



Town of
East Gwillimbury

Fernando Lamanna, BA

Deputy Clerk
Legal and Council Support Services
905-478-4282 x1240
flamanna@eastgwillimbury.ca

October 20, 2011

The Regional Municipality of York
17250 Yonge Street
Newmarket, ON,
L3Y 6Z1



RECEIVED YORK
CLERK'S OFFICE

FILE No. -

904

→ B. Hughes
K. Strueby

Attn: Denis Kelly, Regional Clerk

RE: RESOLUTION OF COUNCIL DEVELOPMENT CHARGES AND DEMOLITION

Dear Mr. Kelly:

For your information and records, at its regular meeting held October 17, 2011, the Municipal Council of the Town of East Gwillimbury adopted the recommendation from the Committee of The Whole Council resolution CWC2011-332, which is as follows:

BE IT RESOLVED THAT Development Services, Building Standards Branch, Report B2011-06 dated October 3, 2011, regarding Development Charges and Demolition be received, and

THAT Council, in principle, adopt Option 2, as outlined in the report, whereby the Development Charge By-law is amended to allow development charge credits on residential buildings up to 10 years (in the Official Plan settlement area only), and

THAT a copy of this report be forwarded to Regional Council and both School Boards for consideration and amendment to their Development Charge By-law, and

THAT the Town be proactive in encouraging the Region and the School Boards to amend their by-laws; and

THAT, should the Region and School Boards amend their by-laws, in accordance with Recommendation 2, East Gwillimbury hold a public meeting to consider amendments to the Development Charge By-law.

.../2

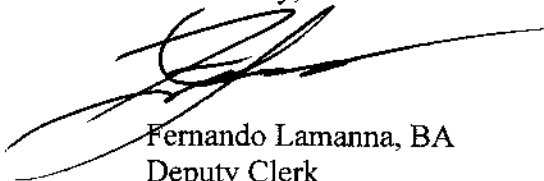
"Our town, Our future"

19000 Leslie Street, Sharon, Ontario L0G 1V0 Tel: 905-478-4282 Fax: 905-478-2808
www.eastgwillimbury.ca

For your reference, please find enclosed Building Standards Branch Report B2011-06.

If you have any further questions feel free to contact the undersigned.

Yours truly,

A handwritten signature in black ink, appearing to read 'Fernando Lamanna', with a long horizontal flourish extending to the right.

Fernando Lamanna, BA
Deputy Clerk
Legal and Council Support Services

cc: V. Shuttleworth, General Manager, Development Services



Town of East Gwillimbury

DEVELOPMENT SERVICES AND CORPORATE AND FINANCIAL SERVICES REPORT B2011-06

To: Committee of the Whole of Council

Date: October 3, 2011

Subject: Development Charges and Demolition

Origin: Development Services,
Building Standards Branch
Director of Building Standards/Chief Building Official

RECOMMENDATIONS

1. **THAT** Development Services, Building Standards Branch, Report B2011-06 dated October 3, 2011, regarding Development Charges and Demolition be received,
2. **THAT** Council, in principle, adopt Option 2, as outlined in the report, whereby the Development Charge By-law is amended to allow development charge credits on residential buildings up to 10 years (in the Official Plan settlement area only),
3. **THAT** a copy of this report be forwarded to Regional Council and both School Boards for consideration and amendment to their Development Charge By-law,
4. **THAT**, should the Region and School Boards amend their by-laws, in accordance with Recommendation 2, East Gwillimbury hold a public meeting to consider amendments to the Development Charge By-law.

PURPOSE

This report is in response to a request from the development industry to address potential financial impediments which currently delay demolition of derelict buildings on future development lands.

BACKGROUND

The York Durham Sewage System (YDSS) is anticipated to extend further into East Gwillimbury in the 2013 to 2015 time frame. This is expected to spur dormant development land into construction mode within the Official Plan settlement area

horizon. The geographic area may generally be described as the areas bounded by Newmarket to the south, Woodbine Avenue to the east, Queensville to the north and King Township to the west. These lands are controlled by an assortment of developers.

Some future development lands are clear of buildings, while others host residential and/or agricultural structures. In the instances where residential buildings exist, they tend to be leased for continued residential use until the land is redeveloped.

Developers have informed staff that they are experiencing problems with this business model as tenants are problematic through carelessness, rental payment tardiness, and poor building and yard maintenance. Developers find it difficult to attract quality tenants that do not exhibit these tendencies. A contributing factor towards this tendency is that many of the homes are older, less energy efficient, were not originally built as maintenance free buildings and consume greater maintenance effort than anticipated by tenants. The core business of developers doesn't include rental property maintenance. Developers don't possess the tools for traditional maintenance associated with rental lands as a typical landlord would. As such, responsibility for maintenance is placed on the tenant for completion, creating an extra financial burden for them.

In circumstances where developers can't attract a quality tenant to maintain the buildings and surrounding lands, they have found the best method of dealing with these buildings is to have the buildings boarded up until re-development occurs.

Leaving buildings in East Gwillimbury boarded up and unused has created a further dilemma for both the Town and developer. Many of these buildings become targets of vandalism, potential fire hazards, continued sources of property standards complaints, and an eyesore to residents and visitors of the Town.

A number of current and future East Gwillimbury developers find themselves in this very situation, such as: Metrus Properties, Sharonvit Developments, and Menkes. Metrus Properties has approached the Town seeking demolition permits for six buildings in the Queensville plan area, shown as Appendix A, in order to comply with property standards complaint issues, limit liability and maintain an aesthetically pleasing appearance in Town. Sharonvit Developments has obtained a permit to remove a home and barn on Leslie Street and Menkes has commenced a demolition application process for a home at the corner of Leslie Street and Green Lane.

Developers are concerned that when demolishing a residential building there is a relatively short window of opportunity to retain DC demolition credits for redevelopment. Presently, Town and School Board development charge by-laws provide a development charge exemption for a demolished home provided a replacement home is built within 5 years of demolition. The Region of York requires a replacement home to

be constructed within 4 years of demolition before losing the eligibility of a DC credit for the home. In many instances the demolished homes will not be replaced within the timeframes allowed for in the development charge by-law as redevelopment is not progressing at a rapid pace.

The current Development Charge Act legislation does not impose a time limit on credits. The 4 and 5 year timeframes appear to have been selected as they closely mirror the five year renewal cycle of development charge by-laws, as set out in the Development Charges Act.

ANALYSIS

Heritage Concerns

Four of the six sites and identified in Appendix A, and owned by Metrus Properties, are listed as historically significant. The property owned by Menkes is listed as historically significant, while the site owned by Sharonvit Developments is not.

Any residential building that is listed on the Town of East Gwillimbury Heritage Registry must receive the approval of Council prior to demolition. Menkes is currently going through the Council approval process for demolition of their residential building. Metrus Properties will need to go through the Council approval process before demolition of listed residential buildings on their lands can be considered.

Emergency Services Department

East Gwillimbury Emergency Services has expressed an interest in the ability of utilizing some of the Metrus Property structures for emergency services training exercises. The adoption of Option 2 or 3 may include a caveat that Emergency Services be afforded the opportunity to utilize a building for training purposes. The logistics can be worked out at a later date by the developer and Emergency Services staff.

Options

The Town of Georgina recently amended their Development Charges By-law to reflect a DC credit period of up to 10 years for buildings deemed by council as "derelict buildings" (see Appendix B for definition). As part of their amendments to the DC by-law, Georgina Council passed a resolution requesting the Region of York consider a similar amendment to the Region by-law.

There are a number of options available to the Town should it wish to grant some relief to the Development Charge By-law as it relates to extending the current DC credit

timeframe for redevelopment. The following options are available to deal with this request:

Option 1

Maintain the current provisions in the development charge by-law.

Municipal Implications

- This option may result in continued contravention of the Property Standards By-law dealing with derelict buildings.

Developer Implications

- Developers will lose DC credits if redevelopment doesn't occur within the specified 4 or 5 years.

Option 2

Amend the development charge by-law so it reflects a revised redevelopment period from the current 5 years to a proposed 10 years for buildings within the Official Plan settlement area only, and applying to derelict buildings.

Municipal Implications

- The Town will lose DC revenue on homes that are redeveloped between year 5 and 10.
- A public meeting would be required prior to enactment of such an amendment.

Developer Implications

- Developers may be incented to move development along at a quicker pace in order to realize some savings prior to year 10.
- Developers are able to demolish derelict buildings now and retain DC credits for a longer period of time.

Option 3

Permit a process whereby development charge credits are in essence extended to 10 years in the Official Plan settlement area. Leave the development charge by-law as is. Issue a two stage demolition permit, the first stage called "structure safety and securement permit", allowing the developer to make the building safe and secure by removing the

superstructure, leaving the basement in place, but backfilling it for safety. Issue a second stage and full demolition permit 5 years from the date of the "structure safety and securement" permit, effectively providing DC credits of 10 years.

Municipal Implications

- The Town will lose DC revenue on homes that are redeveloped between year 5 and 10.
- No by-law amendments or public meetings are required.
- The amended timeframe would be applicable to all three jurisdictions, Town, Region and School Board as the demolition permit is issued five years after the "structure safety and securement" permit has been issued.
- Property Standards issues may be promptly dealt with.

Developer Implications

- Developers may be incented to move development along at a quicker pace in order to realize some savings.

Suggested Option

Option 2 is the option of choice when it comes to dealing with DC credits related to demolishing residential buildings within the Official Plan settlement area of Town. This option considers past contributions the building has made to the tax base over its lifecycle, the need to maintain a positive and aesthetically pleasing appearance in the municipality, the elimination of derelict buildings, and removal of sites for vandalism and graffiti. In addition, the suggested option recognizes development in the settlement area will be delayed beyond original expectations, and property standards concerns inherent with abandoned buildings. A five year extension for DC credits recovery by the development industry is an equitable solution in exchange for improvements within the aesthetic character of the Town.

NEED FOR PUBLIC CONSULTATION

Public notice will need to be provided for any amendment to the Development Charges By-law. Options that do not require amendments the Development Charges By-law are not required to go through a public notification process.

FINANCIAL IMPLICATIONS

Impact to the development industry, should they lose the DC credits for a demolished home in the development area, equates to \$44,921/home. (Based on today's rate, full service, and a breakdown of \$31,991 Region, \$2020 School and \$10,910 Town)

ALIGNMENT WITH THE STRATEGIC PLAN

This project aligns with the current East Gwillimbury Strategic Plan, specifically strategic pillars devoted to:

"Providing and Advocating for Quality Programs and Services to the Community", and

"Supporting a Municipal Organization Focused on Excellence".

In addition, the proposed Strategic Plan endorsed by CWC on September 19, 2011 has been considered with the report recognizing strategic pillars devoted to:

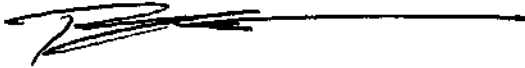
"Protect, Restore and Enhance the Town's natural Environment and Work Towards Cleaner Air, Water and Land", and

"Manage Growth for a Community that is Environmentally Responsible, Profitable and Provides Healthy Places to Live, Work, Play and Learn".

CONCLUSION

Regardless of an amendment to the Town of East Gwillimbury Development Charge By-law extending DC credit recovery to 10 years on residential buildings, the development industry needs to be encouraged to maintain existing structures in good repair or diligently seek responsible tenants that will assist with the maintenance of the buildings and yards in future development areas. The seeking of a demolition approval should be viewed as a last resort.

Prepared by,



Tim Gibson
Director of Building Standards/
Chief Building Official

Reviewed and Recommended by,



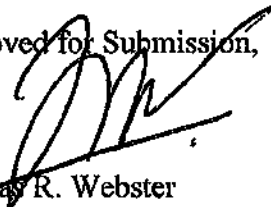
Valerie Shuttleworth, MCIP, RPP
General Manager, Development
Services

Reviewed and Recommended by,



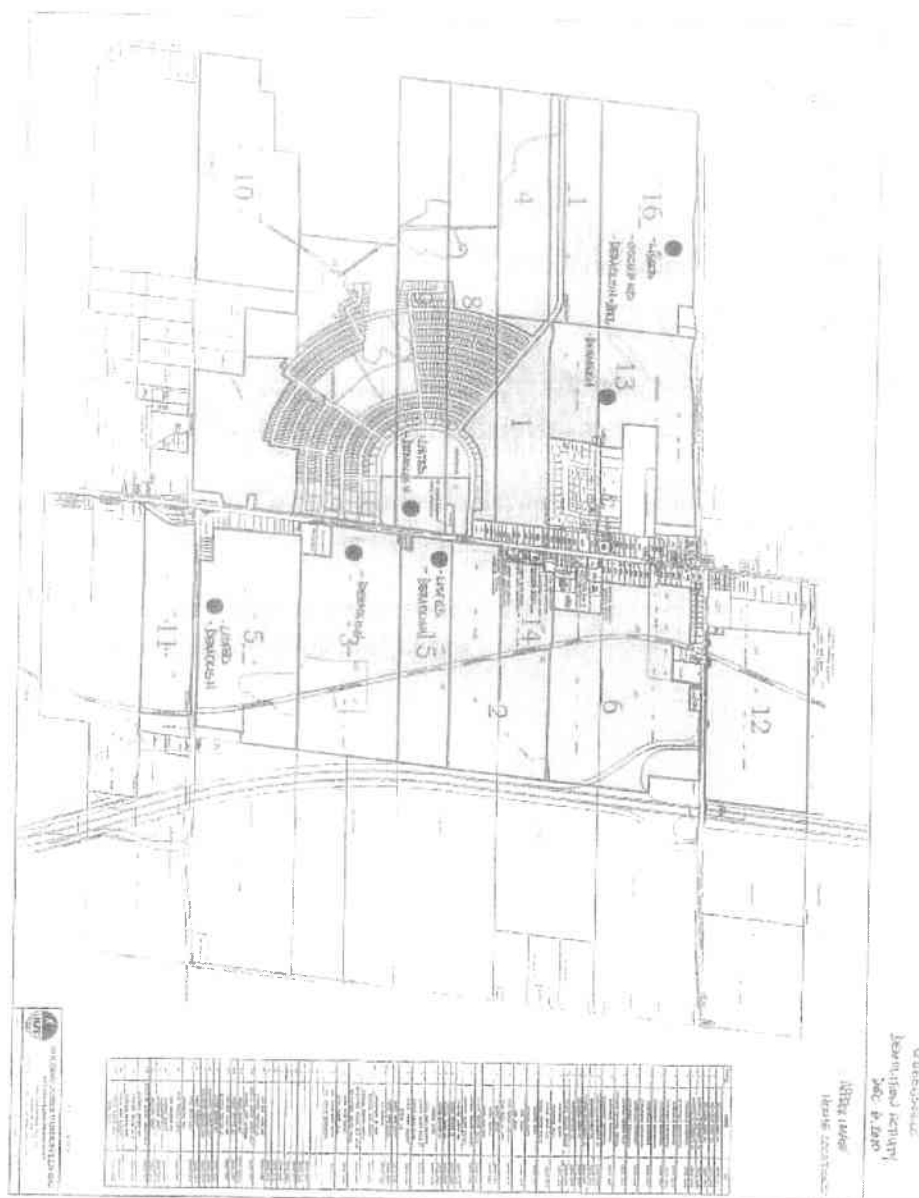
Mark Valcic
General Manager, Corporate
And Financial Services

Approved for Submission,



Thomas R. Webster
Chief Administrative Officer

APPENDIX A



APPENDIX B

Excerpt from the Town of Georgina Development Charge By-law:

1.(11)

“derelict building” means a building or structure that is vacant, neglected, poorly maintained, and unsuitable for occupancy which may include a building or structure that:

- (a) Is in a ruinous or dilapidated condition;
- (b) The condition of which seriously depreciates the value of land or buildings in the vicinity;
- (c) Is in such a state of non-repair as to be no longer suitable for human habitation or business purposes;
- (d) Is an allurement to children who may play there in their danger;
- (e) Constitutes a hazard to the health or safety of the public;
- (f) Is unsightly in relation to neighbouring properties because the exterior finish of the building or structure is not maintained, or;
- (g) Is a fire hazard to itself or to surrounding lands and buildings

3.(5)

Notwithstanding section 3(4), where Council of the municipality deems:

- (a) A property to contain a derelict building or structure, and
- (b) That it is in the best interest of the community for the derelict building to be demolished;

The Council of the municipality may extend the reduction of development charges to a maximum of 120 months from the date of demolition permit to the date of the building permit to facilitate the redevelopment. All other provisions in section 3(4) shall apply.