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REQUEST FOR EXEMPTION REGIONAL DEVELOPMENT CHARGES FOR THE LAKE SIMCOE REGION CONSERVATION AUTHORITY ADMINISTRATION BUILDING

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report, February 9, 2006, from the Commissioner of Finance:

1. RECOMMENDATION

It is recommended that:

1. Regional Council decline the Lake Simcoe Region Conservation Authority's request for exemption of regional development charges on the proposed administration building.

2. PURPOSE

The purpose of the report is to provide Regional Council with information regarding Lake Simcoe Region Conservation Authority's (LSRCA) request for an exemption of Regional development charges (DC's) on the construction of their new Administration Building in Newmarket.

3. BACKGROUND

The LSRCA is currently undertaking the renovation and construction of its administration building located at 120 Bayview Parkway in the Town of Newmarket. On April 21, 2005, Council approved interim financing of up to $3.2 million and long-term debenture financing of approximately $2.2 million be provided to the LSRCA for this project.

In correspondence dated December 20, 2005, the LSRCA has requested the Region exempt them from DC's for this project under the provisions of the Regional DC By-law.

4. ANALYSIS AND OPTIONS

4.1 Regional Development Charges By-law

Section 3.3 of the Regional Development Charges By-law DC-0005-2003-050 speaks to the area to which the By-law does not apply. Specifically, the by-law shall not apply to lands that are owned by and used for the purposes of:

- The Region or a local board thereof;

- A board as defined in section 1(1) of the *Education Act*;
- An area municipality or a local board thereof.

In the Municipal Affairs Act: "local board" is defined as "a school board, municipal service board, transportation commission, public library board, board of health, police services board, planning board, or any other board, commission, committee, body or local authority established or exercising any power or authority under any general or special Act with respect to any affairs or purposes, including school purposes, of a municipality or of two or more municipalities or parts thereof…"

The Municipal Affairs Act definition does not include Conservation Authorities specifically; they are established pursuant to the Conservation Authorities Act. Therefore, the Regional Development Charges By-law applies to the development undertaken by the LSRCA.

4.2 Exemption of Regional Development Charges

The LSRCA has requested that the Regional Municipality of York provide an exemption of the Regional portion of the DC's for their development. In accordance with the Development Charge By-law, the LSRCA development is considered to be a form of non-residential development. The proposed exemption of Regional development charges totals approximately $51,500.

Section 3.5.1 of the development charge By-law, provides for exemption of development charges for certain types of development. In particular, an exemption may apply to:

- the relocation of heritage house;
- a building or structure used for community use owned by a non-profit corporation;
- land owned by and used for the purpose of a private school that is exempt from taxation under the Assessment Act;
- lands, buildings or structures used for the purposes of a cemetery or burial ground exempt from taxation under the Assessment Act;
- non-residential uses permitted pursuant to section 39 of the Planning Act;
- the issuance of a building permit not resulting in the creation of additional gross floor area;
- agricultural uses;
- development creating or adding an accessory use or structure not exceeding 100 square metres of gross floor area;
- a public hospital receiving aid under the Public Hospitals Act.

The first three of the above exemptions shall only apply if the area municipality in which the development is to be located does not collect development charges with respect to that type of development.

The Regional Legal Services branch has advised that the LSRCA renovation and construction project does not meet any of the conditions as stated above. The Town of

Newmarket has not deferred or exempted its development charges on this development. Therefore, according to the Regional DC By-law an exemption of Regional development charges cannot be given.

Should Regional Council wish to provide an exemption, Council must make a special consideration for this development and provide a grant equivalent to the DC's outstanding for this project, or defer payment of DC's.

5. FINANCIAL IMPLICATIONS

Based on the prevailing development charge rate, Regional development charges payable on the proposed LSRCA Administration Building development is estimated at $51,500. In accordance with the Development Charge Act, 1997, if a deferral or grant is provided to LRSCA equivalent to the Regional development charges payable, this deferral of DC's would be funded through non-development charge sources, i.e. tax levy, as the 2006 operating budget does not include provisions for such a deferral or grant.

6. LOCAL MUNICIPAL IMPACT

These upgrades are necessary in order for the LSRCA to continue to provide leadership in the restoration and protection of the environment health and quality of Lake Simcoe and its watershed.

7. CONCLUSION

The LSRCA has requested an exemption from Regional DC's on the construction of a new Administration Building. The Regional development charge by-law has provisions for exemption of development charges for a building or structure used for a variety of uses as described in section 3.5.1 provided that the local municipality provides the same exemption. The new LSRCA Administration Building does not meet the exemption policy as stated in the Region's DC By-law, along with the fact that the area municipality did not provide a deferral of its DC's for this project. Therefore, the request made by the LSRCA for a Regional DC exemption cannot be supported.

The Senior Management Group has reviewed this report.