Extract of Minute
Corporate Services and
Economic Development Committee
06 April 1999

REGIONAL DEVELOPMENT CHARGE (RDC)
POLICY REPORT

- Joint Finance Commissioner and Planning and Development Approvals Commissioner's report dated 23 Mar 99
- Region of Ottawa-Carleton Development Charge Background Study previously issued
- Written submissions on file with the Committee Co-ordinator and included in the Committee Report to Council

K. Kirkpatrick, Deputy Finance Commissioner, introduced Ms. Pamela Sweet, Director, Policy and Infrastructure Planning Division, Mr. David Atkins, Manager, Planning and Development Approvals Department, and Mr. Steve Hall, Capital Budget Co-ordinator, Budget Services. Mr. Kirkpatrick and Ms. Sweet provided a presentation to Committee members. (Presentation Slides are on file with the Committee Co-ordinator and included in the Committee Report to Council.) During the presentation, Mr. Kirkpatrick referenced adjustments made to the policy report (Table 3) and Background Study, noting the information in the presentation slides prevails.

Upon conclusion of the presentation, staff responded to questions from the Committee.

Vice-Chair Peter Hume chaired the remainder of the meeting, as Chair Chiarelli was called away on an unforeseeable emergency.

Councillor Legendre referenced the report conclusion that the maximum charge be set that was allowable under the *Development Charge Act* (DCA). Mr. Kirkpatrick confirmed staff recommended Council approve the maximum residential rate under the Three Area Specific development charge option.

Referencing the policy report, Councillor Legendre noted Table 4 indicated the regional development charges (RDCs) would cover only $4.6 billion of the total $6.4 billion required. The Councillor inquired if the RDCs could not cover 100% of the requirement. Mr. Kirkpatrick explained the $6.4 billion included *all* capital spending that was forecasted to take place during that period, including capital rehabilitation and other non-growth related capital spending. The Deputy Treasurer explained of the $6.4 billion, $2.2 billion was considered to be growth related and was recoverable under the Act.

Councillor van den Ham referenced the Official Plan philosophy to "Grow In - Not Out", and the comment this was financially equitable and would reflect the real costs for infrastructure. The Councillor questioned if a house was constructed outside the Greenbelt, and a house was constructed inside the Greenbelt, and triggered development costs, would the taxpayer have to subsidize one more than the other. Ms. Sweet responded by stating no based on the recommended residential rates. She further explained that theoretically the same amount of development charge revenue would be collected under the Uniform Region-Wide Charge or the Nine Area Specific Charge, therefore, reflecting no subsidization.

Councillor van den Ham commented a Regional consistency was the current Uniform Charge. He inquired if moving to an Area Specific Charge contradicted current regional policy. Ms. Sweet explained this did not contradict current policy, but rather it furthered the Official Plan objective by encouraging development in certain areas. Councillor van den Ham inquired if staff considered other alternatives to encourage growth within the Greenbelt. Ms. Sweet reported staff reviewed this in detail. However, she stated it was difficult since the Region did not have direct control over assessment / taxation. She reiterated this was a key opportunity for Council to support the policy around the Official Plan.

Councillor van den Ham suggested figures for charges and referenced a discounted alternative / incentive for construction inside the Greenbelt. Mr. Kirkpatrick confirmed that was an option. However, he added that the alternative would lose RDC revenue as it was an exemption strategy, noting the lost revenue could not be recovered elsewhere.

Councillor Holmes suggested that in reviewing the Nine Area Specific Charge, it seemed inside the Greenbelt had been subsidizing outside the Greenbelt for the past many years. Mr. Kirkpatrick agreed that was correct in terms of the averaging. Councillor Holmes inquired if an Area Specific Charge would eliminate this subsidization. Mr. Kirkpatrick confirmed that option did reduce the amount of averaging. He added it provided a charge that had a close relationship to the actual costs of the growth infrastructure the development would create.

Councillor Holmes inquired why the Nine Area Specific Charge was not recommended, noting that principle. The Deputy Treasurer stated Council would be faced with a “balancing act” between the extent to which they wanted to support the Official Plan intensification policy verses the market impacts and the other results that may take place. Mr. Kirkpatrick explained that fundamental to the calculation of all of the charges was the assumption the infrastructure contained in the Official Plan would be constructed and would support the growth that was forecasted. Councillor Holmes noted the Region was already behind in the capital provisions for the Official Plan.

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Mr. Kirkpatrick reviewed the rationale for the Three Area Specific Charge as follows:

- support for the Official Plan objective of intensification
- planning and equity vs. funding issue
- common charge for suburban growth areas
- more financially equitable
- reflects the real costs for infrastructure
- takes advantage of existing investment in infrastructure

Councillor Holmes referenced the centretown exemption and the information contained in the policy report. The Councillor noted the statement "The report concluded that it did not appear that the repeal of the City's DC By-law had stimulated growth to the extent experienced (city-wide) in the late 1980's." Councillor Holmes pointed out the late 1980's were the most progressive and considered the boom years for the Region. She did not believe that should be used as a fair comparison.

Councillor Hunter inquired if there was a provision within the Act to allow municipalities to invoke charges to influence coincidental policies. T. Marc, Manager, Planning and Environment Law, reported if there were not a substantive basis to the approach recommended by staff, he may agree with the Councillor. However, Mr. Marc stated that through the analysis conducted, staff were able to analyse the infrastructure that would be built and determine which areas benefited from it and allocate the costs on that basis. He believed that such an approach was permitted under the Act.

Councillor Hunter referenced the Master Transportation Study and its relation to the RDC options. He stated the study included an estimation that roads would drop a service level during significant periods of time. The Councillor suggested it was then presumed the future public would accept the policy of overburdened roads and inadequate infrastructure in the centretown area and not expect the problem to be rectified. Mr. Kirkpatrick reported that by law, the Background Study and by-law must connect with the Official Plan. He did not believe the Background Study assumed future acceptance by transportation users.

Councillor Cantin referenced the centretown businesses. He stated their success was contributed to by the suburbanites working downtown. The Councillor inquired if this was factored into the RDC calculation. Ms. Sweet confirmed it was, particularly since staff were recommending a substantial reduction for the commercial and industrial sector as compared to the maximum theoretical rate that could be charged. She stated staff recognized there would be some infrastructure improvements required as a result of the infill inside the Greenbelt. She explained it was attributed as well to the 'inside the Greenbelt' RDC. Councillor Cantin inquired if the RDC also factored in the higher costs for social services, child care, health centres, etc. Ms. Sweet reported the RDCs, through the Act, only allowed to charge for certain growth related areas and referenced Table 9, which included police and child care.

Councillor Cantin wondered if raising the charge in the suburban areas would encourage development outside the Region, such as Rockland, Kemptville, and Carleton Place. Mr. Kirkpatrick acknowledged the suburban charge would be higher than in the municipalities named. However, he stated the unserviced rural area charge for Ottawa-Carleton was not significantly different from those charged in neighboring municipalities.

Councillor McGoldrick-Larsen referenced the rural unserviced rate. She wondered if the transportation need would significantly increase if there was a development “boom” in this area. The Councillor commented the park-and-ride facilities were heavily used by rural residents.

With respect to the historical background on the RDC, Councillor McGoldrick-Larsen noted the current charge was Uniform Region-Wide. She referenced the belief that charges in one area may have paid for development in another area. The Councillor inquired on the fair and equity concept to the history and the proposed Area Specific Charge. Ms. Sweet explained staff were proposing the Three Area Specific Charge to be fair. She acknowledged due to time, development servicing in the Region had occurred faster in some areas than others. Ms. Sweet indicated the one charge outside the Greenbelt would make that more equitable. Councillor McGoldrick-Larsen pointed out it was not 100% equitable because there was a disadvantage started by changing to the Area Specific Charge as opposed to Region-Wide. Ms. Sweet commented it was difficult to make the switch at any one time.

Councillor Legendre suggested the Nine Area Specific option would have a greater market impact in some areas than in others. He believed that was necessary in order to implement the Official Plan. The Councillor suggested if the costs were reflective, it may influence the decision where development occurred. Mr. Kirkpatrick agreed, however, stated the main difference between the Three and Nine Area Specific Charge was in the suburban growth area. The Deputy Treasurer agreed this may cause a dramatic market effect for certain areas. Mr. Kirkpatrick reiterated the balancing required; what extent Council wished to maximize the Official Plan objective verses a number of other considerations in setting development charges.

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The Committee concluded the question period, and began the public delegations.

Ms. Claudette Cain, Mayor, City of Gloucester.

Mayor Cain thanked the Committee for the opportunity to comment by the end of April. She indicated a submission would be forwarded to staff by that date. The Mayor outlined the following points on behalf of the City of Gloucester:

- Support for the staff recommendation to lift the centretown exemption.
- Support for the Ottawa-Carleton Home Builders' Association concerns around the policy and calculations. Specifically regarding the calculation, they believe the Uniform Charge would be more equitable. The Mayor suggested this option did not favor areas where infrastructure was already in place or penalize areas where infrastructure was yet to be built. Mayor Cain pointed out the largest part of the calculation was for transportation and transit, which served the entire Region and not a specific area. As a result, the City of Gloucester believed the allocation of costs to specific areas would be some what arbitrary; whereas, the uniform charge provided a more balanced approach in terms of creating stability in the housing prices.
- Expressed concern regarding the cost allocations to growth. Mayor Cain indicated some projects in the work plan were 100% allocated to growth, however, in some cases they believed the existing community would benefit.
- Historical discounting of the charge. The speaker expressed some difficulty with the principle of collecting development charges now for the amount discounted from the charge in the past. The Mayor suggested an appearance the Region would be charging future development for the revenues not collected from the past development. Mayor Cain questioned this principle and its legitimacy under the Act.

In response to a question from Councillor Beamish on the City of Gloucester's current policy, Mayor Cain confirmed they use the area specific charge. However, she did not support this approach for the Region, as the services provided by the area municipalities were different also noting the differences in the work plans.

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Mr. Gerry LePage, Bank Street Promenade BIA.

Mr. LePage commented the BIA would also provide a comprehensive submission at a later date.

Mr. LePage stated it was imperative for a healthy region to maintain a growing and vibrant centretown. He believed the life style impact of a deteriorated core area would be significant. Mr. LePage reviewed the following historical events and comments regarding centretown:

- In 1971, the centretown population was 24,100; in 1996, the population had reduced to 20,300 - representing a loss of 18%. Areas such as Kanata, Gloucester, and Orleans experienced unprecedented growth.
- In 1999, experiencing a 30-35% vacancy rate in business and commercial space with no incentives or programs to aid in the redevelopment of the buildings.
- High development charges were a barrier to economic development.
- Centretown suffered the greatest from government decentralization and consolidation.
- With respect to the current exemption and the incentive it provided, 650 residential units were build in 1994 to 1998. This increased the residential population by over 1,300 people thereby increasing revenue to government through property taxation. The increase in population generated over $2 million per year in disposable income to support local retail in centretown commercial areas.

Mr. LePage acknowledged the cost of infrastructure must be funded from a source. However, he stated in the case of centretown, the infrastructure was in place. Mr. LePage added the tax base and resulting revenues from the residential and commercial components far exceeded the same revenue streams from other municipalities.

In closing, Mr. LePage stated there was a fundamental flaw with the review study, as follows: While recognizing the economic benefits of commercial development through the cap of $2.70, it did not recognize the benefits associated with residential development, such as a substantial tax stream, support of commercial areas, and reduced police cost. Mr. LePage stated the BIA favored the Three Area Specific Charge, however, requested the centretown exemption be maintained.

Councillor Hunter referenced the Regional Development Strategy (RDS) which called for intensification inside the Greenbelt. The Councillor reviewed the requirements to achieve this objective. However, he noted the City of Ottawa was approving mini-developments that may be contrary to the RDS as they fell short of what was needed for intensification. Councillor Hunter wondered why the BIA was not concerned with this action.

In response, Mr. LePage stated any development was preferable over vacant lots. He agreed mini-developments were not adequate regarding the RDS and Official Plan, however, commented it was necessary to accept what the market would uphold. Councillor Hunter suggested the BIA should support a penalization of development inside the Greenbelt that did not go far enough towards achieving the RDS.

In response to Councillor Hunter's comments, Councillor Holmes requested confirmation from staff. The Councillor believed that during the discussion of the Official Plan, it was stated the units per square hectare and the intensity of development did meet the needs predicated in the Official Plan. As a result, the Region would in fact meet the designated number of units inside the Greenbelt through this type of development. Ms. Sweet reported high density's could be achieved with infill development such as townhouses or stacked townhouses.

With respect to the calculations used for the RDC, Ms. Sweet reported they reviewed the range in the Official Plan for accommodation of units within the Greenbelt. This review confirmed they were within that range, recognizing the fact they did not have complete control over it. Ms. Sweet provided examples of other infill development and stated they believed there should be enough opportunities, noting it would take time.

Councillor Beamish asked the speaker how the government was to operate if they could not levy adequate property taxes or development charges. Mr. LePage acknowledged property taxes were a reality. However, it was a question to what degree did it discourage people from living in a certain area. The speaker pointed out centretown paid enormous amounts of money in taxation with the Region receiving 60% of that revenue. With respect to RDCs, Mr. LePage reiterated when comparing the revenue stream of centretown RDCs to that of the suburban areas, the centretown revenue was significantly higher. In closing, Mr. LePage stated growth was necessary which may result in tax relief. Councillor Beamish pointed out residential development did not pay its way through property taxes. Mr. LePage commented on the larger picture and believed a healthy, populated centretown would reduce police and social costs.

Mr. Gordon Pratt, Engineering Services, and Mayor Doug Thompson, Township of Osgoode. *(Reference written submission.)*

Mr. Pratt indicated the rural municipalities would be commenting prior to the April 30 deadline.

Mr. Pratt expressed their support for the residential rates. However, he stated from an economic development perspective, they had concern with the $2.70 / square foot rate for non-residential development.

Mr. Pratt referenced Table 1 as outlined in their written correspondence to the Regional Clerk dated 30 March 1999. The speaker reviewed the table that provided a comparison of the current and proposed RDCs. Mr. Pratt concentrated on the substantial increase (ranging from 108% to 634%) which will be experienced for commercial and industrial development under the proposed Three Area Specific Charge.

Mr. Pratt reported Ontario did not have a level playing field with Quebec and the States whereby they were not able to offer significant initiatives to encourage relocation. However, he noted we did have control over development charges, and as a result, expressed surprise staff would recommend such a large increase for the commercial, industrial and institutional sectors. He believed this would compound the hit recently taken by the sector around reassessment and property taxation.

Mr. Pratt inquired about staff's rationale regarding a rate based on square footage, as this did not reflect the costs of the structure or the ultimate Regional services that would be required. The speaker pointed out the Official Plan did not discourage industrial development in the unserviced rural areas yet the proposed by-law did. Mr. Pratt recommended the percentage of cost basis was more equitable. He suggested if the policy to use the per square foot basis was approved, the only alternative was to set up a two category fee, one rate for industrial as defined in the building code and one rate for commercial and institutional.

In closing, Mr. Pratt suggested an urban and rural rate be established similar to what was currently in place and was justified by the services that were not available in the rural area. He reviewed specific examples of development in the Township of Osgoode and the fees paid under the current system and those that would have been required under the proposed RDC. Mr. Pratt indicated this would also impact on the urban area.

With respect to the staff comparison to Hamilton-Wentworth, Mr. Pratt suggested their market was very different from that of Ottawa-Carleton. He expressed concern staff were proposing the highest rate in Ontario.

Councillor Meilleur referenced the suggestion that low RDCs could be an incentive to attract businesses and increase economic development. The Councillor wondered if this would provide enough of an incentive to achieve the desire. Mayor Thompson provided an example of a $8 million commercial project in Osgoode. He stated the Township, as an incentive, did not charge DCs for commercial development. However, the individual would pay approximately $100,000 for RDCs.

Councillor Stewart requested information on the charges or incentives offered in neighboring municipalities such as Kemptville or Carleton Place. Mr. Kirkpatrick agreed to make those statistics available for June 15, however, noted Carleton Place did not have a non-residential development charge.

Mr. Dennis Carr, Centretown Citizens Ottawa Corporation (CCOC). (Reference written submission.)

Mr. Carr stated CCOC was a community based, non-profit housing provider with a twenty-five year history of developing and managing in Ottawa's central areas.

Mr. Carr reported with the discontinuation of Federal and Provincial affordable housing programs, there had been very few rental homes built resulting in a large waiting list. Mr. Carr requested the centretown exemption be extended to the areas of Hintonburg, Dalhousie, Sandy Hill and Lowertown. He suggested the current exemption had been successful in assisting to create more units downtown, although most were under home ownership. Mr. Carr stated the economics of rental housing were such that it was difficult at the best of times and without an RDC exemption, it became almost impossible.

The speaker referenced the issues around homelessness and commented a major cause was the lack of affordable housing. Mr. Carr referenced the downloading of social housing to the Regional government. He suggested some allowance should be given for a reduced charge for homes or units of a low square footage.

Mr. Richard Lee, Ottawa-Carleton Home Builders' Association (OCHBA). (Reference written submission.)

Mr. Lee stated the OCHBA represented the residential builders across the Region. He noted many of the builders were concerned with some of the proposals. The OCHBA favored the Region-Wide Uniform Charge.

Mr. Lee acknowledged the rationale and arguments for the various options. However, he believed the extent the Region could drive market forces and persuade where a purchaser would ultimately decide to purchase a home was debatable. Mr. Lee expressed some hesitation around the argument that RDCs would assist the Official Plan philosophy of "Grow In - Not Out". He believed home buyers would ultimately purchase / build where they wanted to live, noting the current majority favored the suburbs. Mr. Lee feared under the Area Specific Charge, with a range of $11,800 per home, people would not choose to locate downtown, but would locate to outlying areas such as Carleton Place and Kemptville.

With respect to the options, specifically the Three Area Specific Charge, Mr. Lee expressed concern with the magnitude of increase for the charge. He did not believe the market could bear this increase, noting it was only beginning to re-establish itself.

Mr. Lee commented on the calculation of the charge. He stated the Association would be meeting with Regional staff around these details. He explained the OCHBA believed the growth was being charged excessively in certain areas. In addition, Mr. Lee expressed issue with the road, sewer and water, and transit allocations.

The delegation referenced the concern and frustration felt in the industry around (i) the discounting of the non-residential charge and (ii) the shortage of non-development charge funds preventing projects from proceeding.

In closing, Mr. Lee emphasized the OCHBA was not requesting a discount or subsidy, and acknowledged the requirement and benefit of growth and development. However, he requested the charge be calculated fairly and in accordance with the Act. Mr. Lee stated the Association planned to continue to meet with staff and would be in contact over the April consultation period.

Councillor Meilleur referenced previous statements that high RDCs may influence residents to locate outside the Region's boundaries. Mr. Lee commented there were factors in every location. He believed what discouraged or encouraged the purchasers decision was subject to extensive debate.

Councillor Legendre referenced the same point. Mr. Lee stated they believed the concept was debatable in particular to what extent that would alter the market demands. He suggested individuals that wanted their traditional home in the suburbs would do so, regardless of the RDC. Councillor Legendre inquired if it did not influence their choice, why did the OCHBA hold this position.

The Councillor referenced the OCHBA written submission, page 13, regarding the rate for semi-detached units. He pointed out the OCHBA supported the lower rate for semi-detached as it would promote residential intensification. The Councillor wondered why they did not support the Region using RDCs to foster the "grow in - not out" scenario.

Mr. Lee acknowledged the realization there was a need for intensification. Councillor Legendre agreed there should be choice for residents in deciding where to locate. However, the Councillor did not believe the choice should be subsidized.

Ms. Amy Kempster, Federation of Citizens' Association of Ottawa-Carleton (FCA).
(Reference written submission.)

Ms. Kempster reported the FCA supported the general direction of the report, as it reinforced the RDS and Official Plan policy to "grow in - not out". She indicated the analysis clearly revealed the real costs of development in different parts of the Region.

Ms. Kempster stated while the Three Area Specific Charge option was superior to the present system, the FCA preferred the Nine Area Specific Charge. She explained it more closely relates RDCs to the actual costs of providing the required infrastructure. The speaker did not support any form of subsidization.

Ms. Kempster stated the FCA questioned the recommendation concerning the proposed non-residential RDC. She explained the analysis indicated the subsidy to non-residential development amounts to more than $1 billion, over half of which was road related. As with residential development, the subsidy was greater outside the Greenbelt. Ms. Kempster referenced the large expenditure the taxpayer must pay for economic development.

In closing, Ms. Kempster expressed the FCA's support of the identification of the Inner Area (Area 1) as an area where all RDCs may be reduced without further study in order to encourage development and redevelopment. She noted previous comments regarding the strong tax base provided by the Inner Area which to fund infrastructure costs. Ms. Kempster referenced the symbolic importance and vitality of the Inner Area and its relation to the health of the Region as a whole.

Mr. Bob Edmonds, Action Sandy Hill (ASH).

Mr. Edmonds expressed his support for the consultation period and commented Action Sandy Hill had been involved and had studied the documentation produced.

Mr. Edmonds expressed their general support for the thrust of the report, in particular the user pay principle and its support of the Official Plan. However, the speaker reported ASH preferred the Nine Area Specific Charge option which placed ASH in the same position as Centretown. Mr. Edmonds stated the Centretown, Sandy Hill and Lowertown areas all faced difficulty in attempting to implement the principle of the Official Plan which was to maintain the livability and the commercial vibrancy of downtown. He requested the Centretown exemption continue and be extended to the entire Area 1 or alternatively, provide a reduction. The speaker reviewed recent projects that had contributed to the principle on intensification, however, stated more were required, noting the numerous parking and vacant lots in the area.

In response to a question from Councillor Hunter regarding current City of Ottawa zoning, Mr. Edmond stated ASH was also concerned with the heritage aspect of redevelopment. He confirmed they favored suitable redevelopment that conformed with the area and its character. Councillor Hunter referenced the concept of market demand. He suggested to continue and extend the RDC exemption would allow builders to develop an area at a lower cost than they would elsewhere. Councillor Hunter commented he took the speaker's comments very seriously. He pointed out ASH supported a concept that provided competition for the current residents in which the new units may be offered at a lower price; thereby, decreasing market value in the area. Mr. Edmonds stated they wished to see the community, as a whole, better developed. However, he wondered whether the removal of the RDC would lower the price considerably as it was generally more costly to build in the downtown area.

Ms. Nancy Meloshe and Mr. Doug Kelly, Building Owners and Managers Association of Ottawa-Carleton (BOMA).

Ms. Meloshe stated BOMA would continue to play an active role in the consultation process and would submit written comments prior to April 30.

Ms. Meloshe reported BOMA had over 300 members and represented the commercial development industry in Ottawa-Carleton. With respect to the non-residential rate, she expressed concern in that it had doubled from $1.30 / square foot to $2.70 / square foot. Ms. Meloshe commented the commercial industry wished to remain vibrant and wondered about the impact the charge would have on growth. The speaker alluded to the delicate balance between the rate acting as a stimulus to economic development and paying one's own share as opposed to a rate that would act as a deterrent to development.

Ms. Meloshe stated the membership supported a region-wide rate for non-commercial development. However, she noted there may be an issue around how much of an increase they could support. Ms. Meloshe reviewed major projects that were close to site plan approval that would provide over 500,000 square feet of downtown office space. She stated in accordance to the new charge, that development represented over $1 million in

RDCs. The speaker reviewed the numerous other charges / fees around commercial and residential development. Ms. Meloshe referenced the market impact argument.

Mr. Kelly referenced lease sensitivity and pointed out there had not been any new commercial space built in downtown for approximately ten years. He added new development had primarily been built in the suburbs for site specific users.

In closing, Ms. Meloshe noted the staff report pointed to equity among other Ontario municipalities, and the $2.70 rate was used in Hamilton-Wentworth. She acknowledged the delicate balance based on growth and infrastructure, however, reviewed the following rates: Peel - $1.34, York - $1.90 and Kitchener-Waterloo - $1.98. Mr. Kirkpatrick confirmed staff would provide a more up-to-date comparison, including the proposed rates and a break down of the service components, noting the other municipalities were also undergoing a review of their RDCs.

Similar to previous comments made, Councillor Hunter stated he took the delegation quite seriously. He noted their comments were not self serving in that they were not interested in protecting the value and competitive position of the existing stock, but wished to propose more competition. Mr. Kelly pointed out many of the present commercial developers had new projects coming on. He suggested a review of the lease rates achieved in the Greater Toronto Area compared to the rates received in downtown Ottawa. Mr. Kelly suggested the construction costs were probably similar, however, the Toronto lease rates were much higher. The speaker stated Ottawa-Carleton was just beginning to experience increase in demand. OMBA wished to ensure they were competitive which would assist in reaching healthy margins and triggered new buildings. Ms. Meloshe stated BOMA members were generally concerned about a healthy economy and reviewed the benefits of growth.

Councillor van den Ham referenced the 1994 calculated rate of $13.56 for the non-residential RDC that was subsequently reduced, through political decision, to $1.30. The Councillor inquired if the rates quoted for the Toronto area were also rates as a result of political decisions. Mr. Kirkpatrick confirmed they were and agreed to supply information on their calculated rates.

Mr. Doug Casey, Charlesfort Development Corporation.

Mr. Casey stated the Corporation concentrated on residential, however, was involved in some commercial development in the downtown core. Mr. Casey reviewed difficulties he experienced during the development of a small apartment building at Glebe/Bank. He reported the development fees were $80,000, in addition to other unexpected expenses, and noted the re-zoning of the property would generate $60,000 in taxes.

Mr. Casey did not support the Region-Wide Uniform approach, in particular in the downtown area. With regard to centretown, the speaker noted water and sewer were billed on a user pay basis, and the fire and police departments and schools were already established. Mr. Casey reiterated the construction costs for downtown were considerably higher noting the sensitivity required to the existing buildings.

Mr. Casey suggested there was a lack of vision to charging the same fee as that charged in the suburbs. He referenced the limited family environment in the downtown core resulting from the closure of schools and further deterioration of the city core.

The above speaker concluded the public delegations. Written submissions (on file with the Committee Co-ordinator and included in the Committee Report to Council) were provided by the following. However, verbal delegations were not presented to the Committee:

- Township of West Carleton, Mayor Dwight Eastman - Letter dated 1 Apr 99
- Somerset Heights BIA, Ms. Gwen Toop, Executive Director - Letter dated 6 Apr 99
- Dalhousie Community Association, Mr. Archie Campbell, President - E-mail dated 6 Apr 99
- Ida C. Henderson, centretown resident - E-mail dated 6 Apr 99

The Committee considered the staff recommendations as follows:

That the Corporate Services and Economic Development Committee approve the following:

1. **That staff be directed to circulate the recommendations contained in this report for public comment and input by April 30, 1999, and return to the Corporate Services and Economic Development Committee with any subsequent recommendations at the regularly scheduled meeting of June 15, 1999;**

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2. **That, subject to public consultation, the following recommendations be tabled for consideration at the June 15, 1999 meeting;**

   a) **That the Region of Ottawa-Carleton Development Charge Background Study dated March 22, 1999, issued separately, be approved;**

   b) **That the three Area Specific Charge option described in the Background Study be approved;**

   c) **That the non-residential RDC be capped at $2.70 per square foot (full service rate) for all non-residential development in the RMOC;**

   d) **That the exemption policies contained in By-law 210 of 1991 be continued in the successor RDC By-law;**

   e) **That RDCs be indexed on an annual basis, commencing on April 1, 2001 at the maximum rate provided by the DCA;**

   f) **That the current RDC By-law No. 210 of 1991 (as amended) be repealed and a successor By-law, the form and content of which is included in the Background Study, be enacted.**

TABLED (to 15 Jun 99)