone revenue to $58 million.

Rationale for recommendation:

The proposal reduces the overall increase in the non-residential RDC, and provides flexibility for staff to review the growth related capital plan on an annual basis and defer projects as required if growth estimates are not achieved. Comparative non-residential development charges in other municipalities are shown in Appendix B.
### Recommendation 2(c) – Discount for industrial development

**Approve a 50% discount of the non-residential Development Charge rate established under recommendation 2(b) applicable to Industrial Development.**

**Description:**
- The working group has discussed possible incentives to encourage industrial development within the Region.
- Existing industrial buildings receive a statutory exemption for an expansion of up to 50% of existing gross floor area.
- Development charges are but one of many factors affecting a business location decision.
- It is proposed that the industrial development charge be discounted by 50%.
- This discount would be paid for from the property tax and user rate budgets.
- Over the five year term of the by-law, and based on growth forecast in the Background Study, the estimated cost of providing this discount is $7 million.
- The City of Kitchener’s new Development Charge by-law includes the following motion: “That the industrial development charge rate be reduced by 50% as shown in Table 2 for the period of July 1, 2014 to March 1, 2019, provided the Region of Waterloo reduces their industrial development charge rate by 50%.”
- The City of Cambridge’s new development charge by-law (approved on June 23, 2014) does not include a discounted rate for industrial development, although Cambridge staff will report back to Council with options for providing industrial exemptions and discounts.

**Rationale for recommendation:**
The proposed discount positions the Region well with respect to industrial development charges (see Appendix B for municipal comparators). Encouraging industrial development has long term benefits with respect to employment and property taxes.

The Region has budgeted $1.87 million for all discretionary RDC exemptions in the property tax and user rate budgets for 2014. This amount is estimated to be sufficient to meet the expected cost of the discount proposed for the industrial non-residential charge in 2015, together with the current exemptions proposed.
Development Charge Implementation Recommendations

<table>
<thead>
<tr>
<th>Recommendation 3(a) – Redevelopment and brownfield remediation credits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extend the period of time for eligible redevelopment and brownfield credits from 5 years to 7 years.</strong></td>
</tr>
</tbody>
</table>

**Description:**
- The DC Act stipulates that rules for how DCs are to apply to redevelopment must be included in the by-law.
- The Region has provided 5 year redevelopment credit timeframe for eligibility for many years.
- Feedback has suggested that in many cases 5 years is insufficient to reasonably take advantage of the allowance.
- The Region provided $18.3 million in credits 2009-2013 ($3.7 million per annum) - increasing the timeframe would only marginally increase this amount.
- The redevelopment credit encourages redevelopment and reflects the assumption of no increase in need for infrastructure to service.
- Large scale redevelopment and development after brownfield remediation can take more than 5 years, while a shorter timeframe may incent action.

**Rationale for recommendation:**
The extension to 7 years is recommended to provide sufficient time for redevelopment to take place, particularly with larger scale redevelopments. The 7 years is calculated from the date of demolition, and for brownfield sites from the date of Record of Site Condition.
**Recommendation 3(b) – Statutory exemption for existing industrial expansions**

**Determine eligibility for the statutory 50% industrial expansion exemption based on the existing building on a site as of the effective date of the new Regional Development Charges by-law, being August 1, 2014.**

**Description:**

- The DC Act includes a provision where an existing industrial building will receive an exemption for an expansion of up to 50% of the existing Gross Floor Area (GFA).
- This statutory provision is included in the Region’s current RDC by-law, and is based on an existing building on a site as of April 1, 1999 together with a building or portion of building constructed on a site for which full development charges were paid.
- A review of other municipal DC by-laws indicates that the Region’s and the local municipalities’ DC by-law provision is not common practice.
- Many municipalities provide the industrial expansion exemption with no limitation or reset the limitation at the start of each new DC by-law.
- The City of Kitchener has considered this matter and approved the reset of the existing industrial building exemption to July 1, 2014.

**Rationale for recommendation:**

To encourage the expansion of industrial development in the Region. Encouraging industrial development has long term benefits with respect to employment and property taxes.
**Recommendation 3(c) – Exemption for non-profit organizations and community groups**

**Take no action with respect to the request to provide Regional development charge exemptions for non-profit organizations and community groups.**

**Description:**

- Council has the discretion to provide grants to offset development charges on a case-by-case basis.
- Since the first RDC by-law was passed in 1991, the Region has taken no action on virtually all grant requests to offset development charges.
- Grants have been provided when there has been a direct link to core Regional programs. For example an RDC grant is provided to Habitat for Humanity for development charges applicable to its projects in continuance of Council’s policy of supporting community housing initiatives.
- A listing of development charges paid by various not-for-profit, charitable and community development agencies is attached to this report (Appendix C). Development charges of $2.34 million were calculated and paid for such organizations from 2004-2014.
- Any RDC exemptions which are at the discretion of Council must be funded from property taxes and user rates.

**Rationale for recommendation:**

A key principle underlying the development charge concept is that growth to the extent possible should finance the infrastructure demands it creates. There are numerous reasons why growth does not pay for growth. Providing discretionary exemptions further reduces the Region’s collection of development charges to finance growth related infrastructure and transfers the cost to taxpayers and user ratepayers. If exemptions were to be provided, they would need to be funded from property taxes or user rates.
Recommendation 3(d) – Non-exempt educational institutions

Continue the current practice of not providing a Regional development charge exemption for non-exempt educational institutions.

Description:

- The DC Act provides a statutory DC exemption for a board of education as defined in the Education Act.
- Community colleges (including Conestoga College) are exempt from the payment of DCs because they are crown agents of the Province.
- Educational institutions such as the University of Waterloo, Wilfrid Laurier University and all private schools are not exempt and all have historically paid Regional Development Charges.
- Council has not provided exemptions for such institutions in the past as all development places increased demands on Regional infrastructure.
- In 2013, the Region received a request for a refund of RDCs paid by a private school for an expansion of its facility. The request was not approved, and Council indicated its intent to review this matter as part of the DC by-law update.
- A listing of development charges paid by non-exempt educational organizations is attached to this report (Appendix D). The Region has collected $9.4 million in development charges from such organizations from 2004-2014.

Rationale for recommendation:

A key principle underlying the development charge concept is that growth to the extent possible should finance the infrastructure demands it creates. There are numerous reasons why growth does not pay for growth. Providing discretionary exemptions further reduces the Region’s ability to collect development charges to finance growth related infrastructure. If exemptions were to be provided, they would need to be funded from property taxes or user rates.
<table>
<thead>
<tr>
<th>Recommendation 3(e) – By-law implementation date for new RDC rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Take no action with respect to the request from the Waterloo Region Homebuilders’ Association to delay the effective date of new Regional Development Charge rates by 3 months.</strong></td>
</tr>
</tbody>
</table>

**Description:**
- The Waterloo Region Homebuilders Association has requested a 3 month delay of the implementation of new RDC rates.
- This would delay implementation from the recommended date of August 1, 2014 to November 1, 2014.

**Rationale for recommendation:**
Staff estimate that such delay would cost the Region approximately $4 million in lost residential RDC revenue, which would have to be funded from property taxes (approx. 60% of foregone revenue) and user rates (the remaining 40%). This would result in an unbudgeted tax levy impact in 2014 of approximately $2.4 million. The working group had previously discussed a delayed implementation, and continue to recommend implementation of the new rates on August 1, 2014.

Revenue over the 5 years of the current by-law was $60 million less than the permissible maximum and the deferred implementation of 5 months in 2009 cost an additional $10 million.
**Recommendation 3(f) – Request from the City of Cambridge to phase in the RDC**

**Take no action with respect to the request from the City of Cambridge to phase in the Regional development charges.**

**Description:**

- At its meeting held on Monday, June 23, 2014, City of Cambridge Council adopted the following resolution: “That staff be directed to contact the Regional Municipality of Waterloo to request a phase in of the regional development charges.”
- The request for a phase-in relates to the impact of the increase in residential development charge rates on development and building permit applications that are in progress.
- Cambridge Council did not provide any specific timeframe or parameters for such a phase in.
- Regional Council has flexibility to determine the effective date for any development charge rate increases.

**Rationale for recommendation:**

A phase in of development charge rate increases would result in forgone RDC revenue which would need to be funded from property taxes and user rates. Each month of deferral of the new rates would result in approximately $1.3 million of foregone RDC revenue. This would result in unbudgeted tax levy and user rate impacts in 2014, and depending on the parameters of such a phase-in, could result in budget increases in future years.
### Recommendation 3(g) – Downtown core exemption

**Phase out the Downtown Core Regional Development Charge exemption, incorporating the expanded area in the City of Kitchener on July 1, 2016, on the following basis:**

- **Aug. 1, 2014 - Dec. 31, 2016 = 100% exemption**
- **Jan. 1, 2017 - Dec. 31, 2017 = 75% exemption**
- **Jan. 1, 2018 - Dec. 31, 2018 = 50% exemption**
- **From Jan. 1, 2019 onward = no exemption**

**Description:**

- From 1999 to 2009 the Region provided an exemption from RDCs in the downtown cores of all 7 local municipalities.
- In 2009 the policy was changed to provide an RDC exemption in the downtown cores if a local development charge exemption was also provided.
- The City of Waterloo ended its downtown core exemption on Dec. 31, 2009.
- The four townships have not provided a local development charge exemption for downtown cores since 2009.
- At the present time, only Cambridge and Kitchener have such an exemption.
- The City of Kitchener, in its recently approved development charge by-law, has increased the size of the downtown exemption area effective July 1, 2016 to include the area shown in the map attached to the draft development charge by-law (Appendix H, Schedule D). The by-law also indicates the City’s intent to eliminate the downtown core exemption as of March 1, 2019. The Region’s draft by-law includes the expanded area effective July 1, 2016.
- The City of Cambridge approved its new development charge by-law on June 23, 2014 and has not made any change to its downtown core area exemption. Discussion took place with respect to the need for the Region to continue the downtown core exemption in Cambridge, although no specific resolution was passed.
Options:

A) Revert to the practice in place from 1999-2009, whereby a RDC exemption would be provided in all of the downtown cores within the Region, regardless of the approach taken at the local municipal level.

B) Maintain the current practice (in place since 2009) of providing an RDC exemption in those municipalities which provide an exemption for local development charges within the downtown cores i.e. in Kitchener (until March 2019) and Cambridge only.

C) Discontinue the provision of an RDC exemption for development in the downtown cores. If so chosen, Council could either end the exemption now (that is, July 31, 2014), end the exemption at a specific date within the term of the next RDC by-law (that is, between August 1, 2014 and July 31, 2019), or phase out the exemption (proposed).

Analysis:

- Analysis of the RDC exemptions in Downtown Cores provided since 1999 is included in Appendix E.
- Between 1999 and 2009 (while exemptions were in place for all local municipalities), downtown core exemptions resulted in foregone RDC revenue of $19.5 million.
- Between 2009 and 2014 (while exemptions were in place in Kitchener and Cambridge), exemptions resulted in foregone RDC revenue of $5.4 million.
- Over the 5 year term of the new RDC by-law (2014-2019), it is estimated that a 100% downtown core exemption within Kitchener (incorporating the expanded area) and Cambridge would cost the Region approximately $13 million. This amount would be increased by an additional $4 million if a 100% downtown core exemption in Waterloo was created again through the City and Region DC by-laws. The exemption cost estimates are based on residential growth forecasts for the downtown cores of 800-1000 units in Kitchener, 250-400 in Waterloo and 225-300 in Cambridge.
- If the proposed phase-out plan is approved, the estimated cost of exemptions for the proposed downtown core areas of Kitchener and Cambridge during the 5 year term of the by-law is $8.3 million and would be increased by $2.1 million if a downtown core was re-established in Waterloo in 2014 under the City and Region development charge by-laws.
Rationale for recommendation:

The discontinuation and phase out of the RDC exemption within downtown cores is recommended. The Region’s intent is to place all downtown core areas in the Region on a level playing field when it comes to Regional development charges. Discontinuing the exemption is appropriate due to:

- The need for the Region to maximize development charge collections in the coming years in order to assist with financing the significant levels of infrastructure required to service growth.
- The varying treatment of downtown cores at the local municipal level (only two local exemptions remain, with one of them to end in 2019).
- Regional and area municipal policies, programs and investments have successfully encouraged development within existing built up urban areas in the last number of years and further financial incentives are not as necessary at this point.

The proposed phase out period provides a 30 month notice period before the exemption is decreased from 100% to 75%, providing opportunity for the development community to advance business plans for the exemption areas.

Council could consider accelerating the phase out (e.g. 75% of the exemption in 2015, 50% in 2016, and no exemption as of January 1, 2017) or picking one date at which point downtown core exemptions would end completely (e.g. January 1, 2015) if it wished to treat all downtown cores on the same basis earlier than proposed.

It is noted that the Region will continue to provide RDC exemptions for brownfield sites as well as redevelopment credits regardless of location within the Region.
Recommendation 3(h) – City of Waterloo request for phase-in of RDC increases

Take no action with respect to the request from the City of Waterloo to phase in the residential and non-residential development charge increases within the Uptown Waterloo Urban Growth Centre.

Description:

- On June 16, 2014, the Region received correspondence from the City of Waterloo (attached as Appendix E) requesting a phase in of the increase in development charges applicable to the Uptown Waterloo Urban Growth Centre.
- On December 31, 2009, the City of Waterloo eliminated its downtown core exemption of local development charges.
- The Region’s practice at that time (and currently) is to provide a downtown core exemption if one is provided by the local municipality. As such, the exemption for RDCs in the Waterloo downtown core also ended on that date.
- Since December 31, 2009, RDCs have been charged in the downtown core of Waterloo and in the four townships, while development in the downtown cores of Kitchener and Cambridge has been exempt from development charges.
- The City’s request would result in the following residential RDC rates for apartments being in effect in the Uptown Waterloo Urban Growth Centre:
  - Jan. 1, 2018 – Dec. 31, 2018: $8,718 (7% discount)
  - Jan. 1, 2019: $9,767 (0% discount)
- Analysis of downtown core exemptions since 1999 is shown in Appendix F and is summarized as follows.
  - Between 1999 and 2009 (when downtown core exemptions applied in all areas), 69% of exemptions were provided in Waterloo, 6% in Kitchener, 25% in Cambridge and <1% in the four townships.
  - Between 1999 and 2014 (YTD), 53% of total downtown core exemptions have been attributable to Waterloo, even though the exemption in Waterloo ended in 2009.
  - Since 2009 (after the RDC downtown core exemptions ended in Waterloo and the four townships), approximately 26% of units in downtown cores have been built in Waterloo.
- The cost of such a phase-in is estimated to be $435,000-625,000 in foregone RDC revenue during the 5 year term of the by-law, which would need to be funded from property taxes and user rates.
- It is noted that Waterloo currently comprises approx. 24% of the Region’s taxable assessment base.
Options:

A) Approve the request to phase in the RDC increase in this specific area. This would result in a different RDC in this area as compared to other downtown areas and indeed the rest of the Region. Staff have estimated that the cost of such a phase in would be in the range of $435,000 and $625,000 in forgone RDC revenue.

B) Take no action on the request. This would be consistent with Council’s current practice of matching downtown core exemptions as provided by local municipalities. The equal treatment of downtown cores sought by Waterloo is achieved as of January 1, 2019.

C) Commit in the RDC by-law to providing a downtown core area exemption for the City of Waterloo, IF Waterloo also introduced a core area exemption for local development charges. This would be consistent with the current approach in Kitchener and Cambridge. This could be accomplished by inserting a map of the proposed Waterloo exemption area into Schedule D of the Region’s proposed RDC By-law. By doing this, no future by-law amendment would be required in the event that the City of Waterloo development charge by-law is amended to provide a downtown core exemption for local development charges. With the map inserted, such action by the City of Waterloo would automatically trigger a corresponding RDC exemption, which would be subject to any phase-out or discontinuation provision in the RDC by-law. The cost of this option would depend on the timing of development within the exemption area, but could be in the range of $2 million over five years.

D) End the downtown core exemption without a phase-in [see item 2(e)], resulting in equal treatment of all downtown cores being achieved sooner. Council would need to select a date for the discontinuation of downtown core exemptions, which could be August 1, 2014 (by-law effective date), January 1, 2015 (i.e. 6 month notice) or another date deemed appropriate by Council.

Rationale for recommendation:

Option B is recommended by the working group.

If the request from the City is approved, the Region would be providing a discounted rate in the Uptown Waterloo Urban Growth Centre. The Region could then be in a position of needing to consider such a phase-in or discounts in other areas of the Region. Any foregone RDC revenue would have to be made up from property taxes (approx. 60% of lost revenue) and user rates (the remaining 40%). The Region’s proposed phase out of all downtown core exemptions achieves a level playing field in all municipalities [see recommendation 2(e)] in 2019. Waterloo received the greatest benefit from downtown core exemptions between 1999 and 2014, despite the exemption being discontinued in 2009.
Recommendation 3(i) – Fusion Homes request for full exemption for the expanded area of the City of Kitchener downtown core

Take no action with respect to the request from Fusion Homes for an additional Regional Development Charge exemption applicable to the expanded area of the City of Kitchener’s downtown core for the 5 year term of the Regional Development Charges by-law.

Description:

- Fusion Homes is planning a development at 471-481 King Street East, Kitchener.
- The City of Kitchener, in its new development charge by-law, has expanded its downtown core exemption area to encompass the area in which this development is located, as of July 1, 2016.
- The Region’s proposed by-law mirrors the City of Kitchener’s expanded downtown core exemption area.
- Fusion Homes originally requested a site specific exemption for its proposed development for the life of the Region’s new development charge by-law. Staff determined that this would have been considered bonusing under section 106 of the Municipal Act.
- This revised request is to provide an exemption from RDCs for only the expanded area (approx. 15 acres) of the Kitchener downtown core for the life of the Region’s new DC by-law, resulting in no RDCs payable on Fusion Homes’ proposed development and on any other development within that expanded geographic area for the life of the by-law.
- Staff has determined that there is very little additional planned development within the geographic area added to the Kitchener downtown core.
- The table on the following page shows the proposed RDCs and exemptions applicable to the Fusion Homes development based on the proposed RDC by-law.

Rationale for recommendation:

Providing an additional exemption for a very small geographic area is problematic in the absence of a very clear Regional policy imperative to do so. The land was outside of the exemption area when purchased, and approving such an exemption would be at odds with the recommendation to discontinue downtown core exemptions.

The development would receive any exemptions as provided for in the proposed by-law. It is noted that if the City of Kitchener accelerated the start date of the exemption of the expanded area, the Region’s by-law would mirror such a timeframe and would provide a longer timeframe for Fusion Homes to proceed with its development with a full RDC exemption.
Proposed Development Charge By-law

The proposed Regional Development Charge By-law has been prepared by Legal Services and Financial Services staff and is attached to this report (Appendix H). A number of the changes in the by-law are of a “housekeeping” nature, including updated wording to provide clarity to definitions and terms of the by-law.

Minor edits have been made to the RDC by-law since the draft version published on May 21st including updating Schedule C “Eligibility Criteria For Remediated Brownfields” to reflect Council approved changes proposed in report P-14-009 “Recommended Refinements to the Region of Waterloo Brownfields Financial Incentive Program.” The definition of “Site” was also updated to better incorporate amenity space. A detailed list of edits to the by-law from the draft version published on May 21, 2014 is attached to this report (Appendix G).

The by-law includes the development charge rates and policy matters as set out in this report.

Corporate Strategic Plan:

The RDC By-law Review supports Focus Area 1, Growth Management and Prosperity, of the Corporate Strategic Plan and specifically strategic objective 2.2 to develop, optimize and maintain infrastructure to meet current and projected needs as development charges provide an important source of funding for infrastructure needed to accommodate planned growth.

Financial Implications:

The Regional Development Charge is a significant component of the Region’s capital financing program. Over the period of the By-law from 2014-2018, it is anticipated that the Regional Development Charge will fund approximately $507.0 million of the projected capital costs for that period. While the development charge rates are significant, the taxpayer, through property taxes and user rates, contributes a significant amount of the remainder of the capital costs to be incurred during this time frame. If the maximum allowable development charge rate is not imposed and collected, the property tax and user rate budgets must absorb the foregone revenues and/or capital projects must be deferred.
The 2014 approved ten-year capital program includes development charge funding for capital projects based on the current development charge by-law. Upon approval of the by-law and associated resolutions, the capital program will be updated to include the revised development charge funding as set out in the 2014 Background Study.

Other Department Consultations/Concurrence:

Staff from all departments which have growth-related projects and Police Services have participated in the Development Charge By-law Review.

Attachments:

Appendix A – Adjusted Maximum Permissible Development Charge Rates

Appendix B – Comparison of Development Charge Rates in Other Municipalities

Appendix C – 2004-May 2014 Development Charge Collections – Not-for-profit, charitable and community/cultural organizations

Appendix D – 2004-May 2014 Development Charge Collections – Private Schools and Universities

Appendix E – City of Waterloo Staff Report

Appendix F – Downtown Core Exemptions (1999-2014 YTD)

Appendix G - Summary of Amendments to the Draft Development Charge By-law published May 21, 2014

Appendix H – Proposed Development Charge By-law – (distributed separately)

Prepared By: Shane Fedy, Financial Analyst

Calvin Barrett, Director, Financial Services & Development Financing

Approved By: Craig Dyer, Chief Financial Officer
### REGION OF WATERLOO

#### 2014 DEVELOPMENT CHARGES BACKGROUND STUDY

#### RESIDENTIAL DEVELOPMENT CHARGES

<table>
<thead>
<tr>
<th>Service</th>
<th>2014 Adjusted Maximum</th>
<th>2014 Recommended</th>
<th>Change from 2009 Maximum - Urban</th>
<th>Change from Current - Urban</th>
<th>Change from 2009 Maximum - Township</th>
<th>Change from Current - Township</th>
</tr>
</thead>
<tbody>
<tr>
<td>REGIONAL LIBRARY</td>
<td>$210</td>
<td>$210</td>
<td>35%</td>
<td>60%</td>
<td>34%</td>
<td>60%</td>
</tr>
<tr>
<td>WATERLOO REGIONAL POLICE SERVICE</td>
<td>$257</td>
<td>$257</td>
<td>1%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>EMERGENCY MEDICAL SERVICES</td>
<td>$93</td>
<td>$93</td>
<td>1%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>AIRPORT</td>
<td>$223</td>
<td>$223</td>
<td>34%</td>
<td>60%</td>
<td>34%</td>
<td>60%</td>
</tr>
<tr>
<td>TRANSIT</td>
<td>$788</td>
<td>$788</td>
<td>3%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>GENERAL GOVERNMENT</td>
<td>$109</td>
<td>$109</td>
<td>0%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>OPERATIONS AND FACILITIES</td>
<td>$118</td>
<td>$118</td>
<td>8%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>SUBTOTAL GENERAL SERVICES</td>
<td>$210</td>
<td>$210</td>
<td>20%</td>
<td>60%</td>
<td>35%</td>
<td>60%</td>
</tr>
<tr>
<td>TRANSPORTATION</td>
<td>$10,288</td>
<td>$10,288</td>
<td>12%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>WATER</td>
<td>$2,385</td>
<td>$2,385</td>
<td>1%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>WASTEWATER</td>
<td>$5,117</td>
<td>$5,117</td>
<td>0%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>SUBTOTAL ENGINEERING SERVICES</td>
<td>$18,348</td>
<td>$18,348</td>
<td>1%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
</tbody>
</table>

### Table 1

<table>
<thead>
<tr>
<th>Service</th>
<th>2014 Adjusted Maximum</th>
<th>2014 Recommended</th>
<th>Change from 2009 Maximum - Urban</th>
<th>Change from Current - Urban</th>
<th>Change from 2009 Maximum - Township</th>
<th>Change from Current - Township</th>
</tr>
</thead>
<tbody>
<tr>
<td>REGIONAL LIBRARY</td>
<td>$210</td>
<td>$210</td>
<td>35%</td>
<td>60%</td>
<td>34%</td>
<td>60%</td>
</tr>
<tr>
<td>WATERLOO REGIONAL POLICE SERVICE</td>
<td>$257</td>
<td>$257</td>
<td>1%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>EMERGENCY MEDICAL SERVICES</td>
<td>$93</td>
<td>$93</td>
<td>1%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>AIRPORT</td>
<td>$223</td>
<td>$223</td>
<td>34%</td>
<td>60%</td>
<td>34%</td>
<td>60%</td>
</tr>
<tr>
<td>TRANSIT</td>
<td>$788</td>
<td>$788</td>
<td>3%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>GENERAL GOVERNMENT</td>
<td>$109</td>
<td>$109</td>
<td>0%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>OPERATIONS AND FACILITIES</td>
<td>$118</td>
<td>$118</td>
<td>8%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>SUBTOTAL GENERAL SERVICES</td>
<td>$210</td>
<td>$210</td>
<td>20%</td>
<td>60%</td>
<td>35%</td>
<td>60%</td>
</tr>
<tr>
<td>TRANSPORTATION</td>
<td>$10,288</td>
<td>$10,288</td>
<td>12%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>WATER</td>
<td>$2,385</td>
<td>$2,385</td>
<td>1%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>WASTEWATER</td>
<td>$5,117</td>
<td>$5,117</td>
<td>0%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>SUBTOTAL ENGINEERING SERVICES</td>
<td>$18,348</td>
<td>$18,348</td>
<td>1%</td>
<td>49%</td>
<td>0%</td>
<td>49%</td>
</tr>
</tbody>
</table>
### Appendix A – Table 2

**REGION OF WATERLOO**

**2014 DEVELOPMENT CHARGES BACKGROUND STUDY**

**NON-RESIDENTIAL DEVELOPMENT CHARGES PER SQUARE FOOT OF GFA**

<table>
<thead>
<tr>
<th>Service</th>
<th>Non-Residential Charge Per Square Foot</th>
<th>2009 RDC Study Maximum</th>
<th>2014 RDC Study Maximum</th>
<th>2014 Adjusted Maximum</th>
<th>2014 Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>REGIONAL LIBRARY</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>WATERLOO REGIONAL POLICE SERVICE</td>
<td>$0.28</td>
<td>$0.28</td>
<td>$0.14</td>
<td>$0.14</td>
<td>$0.14</td>
</tr>
<tr>
<td>EMERGENCY MEDICAL SERVICES</td>
<td>$0.04</td>
<td>$0.04</td>
<td>$0.05</td>
<td>$0.05</td>
<td>$0.05</td>
</tr>
<tr>
<td>AIRPORT</td>
<td>$0.24</td>
<td>$0.24</td>
<td>$0.36</td>
<td>$0.28</td>
<td>$0.28</td>
</tr>
<tr>
<td>TRANSIT</td>
<td>$0.36</td>
<td>$0.36</td>
<td>$0.44</td>
<td>$0.44</td>
<td>$0.44</td>
</tr>
<tr>
<td>GENERAL GOVERNMENT</td>
<td>included in Police above</td>
<td>$0.06</td>
<td>$0.06</td>
<td>$0.06</td>
<td>$0.06</td>
</tr>
<tr>
<td>OPERATIONS AND FACILITIES</td>
<td>$0.08</td>
<td>$0.08</td>
<td>$0.07</td>
<td>$0.07</td>
<td>$0.07</td>
</tr>
<tr>
<td><strong>SUBTOTAL GENERAL SERVICES</strong></td>
<td>$1.00</td>
<td>$1.00</td>
<td>$1.12</td>
<td>$1.05</td>
<td>$1.05</td>
</tr>
<tr>
<td>TRANSPORTATION</td>
<td>$4.89</td>
<td>$6.58</td>
<td>$5.74</td>
<td>$5.71</td>
<td>$5.09</td>
</tr>
<tr>
<td>WATER</td>
<td>$2.46</td>
<td>$3.86</td>
<td>$1.30</td>
<td>$1.23</td>
<td>$1.06</td>
</tr>
<tr>
<td>WASTEWATER</td>
<td>$1.24</td>
<td>$2.38</td>
<td>$3.18</td>
<td>$2.86</td>
<td>$2.58</td>
</tr>
<tr>
<td><strong>SUBTOTAL ENGINEERING SERVICES</strong></td>
<td>$8.59</td>
<td>$12.82</td>
<td>$10.22</td>
<td>$9.80</td>
<td>$8.73</td>
</tr>
<tr>
<td><strong>TOTAL DEVELOPMENT CHARGE</strong></td>
<td>$9.59</td>
<td>$13.82</td>
<td>$11.34</td>
<td>$10.84</td>
<td>$9.78</td>
</tr>
</tbody>
</table>

| Change from Current | 18% | 13% | 2% |
| Change from 2009 Maximum | -18% | -22% | -29% |
Appendix C

2004 - May 2014 Development Charge Collections – Charitable & Community/Cultural Organizations

<table>
<thead>
<tr>
<th>Organization</th>
<th>Gross RDC</th>
<th>*Exemptions/Alliances</th>
<th>Net RDC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenian Community Centre</td>
<td>54,795</td>
<td>0</td>
<td>54,795</td>
</tr>
<tr>
<td>Children's Aid Society</td>
<td>9,872</td>
<td>0</td>
<td>9,872</td>
</tr>
<tr>
<td>Christian Horizons</td>
<td>25,419</td>
<td>25,419</td>
<td>0</td>
</tr>
<tr>
<td>Christian Labour Association of Canada</td>
<td>4,851</td>
<td>0</td>
<td>4,851</td>
</tr>
<tr>
<td>House of Friendship of Kitchener</td>
<td>26,895</td>
<td>0</td>
<td>26,895</td>
</tr>
<tr>
<td>Kitchener Waterloo YMCA-Camp Ki-Wa-Y</td>
<td>7,710</td>
<td>0</td>
<td>7,710</td>
</tr>
<tr>
<td>K-W Habilitation Services</td>
<td>195,406</td>
<td>164,350</td>
<td>31,056</td>
</tr>
<tr>
<td>Lutherwood (children's mental health centre)</td>
<td>220,326</td>
<td>0</td>
<td>220,326</td>
</tr>
<tr>
<td>Parents for Community Living</td>
<td>76,097</td>
<td>76,097</td>
<td>0</td>
</tr>
<tr>
<td>Pensouth Corporation, The Children's Aid Society</td>
<td>19,673</td>
<td>4,265</td>
<td>15,408</td>
</tr>
<tr>
<td>Perimeter Institute</td>
<td>291,199</td>
<td>291,199</td>
<td>0</td>
</tr>
<tr>
<td>Portuguese Club of Cambridge</td>
<td>13,613</td>
<td>13,123</td>
<td>491</td>
</tr>
<tr>
<td>Rare Charitable Research Reserve</td>
<td>4,219</td>
<td>0</td>
<td>4,219</td>
</tr>
<tr>
<td>Ray of Hope</td>
<td>14,551</td>
<td>7,249</td>
<td>7,302</td>
</tr>
<tr>
<td>The Centre for International Governance</td>
<td>620,092</td>
<td>620,092</td>
<td>0</td>
</tr>
<tr>
<td>Women's Crisis Services of Waterloo Region</td>
<td>284,291</td>
<td>0</td>
<td>284,291</td>
</tr>
<tr>
<td>Canadian Red Cross Society</td>
<td>1,434</td>
<td>1,434</td>
<td>0</td>
</tr>
<tr>
<td>Catholic Family Counselling Centre</td>
<td>23,244</td>
<td>0</td>
<td>23,244</td>
</tr>
<tr>
<td>KW and North Waterloo Humane society</td>
<td>1,283</td>
<td>0</td>
<td>1,283</td>
</tr>
<tr>
<td>K-W Counselling Services Inc.</td>
<td>35,463</td>
<td>0</td>
<td>35,463</td>
</tr>
<tr>
<td>KW Islamic Association</td>
<td>96,998</td>
<td>0</td>
<td>96,998</td>
</tr>
<tr>
<td>Lutherwood Child &amp; Family Foundation</td>
<td>3,151</td>
<td>3,151</td>
<td>0</td>
</tr>
<tr>
<td>Parents for Community Living K-W Inc.</td>
<td>7,757</td>
<td>6,132</td>
<td>1,625</td>
</tr>
<tr>
<td>Reaching Our Outdoor Friends (Kitchener)</td>
<td>23,056</td>
<td>23,056</td>
<td>0</td>
</tr>
<tr>
<td>Saint Lukes Place</td>
<td>983</td>
<td>0</td>
<td>983</td>
</tr>
<tr>
<td>Islamic Centre of Cambridge</td>
<td>147,341</td>
<td>0</td>
<td>147,341</td>
</tr>
<tr>
<td>Deafblind Ontario Services</td>
<td>12,820</td>
<td>0</td>
<td>12,820</td>
</tr>
<tr>
<td>Morningstar Family Ministries</td>
<td>8,757</td>
<td>8,757</td>
<td>0</td>
</tr>
<tr>
<td>Woolwich Community Services</td>
<td>106,274</td>
<td>11,262</td>
<td>95,013</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,337,568</strong></td>
<td><strong>1,255,584</strong></td>
<td><strong>1,081,984</strong></td>
</tr>
</tbody>
</table>

*Exemptions and allowances are predominantly downtown core and to a much lesser extent, redevelopment
### Appendix D

**2004 - May 2014 Development Charge Collections - Private Schools & Universities**

<table>
<thead>
<tr>
<th>Organization</th>
<th>Gross RDC</th>
<th>*Exemptions/ Allowances</th>
<th>Net RDC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambridge District Assoc. for Christian Education</td>
<td>142,597</td>
<td>0</td>
<td>142,597</td>
</tr>
<tr>
<td>Christian School Cambridge</td>
<td>60,995</td>
<td>0</td>
<td>60,995</td>
</tr>
<tr>
<td>St. Johns-Kilmarnock School</td>
<td>18,684</td>
<td>0</td>
<td>18,684</td>
</tr>
<tr>
<td>K-W Christian School Society</td>
<td>110,662</td>
<td>0</td>
<td>110,662</td>
</tr>
<tr>
<td>Mennonite Society of British North America</td>
<td>4,556</td>
<td>0</td>
<td>4,556</td>
</tr>
<tr>
<td>Emmanuel Bible College</td>
<td>46,475</td>
<td>0</td>
<td>46,475</td>
</tr>
<tr>
<td>Orthodox Mennonite Church School</td>
<td>3,547</td>
<td>0</td>
<td>3,547</td>
</tr>
<tr>
<td>University of Waterloo</td>
<td>7,791,706</td>
<td>577,506</td>
<td>7,214,200</td>
</tr>
<tr>
<td>Wilfrid Laurier University</td>
<td>2,010,938</td>
<td>201,576</td>
<td>1,809,363</td>
</tr>
<tr>
<td></td>
<td><strong>10,190,160</strong></td>
<td><strong>779,082</strong></td>
<td><strong>9,411,079</strong></td>
</tr>
</tbody>
</table>

*Exemptions and allowances are predominantly downtown core and to a much lesser extent, redevelopment.
Appendix E

1 Chief Administrative Officer

THE CITY OF Waterloo

STAFF REPORT
Choose a division

Title: Proposed Regional Development Charges Bylaw
Report Number: CA02014-010
Author: Justin McFadden, Executive Director of Economic Development
Meeting Type: Finance & Strategic Planning Committee Meeting
Council/Committee Date: June 16, 2014
File: [File]
Ward No.: City Wide

Recommendation:
That City of Waterloo Council support the attached Waterloo Economic Development Committee motion.

A. Executive Summary

On June 16, 2014, Regional staff tabled report F-14-073, 2014 Development Charges Review, outlining proposed amendments to the Regional Development Charges Bylaw including a phased structure for those increases which apply only to specific areas with existing development charge ("DC") exemptions. Regional Staff will be bringing this to the Regional Administrative and Finance Committee on June 17, 2014 and Regional Council for vote on June 25th.

This City of Waterloo staff report provides a summary of Regional staff report FCS-12-088 and also identifies a related motion by the Waterloo Economic Development Committee (WEDC) that was passed on June 12th, 2014. City staff has reviewed this motion, which asks City of Waterloo Council to support requested changes to the Regions proposed DC Bylaw implementation schedule, and is supportive of WEDC's position.

B. Financial Implications
None at this time

C. Technology Implications
None at this time
Chief Administrative Officer

D. Legal Considerations
None at this time.

E. Link to Strategic Plan/Economic Vitality
(Strategic Pillars: Sustainability and Our Living Environment, Public Engagement, Healthy & Safe Community, Vibrant Neighbourhoods, Getting Around, Economic Vitality)
Economic Vitality... building, learning, living, playing and doing business in Waterloo will continue to depend on a number of internal and external factors that require ongoing attention and action.

F. Previous Reports on this Topic

G. Approvals

<table>
<thead>
<tr>
<th>Name</th>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Author:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAO
Regional Report F-14-073, 2014 Development Charges Review sets out proposed changes in Regional DCs and a matrix outlining the schedule of when these changes will be applied.

The Region has 4 different residential DC classes, each with a different DC rate. The proposed Regional DC changes for residential developments are as follows:
- Single/Semi: +34.99%
- Townhouse: +44.97%
- Apartment: +27.39%
- Lodging: +37.04%

The Region is proposing to have 2 non-residential DC classes (from 1 in the previous By-law, which applied to all eligible uses that were not residential). The proposed Regional DC changes for non-residential developments are as follows:
- Industrial: -49.01%
- Non-residential, excluding industrial: +1.88%

Schedule A attached to this report outlines the proposed changes in greater detail. Note: with the exception of a reduction in the industrial DC rate, all other Regional DC rates are proposed to increase.

Core Area Implementation
Currently Kitchener and Cambridge both have core area DC exemptions which are matched by the Region, netting a zero DC cost for developments in those areas. Regional report F-14-073, 2014 proposes the following phased-in increase of Regional DCs for these currently exempt areas:
- No Regional development charges or increases where a building permit is issued during 2014, 2015 or 2016
- Region will charge 25% of the proposed new DC rate in 2017
- Region will charge 50% of the proposed new DC rate in 2018
- Full increase implemented in 2019

Regional DC increases in Waterloo's core will be the full amount recommended, effective upon the date the by-law is passed, with no phase in.
4 Chief Administrative Officer

Implications for Waterloo
The impact of the exemption in other core areas will be, from a competitive standpoint, significantly compounded by the fact that development in Waterloo’s core area currently pays full Regional Development Charges and would now in addition pay 100% of the increase in the new DC rates beginning this year, whereas other core areas would not begin seeing DC increases for three years with the full increase five years out. If applied as currently proposed, developers will see an immediate and materially increased DC rate delta in Waterloo vs. Kitchener/Cambridge.

WEDC Motion
At their meeting of June 12, 2014, WEDC held a lengthy discussion regarding these proposed changes and moved the following:

"That Waterloo City Council ratify the following motion and forward it to Regional Council for their response:

In the spirit of fairness and a coordinated regional economic development approach, that Regional Council:

1. Implement the core area regional development charges increase to the City of Waterloo core (Uptown Waterloo Urban Growth Centre) using the same indexing schedule that the Region will use when applying the increase to the exempt cores (i.e. so that Waterloo’s core will see no regional development charge increases, over current rates, where a building permit is issued during 2014, 2015 or 2016. Regional DC will increase by 25% in 2017; 50% in 2018 with the full increase implemented in 2019);

2. Phase in the proposed “Non-Residential (Excluding Industrial)” regional development charges increase equally across the region using the same indexing schedule as proposed to exempt core areas (i.e. 0% increase in 2014, 2015, 2016, 25% of the proposed increase in 2017, 50% of the proposed increase in 2018, full increase in 2019); and

3. Approve the current proposal by Regional staff to reduce industrial DC charges to $4.89 from the current Regional DC rate of $9.59."

The motion was passed unanimously.

City staff believes the currently proposed Regional DC implementation plan will reduce the competitiveness of the Uptown Waterloo Urban Growth Centre versus the other core areas and will slow investment along a critical portion of the Regional LRT route. If Waterloo City Council endorses, and ultimately the Region chooses to implement the WEDC recommendations it will be ensuring region-wide fairness, equity and consistency with the new DC Bylaw. The DC rate delta that presently exists between municipalities will be preserved, ultimately maintaining the current overall balance of core area development within the Region.
### Appendix F – Downtown Core Exemptions (Regional) – 1999-2014 ($000’s)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Cambridge</th>
<th>Kitchener</th>
<th>Waterloo (Note 1)</th>
<th>Townships (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999*</td>
<td>80</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000*</td>
<td>700</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>600</td>
<td>312</td>
<td>276</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>2002</td>
<td>1,000</td>
<td>438</td>
<td>315</td>
<td>234</td>
<td>13</td>
</tr>
<tr>
<td>2003</td>
<td>580</td>
<td>563</td>
<td>0</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>2004</td>
<td>561</td>
<td>461</td>
<td>5</td>
<td>59</td>
<td>36</td>
</tr>
<tr>
<td>2005</td>
<td>1,446</td>
<td>1,095</td>
<td>78</td>
<td>273</td>
<td>0</td>
</tr>
<tr>
<td>2006</td>
<td>328</td>
<td>193</td>
<td>30</td>
<td>60</td>
<td>45</td>
</tr>
<tr>
<td>2007</td>
<td>944</td>
<td>3</td>
<td>8</td>
<td>933</td>
<td>0</td>
</tr>
<tr>
<td>2008</td>
<td>1,069</td>
<td>570</td>
<td>307</td>
<td>192</td>
<td>0</td>
</tr>
<tr>
<td>2009</td>
<td>12,225</td>
<td>1,052</td>
<td>66</td>
<td>11,108</td>
<td>0</td>
</tr>
<tr>
<td>Sub-total</td>
<td>19,533</td>
<td>4,687</td>
<td>1,085</td>
<td>12,888</td>
<td>93</td>
</tr>
<tr>
<td>2010</td>
<td>114</td>
<td>76</td>
<td>38</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>1,014</td>
<td>26</td>
<td>988</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>252</td>
<td>246</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014 (to June 20)</td>
<td>4,015</td>
<td>864</td>
<td>3,151</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total*</td>
<td>24,928</td>
<td>5,899</td>
<td>5,268</td>
<td>12,888</td>
<td>93</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td>25%</td>
<td>22%</td>
<td>53%</td>
<td>&lt;1%</td>
</tr>
</tbody>
</table>

* distribution by area municipality not available

Note 1 – Downtown core exemption ended December 31, 2009

Note 2 – Downtown core exemption ended August 1, 2009
Appendix G – Summary of Amendments to the Draft Development Charge By-law published May 21, 2014

<table>
<thead>
<tr>
<th>By-law Clause</th>
<th>1(a) “Accessory Building”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change Summary</td>
<td>Amend definition of “Accessory Building”</td>
</tr>
<tr>
<td>Original Wording</td>
<td>(a) &quot;Accessory Building&quot; means a building or structure, or part of a building or structure, that is:</td>
</tr>
<tr>
<td></td>
<td>(i) a parking garage that is exclusively devoted to providing vehicle parking to the main use situated on the same Site;</td>
</tr>
<tr>
<td></td>
<td>(ii) a mechanical room that is exclusively devoted to providing heating, cooling, ventilating, electrical, mechanical or telecommunications equipment for a building or buildings situated on the same Site;</td>
</tr>
<tr>
<td></td>
<td>(iii) an entrance way, elevator, stairwell or hallway that provides access to a Dwelling Unit or Lodging Unit, or Dwelling Units or Lodging Units, on the same Site;</td>
</tr>
<tr>
<td></td>
<td>(iv) a pool area, change room, restroom, fitness facility, kitchen, laundry room, lounge or meeting room that is for the exclusive use of the residents of a Dwelling Unit or Lodging Unit on the same Site;</td>
</tr>
<tr>
<td></td>
<td>(v) a storage room that provides storage exclusively to a resident or residents of a Dwelling Unit or Lodging Unit on the same Site; or</td>
</tr>
<tr>
<td></td>
<td>(vi) an exterior deck, porch, canopy, gazebo, storage shed or stairway that is exclusively devoted to the use of a resident or residents of a Dwelling Unit or Lodging Unit on the same Site;</td>
</tr>
<tr>
<td>Proposed Wording</td>
<td>(a)&quot; Accessory Building&quot; means a building or structure, or part of a building or structure, that is:</td>
</tr>
<tr>
<td></td>
<td>(i) a parking garage that is exclusively devoted to providing vehicle parking to the main use situated on the same Site;</td>
</tr>
<tr>
<td></td>
<td>(ii) a mechanical room that is exclusively devoted to providing heating, cooling, ventilating, electrical, mechanical or telecommunications equipment for a building or buildings situated on the same Site;</td>
</tr>
<tr>
<td></td>
<td>(iii) an entrance way, elevator, stairwell or hallway that provides access to a Dwelling Unit or Lodging Unit, or Dwelling Units or Lodging Units, on the same Site;</td>
</tr>
</tbody>
</table>
Units, on the same Site;

(iv) a pool area, change room, restroom, fitness facility, kitchen, laundry room, lounge or meeting room that is for the exclusive use of the residents of a Dwelling Unit or Lodging Unit, or Dwelling Units or Lodging Units, on the same Site;

(v) a storage room that provides storage exclusively to a resident or residents of a Dwelling Unit or Lodging Unit, or Dwelling Units or Lodging Units, on the same Site; or

(vi) an exterior deck, porch, canopy, gazebo, storage shed or stairway that is exclusively devoted to the use of the residents of a Dwelling Unit or Lodging Unit, or Dwelling Units or Lodging Units, on the same Site;

and for the purposes of this definition, “Site” shall include common elements of the same condominium as the applicable main use, buildings, Dwelling Units or Lodging Units.

By-law Clause 1(d) “Applicant”

Change Summary Amend definition

Original Wording "Applicant" means the owner of a Site applying for a Development Charge exemption for Eligible Costs for a Brownfield

Proposed Wording "Applicant" means the registered owner of a Site applying for a Development Charge exemption for Eligible Costs for a Brownfield

By-law Clause 1(e) “Brownfield”

Change Summary Amend definition

Original Wording "Brownfield" means a property which contained environmental contamination either in the ground or buildings due to the operational activities of a previous land use, where the extent of the contamination rendered the property vacant, under-utilized, unsafe, unproductive or abandoned, and for which a Record of Site Condition was filed on or after January 1, 2006
<p>| Proposed Wording | &quot;Brownfield&quot; means a <strong>Site</strong> which contained environmental contamination either in the ground or buildings due to the operational activities of a previous land use, where the extent of the contamination rendered the property vacant, under-utilized, unsafe, unproductive or abandoned, and for which a Record of Site Condition was filed on or after January 1, 2006 |
| By-law Clause | 1(l) “Eligible Costs” |
| Change Summary | Amend Definition |
| Original Wording | &quot;Eligible Costs&quot; means the sum of the direct costs of remediating the Brownfield plus an allowance for indirect remediation costs less the value of any other financial assistance provided for the Brownfield by the Region of Waterloo all as set out in Schedule C of the By-law; |
| Proposed Wording | &quot;Eligible Costs&quot; means the sum of the direct costs of remediating the Brownfield plus an allowance for indirect remediation costs less the value of any other financial assistance provided for the Brownfield by the Region of Waterloo <strong>and/or a lower-tier municipality</strong>, all as set out in Schedule C of the By-law; |
| By-law Clause | 4(c)(v) |
| Change Summary | Amend clause for size of “Accessory Building” |
| Original Wording | an Accessory Building, provided that the total Gross Floor Area of the Accessory Building or Buildings on the Site does not exceed the total Gross Floor Area of the main use, Dwelling Units and Lodging Units on the site |
| Proposed Wording | an Accessory Building, provided that the total Gross Floor Area of the Accessory Building or Buildings on the Site does not exceed the total Gross Floor Area of <strong>the applicable main use, buildings, Dwelling Units or Lodging Units</strong> |
| By-law Clause | 4(f) |
| Change Summary | Amend Brownfield wording |
| Original Wording | Development of a <strong>remediated</strong> Brownfield to the maximum of the Eligible Costs on that Site as set out in Schedule C of this By-law, provided that such Development occurs no later than |</p>
<table>
<thead>
<tr>
<th>By-law Clause</th>
<th>Schedule A - Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change Summary</td>
<td>Rates updated &amp; additional “industrial” rate category added</td>
</tr>
<tr>
<td>Original Wording</td>
<td>Single rate for all non-residential development</td>
</tr>
<tr>
<td>Proposed Wording</td>
<td>Non-residential rates table now has separate categories for “Non-Residential (Excluding Industrial)” and “Non-Residential (Industrial)”</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By-law Clause</th>
<th>Schedule C 1(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change Summary</td>
<td>Amend per Report P-14-009 Recommended Refinements to the Region of Waterloo Brownfields Financial Incentive Program</td>
</tr>
<tr>
<td>Original Wording</td>
<td>An Applicant must not have been the owner of the Brownfield during the operational activities of the land use which created the Brownfield, nor have been found to be responsible for the subject contamination of the Brownfield</td>
</tr>
<tr>
<td>Proposed Wording</td>
<td>An Applicant must not have been the registered owner of the Brownfield during the operational activities of the land use which created the Brownfield, nor have been found by any court, tribunal or other body with lawful jurisdiction to be responsible for the subject contamination of the Brownfield</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By-law Clause</th>
<th>Schedule C 2(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change Summary</td>
<td>Amend per Report P-14-009 Recommended Refinements to the Region of Waterloo Brownfields Financial Incentive Program</td>
</tr>
<tr>
<td>Original Wording</td>
<td>Remediating a Brownfield plus an allowance for indirect remediation costs. The calculated development charge exemption is then reduced by the value of any financial...</td>
</tr>
</tbody>
</table>
assistance provided by the Region of Waterloo under its Brownfields Financial Incentive Pilot Program or any successor thereto.

**Proposed Wording**

> **The Development Charge exemption shall consist of the direct costs of remediating the Brownfield, plus an allowance for indirect remediation costs, as determined herein.** The calculated Development Charge exemption is then reduced by the value of any financial assistance provided by the Region and / or a lower-tier municipality under its Brownfields Financial Incentive Program or any successor thereto.

<table>
<thead>
<tr>
<th>By-law Clause</th>
<th>Schedule C 2(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change Summary</strong></td>
<td>Amend per Report P-14-009 Recommended Refinements to the Region of Waterloo Brownfields Financial Incentive Program</td>
</tr>
</tbody>
</table>

**Original Wording**

Direct remediation costs include the cost of:

(i) Phase I Environmental Site Assessments;

(ii) Phase II Environmental Site Assessments (only for the portion not already funded by the Region of Waterloo under its Brownfields Financial Incentive Pilot Program or any successor thereto);

(iii) Remedial work plans;

(iv) Site specific risk assessments;

(v) Environmental rehabilitation;

(vi) Disposal of contaminated soil;

(vii) Placing of clean fill and grading;

(viii) Building demolition costs; and

(ix) Filing of a Record of Site Condition (provided that at least one other cost item has been incurred).

**Proposed Wording**

Direct remediation costs include the cost of:

(i) Phase I Environmental Site Assessments;

(ii) Phase II Environmental Site Assessments (only for the portion not already funded by the Region of Waterloo under its Brownfields Financial Incentive Program or any successor thereto).
(iii) **Remedial Action Plan**/ Remedial Work Plan;
(iv) **Risk Assessment**;
(v) Environmental Rehabilitation;
(vi) **Risk Mitigation Measures**;
(vii) Disposal of contaminated soil;
(viii) Placing of clean fill and grading;
(ix) Building demolition costs related to remediation; and
(x) Filing of a Record of Site Condition (provided that at least one other cost item has been incurred).

<table>
<thead>
<tr>
<th>By-law Clause</th>
<th>Schedule C 3(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change Summary</strong></td>
<td>Amend per Report P-14-009 Recommended Refinements to the Region of Waterloo Brownfields Financial Incentive Program</td>
</tr>
<tr>
<td><strong>Original Wording</strong></td>
<td>The audit will be carried out in accordance with the standards set out in Section 5815 of the Canadian Institute of Chartered Accountants Handbook – Special Reports – Audit Reports on Compliance with Agreements, Statutes and Regulations</td>
</tr>
<tr>
<td><strong>Proposed Wording</strong></td>
<td>The audit will be carried out in accordance with the standards set out in Section 5815 of the Canadian Institute of Chartered Accountants Handbook – Special Reports – Audit Reports on Compliance with Agreements, Statutes and Regulations, or any successor thereto.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By-law Clause</th>
<th>Schedule C 5(d)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change Summary</strong></td>
<td>Amend per Report P-14-009 Recommended Refinements to the Region of Waterloo Brownfields Financial Incentive Program</td>
</tr>
<tr>
<td><strong>Original Wording</strong></td>
<td>An Applicant for the Development Charge exemption should submit the following materials as evidence of work undertaken, compliance with standards and costs incurred:</td>
</tr>
<tr>
<td></td>
<td>(i) A copy of the Record of Site Condition;</td>
</tr>
<tr>
<td></td>
<td>(ii) Acknowledgement letter from the Ministry of the</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Proposed Wording</th>
<th>Environment indicating receipt of the Record of Site Condition;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(iii) Remedial work plan used to achieve filing of the Record of Site Condition;</td>
</tr>
<tr>
<td></td>
<td>(iv) Paid invoices from a Qualified Person as defined in Regulation 153/04 of the <em>Environmental Protection Act</em>, as amended;</td>
</tr>
<tr>
<td></td>
<td>(v) Paid invoices from contractors in respect of remediation work;</td>
</tr>
<tr>
<td></td>
<td>(vi) Signed declaration that the subject property is not property tax arrears; and</td>
</tr>
<tr>
<td></td>
<td>(vii) The audit report as required by Section 3.</td>
</tr>
</tbody>
</table>

An Applicant for the Development Charge exemption shall submit the following materials as evidence of work undertaken, compliance with standards and costs incurred:

(i) A copy of the Record of Site Condition;

(ii) Acknowledgement letter from the Ministry of the Environment indicating receipt of the Record of Site Condition;

(iii) Remedial work plan or action plan used to achieve filing of the Record of Site Condition and all other associated documents;

(iv) Certificate of property use, if applicable;

(v) Original cost estimates for remediation prepared by a Qualified Person as defined in Regulation 153/04 of the *Environmental Protection Act*, as amended;

(vi) Paid invoices from a Qualified Person as defined in Regulation 153/04 of the Environmental Protection Act, as amended;

(vii) Paid invoices from contractors in respect of remediation work;

(viii) Summary of all Eligible Costs;

(ix) Signed declaration that the subject property is not property tax arrears; and

(x) The audit report as required by Section 3.
BY-LAW NUMBER
OF
THE REGIONAL MUNICIPALITY OF WATERLOO

A By-law to Establish Development Charges for
The Regional Municipality of Waterloo

Whereas The Regional Municipality of Waterloo (hereinafter referred to as the "Region") has and will continue to experience growth through development of land which will increase the need for services provided by the Region;

And Whereas Section 2(1) of the "Development Charges Act, 1997" (hereinafter referred to as the "Act") empowers the Council of the Region to pass by-laws for the imposition of Development Charges against land located in the municipality because the development of land would increase the need for services;

And Whereas the Region has undertaken a background study dated March, 2014, to examine the anticipated development for the municipality and the capital costs necessary to provide the increased service associated with projected development within a maximum time frame of ten (10) years and to determine the uses and areas within the municipality in which development will increase the need for services, which study and the report resulting therefrom have been completed and considered by the Council of the Region in accordance with Section 10(1) of the Act;

And Whereas the Council of the Region has held a public meeting on June 4, 2014 in accordance with Section 12 of the Act, notice of which was given on or prior to May 15, 2014, the Council of the Region made available the draft background study and information sufficient for the public to understand the proposed Development Charges By-law on May 20, 2014 and at the public meeting, Council heard all persons who applied to be heard whether in objection to or support of the said proposed by-law;

And Whereas the Region received submissions from members of the public before, at and following the aforesaid public meeting;

And Whereas Council, at its meeting on June 25, 2014 has considered all submissions made by the public and the recommendations and proposals made by Regional staff, and the aforesaid background study;

Now Therefore the Council of The Regional Municipality of Waterloo hereby enacts as follows:

Definitions:

1. In this By-law:

(a) "Accessory Building" means a building or structure, or part of a building or structure, that is:
(i) a parking garage that is exclusively devoted to providing vehicle parking to the main use situated on the same Site;

(ii) a mechanical room that is exclusively devoted to providing heating, cooling, ventilating, electrical, mechanical or telecommunications equipment for a building or buildings situated on the same Site

(iii) an entrance way, elevator, stairwell or hallway that provides access to a Dwelling Unit or Lodging Unit, or Dwelling Units or Lodging Units, on the same Site;

(iv) a pool area, change room, restroom, fitness facility, kitchen, laundry room, lounge or meeting room that is for the exclusive use of the residents of a Dwelling Unit or Lodging Unit, or Dwelling Units or Lodging Units, on the same Site;

(v) a storage room that provides storage exclusively to a resident or residents of a Dwelling Unit or Lodging Unit, or Dwelling Units or Lodging Units, on the same Site; or

(vi) an exterior deck, porch, canopy, gazebo, storage shed or stairway that is exclusively devoted to the use of the residents of a Dwelling Unit or Lodging Unit, or Dwelling Units or Lodging Units, on the same Site;

and for the purposes of this definition, "Site" shall include common elements of the same condominium as the applicable main use, buildings, Dwelling Units or Lodging Units;

(b) "Accessory Use" means a use that is normally subordinate or incidental to and exclusively devoted to a principal use, building or structure on a Site that does not through any manner or design share the same gross floor area of the principal use or occupy more than the percentage of gross floor area of the Site permitted as an accessory use by the applicable zoning by-laws;

(c) "Apartment" means a Dwelling Unit located in a Residential Building which is not a Single Detached Dwelling, a Semi-Detached Dwelling, or a Townhouse Dwelling within the respective meanings ascribed thereto under this By-law;

(d) "Applicant" means the registered owner of a Site applying for a Development Charge exemption for Eligible Costs for a Brownfield;

(e) "Brownfield" means a Site which contained environmental contamination either in the ground or buildings due to the operational activities of a previous land use, where the extent of the contamination rendered the property vacant, under-utilized, unsafe, unproductive or abandoned, and for which a Record of Site Condition was filed on or after January 1, 2006;

(f) “Building Code Act” means S.O. 1992, c. 23, as amended;

(g) “Core Area” means an area designated as a downtown core area in Schedule D to this By-law, provided that a similar exemption for the downtown core area is included in the current development charge by-law of the applicable lower-tier municipality;
(h) “Development” means any activity or proposed activity in respect of one or more of the actions referred to in Subsection 2(2) of the Act and includes redevelopment;

(i) “Development Charges Act, 1997” means S.O. 1997, c.27, as amended;

(j) “Development Charge” means a charge imposed pursuant to this By-law;

(k) “Dwelling Unit” means one or more rooms occupied or designed for human habitation which include a separate, private entrance together with cooking and sanitary facilities for the exclusive use of the occupants thereof. A unit or room in a hotel, motel, nursing or retirement home, group home or hostel designed for human habitation shall not constitute a Dwelling Unit;

(l) “Eligible Costs” means the sum of the direct costs of remediating the Brownfield plus an allowance for indirect remediation costs less the value of any other financial assistance provided for the Brownfield by the Region and/or a lower-tier municipality, all as set out in Schedule C of the By-law;

(m) “Existing Industrial Building” means a building or buildings existing on a Site on August 1, 2014, or a building or portion of a building constructed on a Site for which full Development Charges were paid, that is currently used for or in connection with;

(i) the production, compounding, processing, packaging, crating, bottling, packing or assembly of raw or semi-processed goods or materials (“manufacturing”) or Warehousing;

(ii) research or development activities in connection with the manufacturing;

(iii) retail sales by a manufacturer, if retail sales are an Accessory Use at the Site where manufacturing is carried out; or,

(iv) office or administrative purposes if they are:

1. carried out as an Accessory Use to the manufacturing or Warehousing; and

2. in or attached to the building or structure used for such manufacturing or Warehousing;

(n) “Factor” means the Factor applicable to the type of Dwelling Unit contained in a residential component or the gross floor area of a Non-Residential component, in each service category in respect of a pre-existing development as set out in Tables 1 and 2 of Part III of Schedule A to this By-law;

(o) “Farm” means a parcel of land on which the predominant activity is Farming. A Farm shall not include a greenhouse;

(p) “Farm Occupation” means a vocational use permitted by the applicable zoning by-law and carried on in a building or as an
Accessory Use in a portion of a building on a Farm where Farming also occurs;

(q) "Farming" means the production of crops or the breeding, raising or maintaining of livestock, or both, and includes but is not limited to:

(i) fur farming;
(ii) fruit and vegetable growing;
(iii) the keeping of bees;
(iv) fish farming; and
(v) sod farming,

and includes such buildings and structures located on a Farm that are designed and intended to be used solely for or in connection with:

(i) storage or repair of farm equipment;
(ii) storage or processing of materials used in the production or maintenance of crops or livestock; or
(iii) storage or processing of the products derived from the Farm’s production of crops or livestock.

Farm and farming shall not include a Dwelling Unit located on a Farm;

(r) "Grade" with respect to a Dwelling Unit or Single Detached Dwelling means the average level of finished ground adjoining same at all exterior walls;

(s) "Greenhouse" means any nursery building where any form or quantity of flowers, household plants, landscaping plants, horticultural products or manufactured household or gardening products not produced on the Site is offered for sale;

(t) "Gross Floor Area" means the total floor area of a building or structure or part thereof measured from the outside faces of exterior walls or between the outside faces of exterior walls and the centre line of any partition walls and, in the case of a Dwelling Unit, includes only those areas above grade. The gross floor area shall include any area which is being used for the repair or for the public sale of vehicles but shall exclude any area which is specifically designed for the parking of passenger motor vehicles;

(u) "Home Occupation" means a vocational use, which is not a Farm occupation, carried on in conjunction with a Dwelling Unit on the same property as permitted by the applicable municipal zoning by-law;

(v) “Industrial” means a building or buildings or portion of a building that are to be used for or in connection with:

(i) the production, compounding, processing, packaging, crating, bottling, packing or assembly of raw or semi-
processed goods or materials ("manufacturing") or Warehousing;

(ii) research or development activities in connection with the manufacturing;

(iii) retail sales by a manufacturer, if retail sales are an Accessory Use at the Site where manufacturing is carried out; or,

(iv) office or administrative purposes if they are:

1. carried out as an Accessory Use to the manufacturing or Warehousing; and

2. in or attached to the building or structure used for such manufacturing or Warehousing;

(w) “Local Board” has the same meaning as in Section 1 of the Act;

(x) "Lodging House" means a building designed or intended to contain, or containing Lodging Units where the residents share access to common areas of the building, other than the Lodging Units;

(y) "Lodging Unit" means a room located within a Lodging House which:

(i) is designed to be occupied for human habitation by one resident;

(ii) is not normally accessible to persons other than the resident without the permission of the resident; and

(iii) may contain either cooking or sanitary facilities, but not both, for the exclusive use of the resident of the unit. A unit or room in a hotel, motel, nursing or retirement home, group home, or hostel designed for human habitation shall not constitute a Lodging Unit;

(z) "Mixed Use Development" means Development containing both Residential and Non-Residential uses;

(aa) "Net Assessable Development" means the number of Dwelling Units, Lodging Units or the Non-Residential gross floor area, or any combination thereof, comprising a Development after the subtraction of any applicable Redevelopment Allowance in accordance with subsections 4(3) to (6) inclusive of this By-law and Schedule A, Part IV, Section 4 of this By-law;

(bb) "Non-Residential Development" means the Development of land for Non-Residential Use;

(cc) "Non-Residential Use" means any commercial, industrial, institutional or other use, except Farming, not included in the definition of Residential Use;

(dd) "Planning Act" means R.S.O. 1990, c. P.13, as amended;

(ee) "Pre-Existing Development" means a building or structure or
lawful use thereof existing on the land at the time a Development Charge is payable in respect of the Development of the land or at any time in the seven years prior thereto but does not include a building or structure or lawful use thereof that was previously exempted from a Development Charge pursuant to this By-law or any predecessor development charge by-law of the Region;

(ff) "Redevelopment Allowance" means an adjustment made to the number of Residential units or Non-Residential gross floor area of Development, or both, in the calculation of net assessable Development in respect of the Regional services already available to the Pre-Existing Development;

(gg) "Region" means The Regional Municipality of Waterloo;

(hh) "Regulation" means Ontario Regulation 82/98, as amended;

(ii) "Residential Building" means a building containing one or more Dwelling Units with or without any Non-Residential component and in the case of a single or semi-detached dwelling or townhouse dwelling means the individual Dwelling Unit;

(jj) "Residential Development" means the Development of land in whole or in part for any Residential Use;

(kk) "Residential Use" means the use of land, buildings or structures as one or more Dwelling Units or Lodging Units, including a Farm dwelling;

(ll) "Semi-Detached Dwelling" means one Dwelling Unit within a building containing only two Dwelling Units, which is divided from the other Dwelling Unit by a vertical solid wall or partition extending from foundation to roof;

(mm) "Service Group" means a group of services provided for in Schedule B to this By-law;

(nn) "Services" means the services listed in Schedule B to this By-law;

(oo) "Servicing Agreement" means any agreement entered into in connection with the Development of land including an agreement under Section 51 or Section 53 of the Planning Act but not including an agreement under Section 41 of the Planning Act;

(pp) "Single Detached Dwelling" means a building containing only one Dwelling Unit and shall include a modular or mobile home connected to any of water, sanitary or electrical utility service;

(qq) "Site" means a parcel of land situated in the Region which can be legally conveyed pursuant to Section 50 of the Planning Act and includes a Development having two or more lots consolidated under identical ownership;

(rr) "Townhouse Dwelling" means one Dwelling Unit within a building containing three or more Dwelling Units which is divided from the other Dwelling Units by one or more vertical solid walls or partitions extending from foundation to roof; and

(ss) "Warehousing" means a building in which the main use is bulk
storage and/or wholesale distribution of manufactured goods or materials.

Rules for the Application and Imposition of Development Charges:

2. It is hereby declared by the Council of the Region that all Development of land within the Region, unless otherwise specified in this By-law, will increase the need for services.

3. (1) Subject to subsection (4), this By-law applies to all lands in the Region whether or not the land or the use thereof is exempt from taxation under Section 3 of the Assessment Act, R.S.O. 1990, c. A.31, as amended;

(2) Council hereby imposes the Development Charges shown in Schedule A of this By-law upon the Development of land to which this By-law applies calculated in the manner set out in Section 4 and said Schedule A;

(3) The services to which the Development Charges imposed by subsection (2) relate are those listed in Schedule B to this By-law;

(4) This By-law does not apply to:

(a) (i) Development of land owned and for any municipal use by the:

Region
City of Kitchener
City of Waterloo
City of Cambridge
Township of North Dumfries
Township of Wilmot
Township of Woolwich
Township of Wellesley

Or any Local Board of such municipality or their successors, being institutions within the category of institution hereby defined as "Municipalities within the geographical limits of the Regional Municipality of Waterloo";

(ii) Development of land owned and for any conservation authority use by the Grand River Conservation Authority;

(iii) Development of land owned and for any education use by a Board as defined in Subsection 1(1) of the Education Act, R.S.O. 1990, c. E.2, as amended;

(iv) the Crown in right of Ontario or the Crown in right of Canada;

(b) the Development of land that constitutes, in accordance with the Regulation only:
(i) the enlargement of an existing Dwelling Unit;

(ii) the creation of the first two additional Dwelling Units in a Single Detached Dwelling Unit;

(iii) the creation of the first additional Dwelling Unit in a Semi-Detached, Townhouse (row) or Apartment building;

(c) Development for any one or more of the following uses of land:

(i) a temporary use permitted under an area municipal zoning by-law enacted in accordance with Section 39 of the Planning Act;

(ii) a Home Occupation;

(iii) Farming, excluding a Farm Occupation;

(iv) temporary erection of a building without a foundation defined in the Building Code Act for a period not exceeding six (6) consecutive months and not more than six (6) months in any one calendar year on a Site for which Development Charges have previously been paid;

(v) an Accessory Building, provided that the total Gross Floor Area of the Accessory Building or Buildings on the Site does not exceed the total Gross Floor Area of the applicable main use, buildings, Dwelling Units or Lodging Units;

(d) one or more enlargements of an Existing Industrial Building on the same Site up to a maximum of fifty percent (50%) of the existing gross floor area, as defined in the Regulation, on that Site before the first enlargement;

(e) Hospitals within the meaning of the Public Hospitals Act, R.S.O. 1990, c. P.40, as amended; and

(f) Development of a remediated Brownfield to the maximum of the Eligible Costs on that Site as set out in Schedule C of this By-law, provided that the criteria as set out in Schedule C of this By-law is satisfied and such Development occurs no later than seven years from the date of issuance of the required Record of Site Condition.

Calculation of Development Charges:

4. (1) Subject to subsections (2) to (9) inclusive, in calculating the Development Charge applicable in respect of any Development including Mixed Use Development, the total charge payable shall be the aggregate of:

(a) the charges applicable to any Residential Use component of the Development; plus

(b) the charges applicable to any Non-Residential Use component of the Development.
(2) (a) A Development Charge shall be imposed in accordance with Schedule A with respect to the Gross Floor Area of an Industrial building being increased by more than fifty percent (50%) of the gross floor area of an Existing Industrial Building on the Site.

(b) A building on a Site used for research purposes in connection with manufacturing shall be under the same ownership as a building on a Site used for manufacturing purposes.

(c) Despite one or more new Sites being divided from the original Site which result in an Existing Industrial Building being separated on a Site from its previous enlargement or enlargements for which an exemption was granted under Section 3(4)(d) of this By-law, further exemptions, if any, pertaining to the Existing Industrial Building shall be calculated on the basis of the gross floor area of the Existing Industrial Building prior to the first enlargement and the Site prior to its division.

(3) Subject to subsections (4), (5) and (6) below, where the Development of land to which this By-law applies entails a material alteration to or replacement of the buildings or structures or the use thereof that constitute a Pre-Existing Development, the Development Charge payable shall be calculated on the net assessable Development.

(4) The net assessable Development shall be determined in the manner set out in Schedule A, Part IV, Section 4.

(5) (a) No Redevelopment Allowance shall be made in excess of the actual Development of the Site.

(b) Any Redevelopment Allowance allowed under this By-law shall be applied to the first building permit issued in respect of the Site within seven years from the date of alteration, demolition or destruction due to natural or criminal acts beyond the control of the owner of the buildings or structures that gave rise to the redevelopment allowance. The balance of the Redevelopment Allowance remaining after issuance of the first building permit, if any, shall be applied to any subsequent building permits issued within the same aforementioned time limit.

(6) In determining whether above subsections (3) to (5) inclusive apply, demolition or alteration shall be deemed to have occurred as of the date of the permit issued therefore and destruction due to natural or criminal acts shall be deemed to have occurred on the date such acts first occurred.

(7) Subject to subsection (8) below, only one Development Charge shall be payable hereunder in respect of a Development of land even though two or more actions described in Subsections 2 (2) (a) to (g) inclusive of the Act may occur in order for the land to be developed.
(8) If two or more of the actions described in Subsections 2(2)(a) to (g) inclusive of the Act occur, or if the same action occurs more than once at different times in respect of the Development of land then an additional Development Charge shall apply in respect of the subsequent action where the Development which is the subject of the subsequent action would have attracted a greater Development Charge than was paid or payable in respect of the earlier action, but in no case shall a refund be made of any Development Charge paid and in no case shall the total Development Charge payable in respect of the Development exceed the highest charge applicable to the Development as a whole.

(9) Development occurring within a Core Area shall be calculated as follows:

(a) Where a building permit is issued during the years of 2014, 2015 or 2016, no Development Charge shall be payable;

(b) Where a building permit is issued during the year of 2017, any Development Charge payable shall be reduced by 75%;

(c) Where a building permit is issued during the year of 2018, any Development Charge payable shall be reduced by 50%;

(d) Where a building permit is issued during the year of 2019, the full amount of any Development Charge shall be payable.

5. Subject to any agreement made pursuant to Section 27(1) of the Act, the whole of the Development Charge imposed under this By-law shall be calculated at the rate in effect at the time of the issuance of the building permit and paid in full to the Treasurer of the lower-tier municipality in which the land is located prior to the issuance of a building permit under the Building Code Act for any building or structure in connection with the Development in respect of which the Development Charge hereunder is payable.

6. The charges set out in Schedule A of this By-law on which a Development Charge is based shall be adjusted without amendment to this By-law on January 1 of each year, commencing on January 1, 2015, in accordance with section 7 of the Regulation.

Prior Agreements and Payments:

7. Any Servicing Agreements made under the Planning Act, prior to the coming into force of By-law No. 91-91 of the Region shall remain in full force and effect and, to the extent of conflict with this By-law, shall prevail.

Credits:

8. Credits may be given as required under Sections 38 to 41 inclusive of the Act, and shall be applied against the Development Charge payable under this By-law on a Site to a maximum of the Development Charge otherwise payable for the services to which the work relates and in a manner set forth in an agreement authorized by Council. When such an agreement is entered into, the credit assigned to a Site shall not exceed
the Development Charge payable calculated on the maximum density of Development permitted by a draft plan of subdivision condition or the municipal zoning by-law which pertains to the Site on that date, whichever is greater.

Reserve Funds:

9. The Regional Treasurer shall establish and retain reserve funds in accordance with the provisions of the Act and shall, on or before June 1 of each year, prepare and provide to Council a financial statement with respect to each Reserve Fund or Funds so established.

General Provisions:

10. Subject to Section 59 of the Act, nothing in this By-law limits the right of Council to require or request an owner to install such services as Council requires at the owner’s expense. Nothing in this By-law relieves an owner of any obligation to install, at the owner’s expense, such services as are requested or required by Council as a condition of any approval under the Planning Act.

11. Prior to the time a Development Charge is payable, the Regional Treasurer, upon request, shall certify to the Treasurer of the area municipality in which such Site is located the amount of the Development Charge applicable to the proposed Development of such Site, the date upon which it is payable or whether it has been paid or otherwise satisfied, pursuant to section 5 of this By-law or any applicable agreement and, where it has not yet been paid, the manner in which the Development Charge is to be paid. Such certificate shall be sufficient evidence of the Development Charge payable under this By-law for the purposes of the issuance of a building permit by the Chief Building Official of the area municipality in which the Site is located. Such certificate may, prior to the issuance of the building permit, be amended by the Regional Treasurer in which case this provision shall apply to such amended certificate. Unless such a certificate is obtained and the amount provided for therein paid at the time and in the manner provided, the owner of land to which a Development Charge applies remains fully liable for the amount of the Development Charge payable, determined in accordance with this By-law.

12. The Regional Treasurer shall refund, without interest, any Development Charge that has been paid if the Chief Building Official of the area municipality in which the Site is located cancels the building permit under the Building Code Act for the building or structure within seven years of the issuance of the building permit.

13. Where a Development Charge is payable hereunder, but any matter as to calculation, manner or timing for payment thereof is not expressly provided for herein, such matters shall be determined in accordance with the Act and Regulations, where applicable by analogy to similar provisions hereof and in accordance with the general principles underlying the Act and this By-law.

14. Nothing in this By-law shall be construed so as to commit or require the Region or its Council to authorize or proceed with any specific capital project or to enter into any Servicing Agreement or provide any credit for the construction of Regional works at any time and Council shall retain
discretion not to proceed with any of the capital projects forecasted if it deems appropriate or advisable for any reason including, but not limited to, the lack of funding from Development Charges or otherwise.

15. The interest rate for the purposes of Sections 18(3), 25(2) and Section 36 of the Act is what the Bank of Canada rate is on August 1, 2014, updated on the first business day of every January, April, July and October thereafter for the life of this By-law.

16. By-law No. 09-024 is hereby repealed effective at midnight on July 31, 2014.

17. This By-law shall come into force and effect on August 1, 2014.

By-law read a first, second and third time and finally passed in the Council Chamber in The Regional Municipality of Waterloo this 25th day of June, A.D., 2014.

_________________________  __________________________
Regional Clerk              Regional Chair
### Schedule A

**PART I - Residential Development Charges ($ Per Unit) (effective August 1, 2014, subject to adjustment pursuant to section 6 of this By-law)**

<table>
<thead>
<tr>
<th>Service Category</th>
<th>Single/Semi Detached Dwelling</th>
<th>Townhouse Dwelling</th>
<th>Apartment Dwelling</th>
<th>Lodging Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City</td>
<td>Township</td>
<td>City</td>
<td>Township</td>
</tr>
<tr>
<td>General Government</td>
<td>$109</td>
<td>$109</td>
<td>$81</td>
<td>$81</td>
</tr>
<tr>
<td>Police Service</td>
<td>$257</td>
<td>$257</td>
<td>$193</td>
<td>$193</td>
</tr>
<tr>
<td>Emergency Medical Services</td>
<td>$93</td>
<td>$93</td>
<td>$70</td>
<td>$70</td>
</tr>
<tr>
<td>Airport</td>
<td>$223</td>
<td>$223</td>
<td>$167</td>
<td>$167</td>
</tr>
<tr>
<td>Operations</td>
<td>$118</td>
<td>$118</td>
<td>$89</td>
<td>$89</td>
</tr>
<tr>
<td>Transit Services</td>
<td>$788</td>
<td>$0</td>
<td>$592</td>
<td>$0</td>
</tr>
<tr>
<td>Library Service</td>
<td>$0</td>
<td>$210</td>
<td>$0</td>
<td>$158</td>
</tr>
<tr>
<td>Transportation</td>
<td>$9,164</td>
<td>$9,164</td>
<td>$6,880</td>
<td>$6,880</td>
</tr>
<tr>
<td>Water Supply</td>
<td>$2,067</td>
<td>$2,067</td>
<td>$1,552</td>
<td>$1,552</td>
</tr>
<tr>
<td>Wastewater</td>
<td>$5,117</td>
<td>$5,117</td>
<td>$3,842</td>
<td>$3,842</td>
</tr>
</tbody>
</table>

| Total                     |                               |                   |                   |               |               |               |
| Hard Services *           | $16,348                       | $16,348           | $12,274           | $12,274      | $8,904        | $8,904       | $5,031        | $5,031       |
| Total                     |                               |                   |                   |               |               |               |
| General Services**        | $10,752                       | $10,174           | $8,072            | $7,638       | $5,854        | $5,539       | $3,309        | $3,131       |
| Total                     |                               |                   |                   |               |               |               |
| Full Service              | $17,936                       | $17,358           | $13,466           | $13,032      | $9,767        | $9,452       | $5,520        | $5,342       |

* - Hard Services includes Transportation, Water Supply, Wastewater

** - General Services includes General Government, Police Service, Emergency Medical Service, Airport, Operations, Transportation, Transit Services, (Cities only), and Library Services (Townships only)
### Schedule A Continued

**PART II - Non-Residential Development Charges ($ Per Square Foot of GFA\(^*\))**  
(effective August 1, 2014, subject to adjustment pursuant to section 6 of this By-law)

<table>
<thead>
<tr>
<th>Service Category</th>
<th>Non-Residential (Excluding Industrial)</th>
<th>Non-Residential (Industrial)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City</td>
<td>Township</td>
</tr>
<tr>
<td>General Government</td>
<td>$0.06</td>
<td>$0.06</td>
</tr>
<tr>
<td>Police Service</td>
<td>$0.14</td>
<td>$0.14</td>
</tr>
<tr>
<td>Emergency Medical Services</td>
<td>$0.05</td>
<td>$0.05</td>
</tr>
<tr>
<td>Airport</td>
<td>$0.28</td>
<td>$0.28</td>
</tr>
<tr>
<td>Operations</td>
<td>$0.07</td>
<td>$0.07</td>
</tr>
<tr>
<td>Transit Services</td>
<td>$0.44</td>
<td>$0.00</td>
</tr>
<tr>
<td>Library Service</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Transportation</td>
<td>$5.09</td>
<td>$5.09</td>
</tr>
<tr>
<td>Water Supply</td>
<td>$1.06</td>
<td>$1.06</td>
</tr>
<tr>
<td>Wastewater</td>
<td>$2.58</td>
<td>$2.58</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>Non-Residential (Excluding Industrial)</th>
<th>Non-Residential (Industrial)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City</td>
<td>Township</td>
</tr>
<tr>
<td>Total Hard Services **</td>
<td>$8.73</td>
<td>$8.73</td>
</tr>
<tr>
<td>Total General Services ***</td>
<td>$6.13</td>
<td>$5.69</td>
</tr>
<tr>
<td>Total Full Service</td>
<td>$9.77</td>
<td>$9.33</td>
</tr>
</tbody>
</table>

\(\*\) - Gross Floor Area  
\(\text{**}\) - Hard Services includes Transportation, Water Supply Wastewater  
\(\text{***}\) - General Services includes General Government, Police Service, Emergency Medical Services, Airport, Operations, Transportation, Transit Services (Cities only), and Library Services (Townships only)
### Schedule A Continued

**PART III - Residential Redevelopment Factors (effective August 1, 2014)**

<table>
<thead>
<tr>
<th>Service Category</th>
<th>Single/Semi Detached Dwelling</th>
<th>Townhouse Dwelling</th>
<th>Apartment Dwelling</th>
<th>Lodging Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City</td>
<td>Township</td>
<td>City</td>
<td>Township</td>
</tr>
<tr>
<td>General Government</td>
<td>0.006</td>
<td>0.006</td>
<td>0.005</td>
<td>0.005</td>
</tr>
<tr>
<td>Police Service</td>
<td>0.014</td>
<td>0.015</td>
<td>0.011</td>
<td>0.011</td>
</tr>
<tr>
<td>Emergency Medical Services</td>
<td>0.005</td>
<td>0.005</td>
<td>0.004</td>
<td>0.004</td>
</tr>
<tr>
<td>Airport</td>
<td>0.012</td>
<td>0.013</td>
<td>0.009</td>
<td>0.010</td>
</tr>
<tr>
<td>Operations</td>
<td>0.007</td>
<td>0.007</td>
<td>0.005</td>
<td>0.005</td>
</tr>
<tr>
<td>Transit Services</td>
<td>0.044</td>
<td>0.000</td>
<td>0.033</td>
<td>0.000</td>
</tr>
<tr>
<td>Library Service</td>
<td>0.000</td>
<td>0.012</td>
<td>0.000</td>
<td>0.009</td>
</tr>
<tr>
<td>Transportation</td>
<td>0.511</td>
<td>0.528</td>
<td>0.384</td>
<td>0.396</td>
</tr>
<tr>
<td>Water Supply</td>
<td>0.115</td>
<td>0.119</td>
<td>0.087</td>
<td>0.089</td>
</tr>
<tr>
<td>Wastewater</td>
<td>0.285</td>
<td>0.295</td>
<td>0.214</td>
<td>0.221</td>
</tr>
</tbody>
</table>

**Total**

**Hard Services * | 0.911 | 0.942 | 0.684 | 0.707 | 0.496 | 0.513 | 0.280 | 0.290**

**Total General Services** | 0.599 | 0.586 | 0.450 | 0.440 | 0.326 | 0.319 | 0.184 | 0.180

**Total Full Service** | 1.000 | 1.000 | 0.751 | 0.751 | 0.545 | 0.545 | 0.308 | 0.308

---

* - Hard Services includes Transportation, Water Supply, Wastewater

** - General Services includes General Government, Police Service, Emergency Medical Services, Airport, Operations, Transportation, Transit Services (Cities only), and Library Services (Townships only)
### Part III - Non-Residential Redevelopment Factors (effective August 1, 2014)

<table>
<thead>
<tr>
<th>Service Category</th>
<th>Non-Residential</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City</td>
<td>Township</td>
</tr>
<tr>
<td>General Government</td>
<td>0.006</td>
<td>0.006</td>
</tr>
<tr>
<td>Police Service</td>
<td>0.014</td>
<td>0.015</td>
</tr>
<tr>
<td>Emergency Medical Services</td>
<td>0.005</td>
<td>0.005</td>
</tr>
<tr>
<td>Airport</td>
<td>0.029</td>
<td>0.030</td>
</tr>
<tr>
<td>Operations</td>
<td>0.007</td>
<td>0.008</td>
</tr>
<tr>
<td>Transit Services</td>
<td>0.045</td>
<td>-</td>
</tr>
<tr>
<td>Library Service</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transportation</td>
<td>0.521</td>
<td>0.546</td>
</tr>
<tr>
<td>Water Supply</td>
<td>0.108</td>
<td>0.114</td>
</tr>
<tr>
<td>Wastewater</td>
<td>0.264</td>
<td>0.277</td>
</tr>
<tr>
<td><strong>Total Hard Services</strong></td>
<td>0.894</td>
<td>0.936</td>
</tr>
<tr>
<td><strong>Total General Services</strong>*</td>
<td>0.627</td>
<td>0.610</td>
</tr>
<tr>
<td><strong>Total Full Service</strong></td>
<td>1.000</td>
<td>1.000</td>
</tr>
</tbody>
</table>

** - Hard Services includes Transportation, Water Supply, Wastewater

** - General Services includes General Government, Police Service, Emergency Medical Services, Airport, Operations, Transportation, Transit Services (Cities only), and Library Services (Townships only)

Redevelopment Conversion Factors:

1 sq. ft. of Full Service Non-Residential GFA = 0.0008196 Full Service Single Detached Dwelling Units

1 Full Service Single Detached Dwelling Unit = 1220.0980 sq. ft. on Non-Residential GFA

Note: 1 square foot = .09290 square metres

1 hectare = 107,642.6265 square feet

1 acre - 0.4047 hectares
Schedule A (Continued)

PART IV - Calculation Provisions:

1. Charges shall include components for only those Service Groups available or to be made available to a Site in connection with the Development in accordance with the terms or conditions associated with its approval or any area municipal or Regional capital forecast in effect at the time the Development Charge is imposed whether or not such services will be used by the Development.

2. Subject to Part IV, Section 1 of this Schedule, the charges applicable to residential Development shall be the sum of the amounts calculated by multiplying the number of units of each type referred to in Part I of this Schedule forming part of the Development by the rates listed thereunder in the relevant Service Groups.

3. Subject to Part IV, Section 1 of this Schedule, the charge applicable to Non-Residential Development shall be the sum of the amounts calculated by multiplying the Gross Floor Area of all buildings and structures forming part of the Development by the rates listed in the relevant Service Groups in Part II of this Schedule.

4. (1) The net assessable Development of a proposed Development for the purpose of calculating the applicable Development Charge, is the number of Dwelling Units and the gross floor area of all Non-Residential components less the total redevelopment allowance applicable to the Site which is the subject of the Development, to a maximum of the total of the number of Dwelling Units and the Non-Residential Gross Floor Area of the proposed Development, calculated as follows:

   (a) for residential Development, the number and types of units in the Pre-Existing Development times the Factor applicable to each type of unit for each service provided to such Pre-existing Development under the Table 1 of Part III of this Schedule; plus

   (b) for non-residential Development, the gross floor area of the Pre-Existing Development times the Factor applicable to each Service Group provided to such Pre-Existing Development under Table 2 of Part III of this Schedule.

(2) Prior to subtraction of the Redevelopment Allowance from the Development, the number of residential Dwelling Units of each type, if any, in the Development shall be multiplied by the Factors set out in Table 1 of Part III of this Schedule for each type of Dwelling Unit and, after subtraction, the balance in each category shall be divided by the same Factor. The sum of the products of this division shall be the net assessable Development.

(3) For the purpose of applying a Redevelopment Allowance in respect of residential Dwelling Units to Non-Residential Gross Floor Area, or vice versa;

   (a) a Single Detached Dwelling Unit to which a Factor of 1 applies corresponds to 1,220.0980 square feet of Non-Residential Gross Floor Area;

   (b) one square foot of Gross Floor Area corresponds to .0008196 Single Detached Dwelling Units to which a Factor of 1
(4) (a) The Redevelopment Allowance quantified in accordance with subsection 4(2) of this By-law and this section shall apply to the whole parcel of land on which the Pre-Existing Development exists or existed;

(b) in the event of a division of a Site into two or more parcels, any remaining applicable Redevelopment Allowance shall be apportioned equally between or amongst the resultant parcels of land on a per unit area basis unless otherwise apportioned pursuant to an agreement in force and registered on title to the Site comprising all of the parcels related to a consent application under Section 53 of the Planning Act in which case such agreement shall prevail; and

(c) the Redevelopment Allowance applicable to a Site on which a Pre-Existing Development existed or to any part thereof after any land division, shall be reduced for each subsequent Development by the Redevelopment Allowance applicable to such subsequent Development.

5. In determining the net assessable Development for the purposes of calculating the Development Charge payable, the total Redevelopment Allowance applicable to the Site shall be calculated only with respect to the services that were provided to the Pre-Existing Development relative to the services required by the Development based on the growth related costs of services established in the Regional Municipality of Waterloo Development Charge background study dated March, 2014 and approved by Council on June 25, 2014.
# Schedule B

<table>
<thead>
<tr>
<th>Service Group</th>
<th>Services Included</th>
<th>Service Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>General:</td>
<td>1. General</td>
<td>General Government</td>
</tr>
<tr>
<td></td>
<td>Government</td>
<td></td>
</tr>
<tr>
<td>Basic Services:</td>
<td>2. Police</td>
<td>Police</td>
</tr>
<tr>
<td></td>
<td>3. EMS</td>
<td>EMS</td>
</tr>
<tr>
<td></td>
<td>4. Airport</td>
<td>Airport</td>
</tr>
<tr>
<td></td>
<td>5. Operations</td>
<td>Operations</td>
</tr>
<tr>
<td>Transportation Services:</td>
<td>6. Transportation</td>
<td>Transportation</td>
</tr>
<tr>
<td>Transit Services:*</td>
<td>7. Transit</td>
<td>Transit</td>
</tr>
<tr>
<td></td>
<td>Operations</td>
<td></td>
</tr>
<tr>
<td>Library Services:**</td>
<td>8. Library</td>
<td>Library</td>
</tr>
<tr>
<td>Water Supply:</td>
<td>9. Water Works</td>
<td>Water Services</td>
</tr>
<tr>
<td>Wastewater:</td>
<td>10. Wastewater</td>
<td>Water Services</td>
</tr>
<tr>
<td></td>
<td>Works</td>
<td></td>
</tr>
</tbody>
</table>

*applicable only to Development in the Cities of Cambridge, Kitchener and Waterloo

**applicable only to Development in the Townships of North Dumfries, Wellesley, Wilmot and Woolwich.
Schedule C

Eligible Costs and Eligibility Criteria for an Exemption for a Development Charge on a Remediated Brownfield

1. Eligibility Criteria

(a) An Applicant must not have been the registered owner of the Brownfield during the operational activities of the land use which created the Brownfield, nor have been found by any court, tribunal or other body with lawful jurisdiction to be responsible for the subject contamination of the Brownfield;

(b) Sites must meet the definition of a Brownfield as set out in this By-law; and

(c) Sites in property tax arrears are not eligible to receive an exemption.

2. Terms of Financial Assistance

(a) The Development Charge exemption shall consist of the direct costs of remediating the Brownfield, plus an allowance for indirect remediation costs, as determined herein. The calculated Development Charge exemption is then reduced by the value of any financial assistance provided by the Region and / or a lower-tier municipality under its Brownfields Financial Incentive Program or any successor thereto.

(b) Direct remediation costs include the cost of:

(i) Phase I Environmental Site Assessments;

(ii) Phase II Environmental Site Assessments (only for the portion not already funded by the Region under its Brownfields Financial Incentive Program or any successor thereto);

(iii) Remedial Action Plan/ Remedial Work Plan;

(iv) Risk Assessment;

(v) Environmental Rehabilitation;

(vi) Risk Mitigation Measures;

(vii) Disposal of contaminated soil;

(viii) Placing of clean fill and grading;

(ix) Building demolition costs related to remediation; and

(x) Filing of a Record of Site Condition (provided that at least one other cost item above has been incurred).

(c) The allowance for indirect remediation costs is 20 per cent of direct remediation costs to account for indirect costs related to remediation, which includes the cost of an audit under Section 3.

3. Review of Eligible Costs

(a) Direct remediation costs submitted by the Applicant will be subject to an audit that confirms the link between direct remediation costs submitted by the Applicant and the work plan followed to achieve
filing of the Record of Site Condition.

(b) The audit will be carried out in accordance with the standards set out in Section 5815 of the Canadian Institute of Chartered Accountants Handbook – Special Reports – Audit Reports on Compliance with Agreements, Statutes and Regulations, or any successor thereto.

(c) The audit report should clearly indicate that the direct remediation costs submitted by the Applicant relate to the rehabilitation of the Brownfield and the work plan followed to achieve filing of the Record of Site Condition.

(d) The cost of the audit is the responsibility of the Applicant, and is included in the indirect remediation cost.

4. Work and Quality Requirements

(a) An Applicant for an exemption must provide a copy of the Record of Site Condition and the associated acknowledgment from the Ministry of the Environment to verify that environmental remediation has been completed in accordance with Regulation 153/04 of the Environmental Protection Act, as well as standards set by the Canadian Standards Association, and all other applicable standards, all as may be amended or superseded from time to time.

5. Conditions for Receiving Exemption

(a) Eligibility for this exemption commences thirty (30) calendar days after a Record of Site Condition has been filed for the subject property to allow the Ministry of the Environment to complete its audit process and terminates on the date that is seven years from the date of commencement of eligibility. If a Record of Site Condition does not pass the Ministry audit, the redevelopment shall be ineligible for the development charge exemption.

(b) Approval of the exemption will only be granted after the Eligible Costs have been determined and verified in accordance with this Schedule.

(c) If a building permit is issued for the subject Brownfield prior to the determination of the Eligible Costs then the applicable Development Charge without regard to the applicability of this exemption to the Development on the Site must be paid in full. In such cases, the Development Charge shall be held by the Region and any calculated Development Charge exemption shall be refunded to the Applicant if and when approval of the exemption is granted.

(d) An Applicant for the Development Charge exemption shall submit the following materials as evidence of work undertaken, compliance with standards and costs incurred:

(i) A copy of the Record of Site Condition;

(ii) Acknowledgement letter from the Ministry of the Environment indicating receipt of the Record of Site Condition;

(iii) Remedial work plan or action plan used to achieve filing of the Record of Site Condition and all other associated documents;

(iv) Certificate of property use, if applicable;
(v) Original cost estimates for remediation prepared by a Qualified Person as defined in Regulation 153/04 of the Environmental Protection Act, as amended;

(vi) Paid invoices from a Qualified Person as defined in Regulation 153/04 of the Environmental Protection Act, as amended;

(vii) Paid invoices from contractors in respect of remediation work;

(viii) Summary of all Eligible Costs;

(ix) Signed declaration that the subject property is not property tax arrears; and

(x) The audit report as required by Section 3.
Schedule D (Page 2)
Downtown Exemption Area boundary map for the City of Cambridge (Hespeler)
June 25, 2014

Ken Seiling & Members of Regional Council  
Regional Chair  
1st Floor, 150 Frederick Street  
Kitchener ON  
N2G 4J3  

SUBJECT: REGION OF WATERLOO  
2014 DEVELOPMENT CHARGES REVIEW (RDC) (REPORT F14-073)  
DRAFT REGIONAL DEVELOPMENT BY-LAW (RDC BY-LAW)  
FUSION HOMES  
471-481 KING STREET EAST  
CITY OF KITCHENER

Dear Regional Chair, Ken Seiling & Members of Regional Council:

On behalf of Fusion Homes, we have had the opportunity to review the most current report and submit to you the following comments.

Our proposal to the members of this Committee is as follows;

“That the full RDC exemption be made applicable to the small area identified as “Expanded Downtown Core Boundary (effective in 2016)” on Schedule D of the draft RDC By-Law from the period July 2016 to July 2019. Also, Section 4(9) of the proposed by-law would require modification to reflect this change.”

The main reason for the above statement that was articulated in previous meetings are as follows:

1. It would accelerate the growth and redevelopment of Cedar Street and Market Street area.
2. It would create a more balanced downtown core with Victoria at one end and the Market Square at the other end.
3. It would create additional taxation revenue generated from this development from the present base of $60,000/year to in the order of $900,000/year, on full build out including residential and some commercial floor area.
4. It would take about 3½ years to pay back the Regional DC & City of Kitchener DC (according to Fusion Homes and to the City of Kitchener numbers provided in their Downtown Incentive Program Review) from the advanced taxation revenue.
5. Our proposed development, based on the Regional Annual Tax collected, would generate about $100,000 for 2018, $150,000 in 2019 and increase in 2020 to $250,000.
We look forward to Regional Council’s support on the above suggestions by Fusion Homes and we would appreciate receiving for the small area, full DC exemption.

Yours very truly,

[Signature]

Paul F. Puopolo, MA MCIP RPP OALA
President
Polocorp Inc.

/kc

cc: Larry Kotseff, Fusion Homes
June 24, 2014

Chairman Seiling and Members of Regional Council
Regional Municipality of Waterloo
150 Frederick Street
Kitchener, ON
N2G 4J3

Dear Chairman Seiling and Members of Regional Council:

We are writing with regard to the Development Charge Background Study that was completed recently by the Regional Municipality of Waterloo to comply with Section 10 of the Development Charges Act. We would like to express our concern about the process for review and the recommendations going forward.

Our first concern is that representatives of the not for profit sector were not invited as stakeholders to meet with the working group in April and May and/or consulted about the proposed changes to the RDC By-Law. Our second concern is with regard to the policy recommendations going forward that are not fully inclusive of the not for profit community.

As well as providing essential services to citizens, the not for profit sector creates and sustains employment for Waterloo Region residents. New and existing businesses and industry also consider the provision of services that improve the quality of life for their employees’ health and well being. This is an extremely important consideration to attract and retain residents in Waterloo Region.

The current eligibility criteria for an exemption includes a not for profit organization that builds a facility in the downtown core; affordable housing projects and Brownfield development projects. We also understand that the recommendations going forward have proposed that industry will be eligible for a 50% reduction in development charges. We believe that other organizations in the not for profit sector should be granted the same consideration and should be treated equitably.

We are equally concerned that while not for profit organizations are offered the opportunity to apply for a grant on a case to case basis that the report states that “the Region has taken no action on virtually all grant requests to offset development charges,” since the by-law was passed in 1991. We are aware that there have been a few exceptions such as when a RDC grant to not for profit organizations has a direct link to Regional Programs (e.g. Habitat for Humanity).
We appreciate that the Region defines the not for profit sector quite broadly and that consideration is given not for profit organizations that have a direct link to Regional Programs. To this end, we would encourage Regional Council to include this provision and expand on this criterion to include not for profit organizations that have charitable status. This expanded eligibility criteria would limit the number of not for profit organizations eligible to a small number of organizations who have or acquire the capacity to undertake a capital building project.

This action would be consistent with the Region’s values of integrity, respect and collaboration. Furthermore it addresses the Region’s strategic direction 5.1 of improving the accessibility of regional programs in the community.

We are aware from the feedback from council members at the Administration and Finance Committee Meeting of June 17th that additional clarity in the policy is required and that the current RDC By-law expires July 31, 2014. We also understand that there is a Special Council Meeting being held on Friday, June 27th. To this end, we strongly encourage Regional Council to consider the above expanded criteria or adopt other criteria that is consistent with opportunities granted to other sectors. If it is possible to defer the adoption of this policy or expand on the policy in the immediate future, we respectfully encourage Council to engage in a consultation process to be inclusive so that the needs of the not for profit sector may be seriously considered.

We are happy to address any questions that Regional Council has and wish you well during these important deliberations that impact the health and well being of Waterloo Region.

Sincerely,

Gary Desborough,
Board Chair

Bill Davidson,
Executive Director
June 24, 2014

Chairman Seiling and Members of Regional Council
Regional Municipality of Waterloo
150 Frederick Street
Kitchener, ON N2G 4J3

Dear Chairman Seiling and Members of Regional Council:

As you may be aware, Carizon Family and Community Services has been in existence since April 1, 2013 and is the newly amalgamated company of the former Mosaic Counselling and Family Services and Notre Dame of St. Agatha, two long-standing successful social and mental health providers in the Region of Waterloo.

Carizon offers services to residents in the Regional Municipality of Waterloo specializing in children’s mental health, youth engagement and development, family violence services, individual and group counselling, parental support and education, credit counselling, workplace resilience, settlement support and community wellness.

As a not for profit organization that provides essential services to the citizens of Waterloo Region, we are writing to encourage Regional Council to further consider the recommendations contained in the recent Development Charge Background Study.

We are concerned that that representatives of the not for profit sector were not consulted as part of the process to develop the Background Study and recommendations. We respectfully ask that Regional Council consult with the not for profit sector and/or at least consider additional exemption eligibility criteria in to be more inclusive of our sector.

We are aware that exemptions have been applied to affordable housing projects, an agency that builds a facility in the downtown core; and Brownfield development projects. We also understand that the recommendations proposed encourage industrial development by offering a 50% reduction in development charges.

We know that few exceptions through a RDC granting process have been considered for a not for profit organization that has a direct link to Regional Programs (e.g. Habitat for Humanity). We appreciate this option exists, however we don’t believe that this option fully considers the needs of our sector.
We believe that other organizations in the not for profit sector should be granted the same consideration and/or the exemption criteria should be expanded to include not for profits that have charitable status. This expanded eligibility criteria would only apply to a small group of organizations that are planning capital projects.

We also understand that there is a Special Council Meeting being held on Friday, June 27th. To this end, we strongly encourage Regional Council reconsider the recommendations being proposed to be more inclusive of the needs of the not for profit sector that have a substantial impact on the health and well-being of Waterloo Region residents.

Sincerely,

Richard Steinmann
Board Chair

Sue Gillespie
CEO
June 25, 2014

Chairman Seiling and Members of Regional Council
Regional Municipality of Waterloo
150 Frederick Street
Kitchener, ON
N2G 4J3

Dear Chairman Seiling and Members of Regional Council:

As you may be aware, Big Brothers Big Sisters of Waterloo Region has been in existence for 50 years and has been making a positive difference in the lives of our region’s youth by developing and implementing a wide range of mentoring programs. As a not for profit organization that provides vital services to the citizens of Waterloo Region, we are writing to encourage Regional Council to further consider the recommendations contained in the recent Development Charge Background Study.

We are concerned that that representatives of the not for profit sector were not consulted as part of the process to develop the Background Study and recommendations. We respectfully ask that Regional Council consult with the not for profit sector and/or at least consider additional exemption eligibility criteria in to be more inclusive of our sector.

It is our understanding that exemptions have been applied to affordable housing projects, an agency that builds a facility in the downtown core; and Brownfield development projects. We also understand that the recommendations proposed encourage industrial development by offering a 50% reduction in development charges.

We know that few exceptions through a RDC granting process have been considered for a not for profit organization that has a direct link to Regional Programs (e.g. Habitat for Humanity). We appreciate this option exists, however we don’t believe that this option fully considers the needs of our sector.

We believe that other organizations in the not for profit sector should be granted the same consideration and/or the exemption criteria should be expanded to include not for profits that have charitable status. This expanded eligibility criteria would only apply to a small group of organizations that are planning capital projects.
We also understand that there is a Special Council Meeting being held on Friday, June 27th. To this end, we strongly encourage Regional Council reconsider the recommendations being proposed to be more inclusive of the needs of the not for profit sector that have a substantial impact on the health and well-being of Waterloo Region residents.

Sincerely,

Gert Hartmann
CEO

Julie Phillips
COO
June 26, 2014

Chairman Selling and Members of Regional Council
Regional Municipality of Waterloo
150 Frederick Street
Kitchener, ON, N2G 4J3

Dear Chairman Selling and Members of Regional Council:

As you may be aware, the John Howard Society of Waterloo-Wellington (JHSWW) has been serving the Region of Waterloo since 1951. The mandate of JHSWW is to address the root causes of crime. As such, JHSWW provides an array of primary, secondary and tertiary prevention programs to residents of the Region.

As a non-profit, charitable organization that provides essential services to the citizens of the Region, we are writing to encourage Regional Council to further consider the recommendations contained in the recent Development Charge (DC) Background Study.

We are concerned that representatives of the non-profit, charitable sector do not appear to have been consulted and actively engaged as part of the consultation process undertaken to develop the Background Study. Moreover, the consultation process was undertaken in a very short time frame. We respectfully ask that Regional Council consult with the non-profit, charitable sector and/or at least consider additional exemption eligibility criteria to be more inclusive of our sector.

We are aware that DC exemptions have been applied in certain contexts such as to agencies that build a facility in the downtown core, and Brownfield development projects. We also understand that the recommendations proposed encourage industrial development by offering a 50% reduction in development charges. We believe that all charities in Waterloo Region should be granted the same consideration and/or the exemption criteria to strengthen the capacity of our local non-profit, charitable sector to serve the residents of the Region. Please keep in mind that non-profit, charitable organizations not only serve the community but are also local employers who provide and create jobs for residents of the Region. We also purchase goods and services from local businesses. As such, non-profit, charitable organizations have a substantial impact on the health and wellbeing of Waterloo Region residents and the economic vitality of the Region.

We understand that there is a Special Council Meeting being held on Friday, June 27, 2014. To this end, we strongly encourage Regional Council to reconsider the recommendations being proposed to be more inclusive of the needs of the non-profit, charitable sector and its contribution to the Region.

Sincerely,

Joan Nandlal, BA (Hons), MA, PhD
Executive Director /Chief Executive Officer
June 24, 2014

Chairman Seiling and Members of Regional Council
Regional Municipality of Waterloo
150 Frederick Street
Kitchener, ON N2G 4J3

Dear Chairman Seiling and Members of Regional Council:

As you may be aware, Lutherwood has been in existence since 1970 and provides a variety of services, including: Employment and Housing Stability Services, Mental Health Treatment Programs and Residential Services to seniors in the Waterloo-Wellington Regions. As a not-for-profit organization that provides essential services to the citizens of Waterloo Region, we are writing to encourage Regional Council to further consider the recommendations contained in the recent Development Charge Background Study.

We are concerned that representatives of the not-for-profit sector were not consulted as part of the process to develop the Background Study and recommendations. We respectfully ask that Regional Council consult with the not-for-profit sector and/or at least consider additional exemption eligibility criteria to be more inclusive of our sector.

We are aware that exemptions have been applied to affordable housing projects, an agency that builds a facility in the downtown core; and Brownfield development projects. We also understand that the recommendations proposed encourage industrial development by offering a 50% reduction in development charges.

We know that a few exceptions through a RDC granting process have been considered for a not-for-profit organization that has a direct link to Regional Programs (e.g., Habitat for Humanity). We appreciate that this option exists; however, we do not believe that this option fully considers the needs of our sector.

We believe that other organizations in the not-for-profit sector should be granted the same consideration and/or the exemption criteria should be expanded to include not-for-profits that have charitable status. This expanded eligibility criteria would only apply to a small group of organizations that are planning capital projects.

We also understand that there is a Special Council Meeting being held on Friday, June 27th. To this end, we strongly encourage Regional Council to reconsider the recommendations being proposed to be more inclusive of the needs of the not-for-profit sector that have a substantial impact on the health and well-being of Waterloo Region residents.

Sincerely,

Jenn Hess, MSc
Acting CEO, Lutherwood
Human Services Advisory Committee
An Advisory Committee to City of Cambridge Council

Chairman Seiling and Members of Regional Council
Regional Municipality of Waterloo
150 Frederick Street
Kitchener, ON
N2G 4J3

June 25, 2014

Dear Chairman Seiling and Members of Regional Council,

We are concerned that that representatives of the not for profit sector were not consulted as part of the process to develop the Background Study and recommendations. We respectfully ask that Regional Council consult with the not for profit sector and/or at least consider additional exemption eligibility criteria be more inclusive of our sector.

We are aware that exemptions have been applied to affordable housing projects, an agency that builds a facility in the downtown core; and Brownfield development projects. We also understand that the recommendations proposed encourage industrial development by offering a 50% reduction in development charges.

We know that few exceptions through a RDC granting process have been considered for a not for profit organization that has a direct link to Regional Programs (e.g. Habitat for Humanity). We appreciate this option exists, however we don’t believe that this option fully considers the needs of our sector.

We believe that other organizations in the not for profit sector should be granted the same consideration and/or the exemption criteria should be expanded to include not for profits that have charitable status. This expanded eligibility criteria would only apply to a small group of organizations that are planning capital projects.

We also understand that there is a Special Council Meeting being held on Friday, June 27th. To this end, we strongly encourage Regional Council reconsider the recommendations being proposed to be more inclusive of the needs of the not for profit sector that have a substantial impact on the health and well being of Waterloo Region residents.

Sincerely,

Julie Phillips
Co-Chair
Human Service Advisory Committee

Joe-Ann McComb
Co-Chair
Human Service Advisory Committee

Please forward correspondence to:
Human Services Advisory Committee (HSAC)
c/o 50 Dickson Street, P.O. Box 669, Cambridge, ON N1R 5W8
June 26, 2014

Chairman Selling and Members of Regional Council
Regional Municipality of Waterloo
150 Frederick Street, Kitchener, ON N2G 4J3

Dear Chairman Selling and Members of Regional Council:

As you may be aware, Women's Crisis Services of Waterloo Region has been in existence since 1978. Women's Crisis Services operates two emergency shelters for abused women and their children: Anselma House in Kitchener and Haven House in Cambridge (for a total of 75 beds), plus a regional Outreach program. We are the only agency of its kind in Waterloo Region. As a not for profit organization that provides essential services to the citizens of Waterloo Region, we are writing to encourage Regional Council to further consider the recommendations contained in the recent Development Charge Background Study.

We are concerned that representatives of the not for profit sector were not consulted as part of the process to develop the Background Study and recommendations. We respectfully ask that Regional Council consult with the not for profit sector and/or at least consider additional exemption eligibility criteria in to be more inclusive of our sector.

We are aware that exemptions have been applied to affordable housing projects, an agency that builds a facility in the downtown core; and Brownfield development projects. We also understand that the recommendations proposed encourage industrial development by offering a 50% reduction in development charges.

We know that few exceptions through a RDC granting process have been considered for a not for profit organization that has a direct link to Regional Programs (e.g. Habitat for Humanity). We appreciate this option exists, however we don't believe that this option fully considers the needs of our sector.

We believe that other organizations in the not for profit sector should be granted the same consideration and/or the exemption criteria should be expanded to include not for profits that have charitable status. This expanded eligibility criteria would only apply to a small group of organizations that are planning capital projects. We are in the process of rebuilding Haven House, our Cambridge shelter; thus it would apply to our agency's capital project.

We also understand that there is a Special Council Meeting being held on Friday, June 27th. To this end, we strongly encourage Regional Council reconsider the recommendations being proposed to be more inclusive of the needs of the not for profit sector that have a substantial impact on the health and well being of Waterloo Region residents.

Sincerely,

Mary Zilney
Chief Executive Officer
June 24, 2014

Chairman Seiling and Members of Regional Council
Regional Municipality of Waterloo
150 Frederick Street
Kitchener, ON
N2G 4J3

Dear Chairman Seiling and Members of Regional Council:

As you may be aware, the Family Counselling Centre of Cambridge and North Dumfries has been in existence since 1941 and provides counselling and outreach support services to residents of Cambridge and North Dumfries.

As a not for profit organization that provides essential services to the citizens of Waterloo Region, we are writing to encourage Regional Council to further consider the recommendations contained in the recent Development Charge Background Study.

We are concerned that representatives of the not for profit sector were not consulted as part of the process to develop the Background Study and recommendations. We respectfully ask that Regional Council consult with the not for profit sector and/or at least consider additional exemption eligibility criteria in to be more inclusive of our sector.

We are aware that exemptions have been applied to affordable housing projects, an agency that builds a facility in the downtown core; and Brownfield development projects. We also understand that the recommendations proposed encourage industrial development by offering a 50% reduction in development charges.

We know that few exceptions through a RDC granting process have been considered for a not for profit organization that has a direct link to Regional Programs (e.g. Habitat for Humanity). We appreciate this option exists, however, we don’t believe that this option fully considers the needs of our sector.

We believe that other organizations in the not for profit sector should be granted the same consideration and/or the exemption criteria should be expanded to include not for profits that have charitable status. This expanded eligibility criteria would only apply to a small group of organizations that are planning capital projects.

We also understand that there is a Special Council Meeting being held on Friday, June 27th. To this end, we strongly encourage Regional Council reconsider the recommendations being proposed to be more inclusive of the needs of the not for profit sector that have a substantial impact on the health and well-being of Waterloo Region residents.

Very truly yours,

Diana Drackley
President, Board of Directors

Bobbye Goldenberg
Executive Director