

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH PUBLIC MEETING MINUTES

DATE: Thursday, July 24, 2014

TIME: 7:00 p.m.

PLACE: Puslinch Municipal Complex
7404 Wellington Rd. 34

FILE NUMBER: F21-DEV

MEMBERS: Mayor Dennis Lever – Chair
Councillor Susan Fielding
Councillor Ken Roth
Councillor Jerry Schmidt
Councillor Wayne Stokley

The Chair reminded attendees to ensure that they have signed in and provided their contact information.

The Chair advised the attendees that those who wished to make comments should stand, state their name for the record and address their comments to those in attendance.

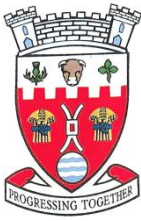
The Chair then asked the members if there were any disclosures of pecuniary interest. There were none disclosed.

Presentations

The Chair introduced Mr. Dan Wilson, Director of the Municipal Group and Mr. Jamie Cook, Director of the Demographics Group of Watson & Associates Economists Ltd (“Watson”).

Mr. Wilson and Mr. Cook made a presentation on the proposed Development Charges (DC) Background Study, Addendum Report dated July 10, 2014, and rationale for the changes made to the Background Study from the June 19, 2014 public meeting. They also discussed the proposed DC by-law for the Township of Puslinch (“Township”). Discussion that took place during the presentation is below:

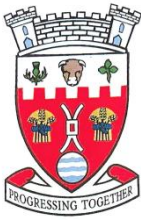
- Mr. Wilson indicated that the purpose of DC’s is to recover the capital costs associated with residential and non-residential growth within a municipality.
- Mr. Wilson commented that the capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, sewers, water mains, roads, sidewalks, streetlights, etc.).
- Mr. Wilson advised that municipalities are empowered to impose these charges based on the Development Charges Act (DCA).
- Mr. Wilson commented that there is a mandatory requirement of a public meeting under the DCA. He indicated that the purpose of the public meeting is to review the DC background study and to receive public input on the proposed policies and charges.
- Mr. Wilson advised that there is a requirement as per the DCA of the preparation of the DC background study and its availability to the public at a minimum of two weeks prior to the public meeting. He indicated that the Township has complied with these requirements and timeframes.



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- Mr. Wilson indicated that the study process includes:
 - Determination of population and employment growth forecasts
 - Discussions with staff regarding future needs for servicing growth
 - Review of DC policies through staff discussions
 - Release of DC background study (June 5)
 - Public consultation process through a public meeting (June 19)
 - Public consultation process through a second public meeting (July 24)
 - Council's consideration of the by-law for adoption (August 13)
- Mr. Wilson summarized the DC methodology.
- Mr. Cook provided information on how the growth forecast was determined and the changes from the previous public meeting for the non-residential growth forecast.
 - Mr. Cook indicated that the starting point of the growth forecast is the 2008 Wellington County Population, Housing and Employment Forecast Update (2006 to 2031). He indicated that these forecasts at the County are then allocated to the local lower-tier municipalities.
 - Mr. Cook advised that the growth forecast for the County is currently being reviewed by Watson and the County Planning Department as part of the update to Amendment 2. He indicated that there will be updates on this review in the next several months.
 - Mr. Cook indicated that the decrease in the non-residential growth forecast from the public meeting held on June 19, 2014 relate to the following:
 - A portion of the employment growth is accommodating existing industrial space as there were increased vacancies during the economic downturn. The vacancy rates increased approximately 8 to 9% in 2010 with a loss of approximately 15% of employment base.
 - A lower short-term industrial square footage growth forecast as a result of a review of the Township's shovel ready industrial lands. Mr. Cook indicated that there is not much industrial land in the shorter term based on discussions with the County and Township staff.
 - Mr. Cook indicated that over the longer term, Maltby Road and the Highway 6 corridor can be zoned as industrial lands. This area is currently designated but not zoned.
 - Mr. Cook commented that Watson also reviewed the 2011 Census and the 2009 Township of Puslinch Development Charges Background Study when determining its growth forecasts.
 - A growth forecast was prepared for the 10 year period (2014 to 2024) and 20 year period (2014 to 2034). 38 new employees would be required per year over the 10 year period in order to meet the growth expected. The square footage growth forecast required over the 10 year period is 214,220 and over the 20 year period is 993,800.
 - Mr. Cook indicated that the residential growth forecast had not changed since the previous public meeting.



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- A graph for the annual housing forecast indicated on average 42 housing units are built annually during the forecast period.
- Mr. Wilson indicated that the DC is calculated on a per service basis. He added that the service areas include administration services (growth related studies), parks and recreation services, roads and related services, and fire protection services.
- Mr. Wilson advised that the anticipated capital needs are approximately \$11.88 million over the ten year period. He indicated that of this amount, \$2,561,467 was identified as being recovered through DC's which amounts to approximately 22% of total anticipated capital needs.
- Mr. Wilson indicated that the roads area has 61% of the DC recoverable capital costs and the fire area has 28% of the DC recoverable capital costs with the remainder in administration (studies) and parks and recreation.
- Mr. Wilson compared the updated charges to the previous draft charges presented at the June 19, 2014 public meeting:

Type	Updated Charges – July 24, 2014 Meeting	Previous Charges - June 19, 2014 Meeting
Single and Semi-Detached Dwelling	4,817 per unit	4,177 per unit
Apartments – 2 Bedrooms +	2,918 per unit	2,530 per unit
Apartments – Bachelor and 1 Bedroom	1,975 per unit	1,713 per unit
Other Multiples	3,662 per unit	3,176 per unit
Non-Residential	2.26 per square foot	1.20 per square foot

- Mr. Wilson indicated that the increase in the non-residential DC relates to the decrease in the non-residential growth forecast over the ten year period.
- Mr. Wilson indicated that the allocation of the DC between residential and non-residential is based on the proportion of growth anticipated in residential and non-residential. The anticipated non-residential growth has reduced and the anticipated residential growth has remained the same from the previous public meeting, resulting in the proportion of growth between residential and non-residential being moved towards the residential side as it now represents more of the overall growth forecast in comparison to before the growth changes were made. Mr. Wilson advised that the allocation between the residential and non-residential DC is approximately 80/20 versus an approximate 70/30 split in the previous public meeting.
- Mr. Wilson compared the updated charges to the current DC charges as per the 2009 DC background study:

Type	Updated Charges – July 24, 2014 Meeting	Current Charges
Single and Semi-Detached Dwelling	4,817 per unit	3,894 per unit
Apartments – 2 Bedrooms +	2,918 per unit	2,773 per unit
Apartments – Bachelor and 1 Bedroom	1,975 per unit	1,891 per unit
Other Multiples	3,662 per unit	3,460 per unit
Non-Residential	2.26 per square foot	1.97 per square foot



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- Mr. Wilson indicated that the increase in the charges relates to the lower square foot growth forecast over the ten year period for the non-residential DC in 2014 compared to 2009 and due to the higher residential population growth forecast in 2014 compared to 2009.
- Mr. Wilson compared the Township's proposed residential, commercial, and industrial DC to surrounding municipalities.
- Mr. Wilson indicated that the proposed DC by-law policies have not changed from the previous public meeting. These policies include the following:
 - Charge applicability and timing which includes the following:
 - a recommendation that a Township-wide charge be implemented for all services
 - Development charges are calculated and payable at the time of building permit issuance
 - Township may enter into agreements for accelerated or deferred payments
 - Indexing the development charge annually in accordance with the prescribed index
 - Statutory exemptions including municipalities and school boards, industrial building expansions (ie. expanding by up to 50% without DC), and adding up to two apartments for a single detached unit and one additional unit in medium and high density buildings.
 - Non-statutory exemptions including a temporary use by-law amendment, accessory use, a home occupation, and non-residential farm buildings used for agricultural purposes.
 - Providing a credit for redevelopment of a residential/non-residential use resulting from a demolition of conversion, up to 12 months prior to the issuance of a building permit.

Mr. Wilson concluded his presentation by advising that the next steps included receiving input from the public, considering any amendments to the DC Background Study and by-law, determining if a subsequent public meeting is required on the matter, approving the DC Background Study, and recommending adoption of the DC by-law at a subsequent Council Meeting.

Questions/Comments

The Chair asked if there were any members of the public who wished to voice a comment or question.

Ms. Lise Burcher questioned if this background study has maximized DC's recoverable through the regulatory framework or if there is additional room to recover more DC's.

Mr. Wilson advised that due to the limitations on municipalities because of the current DCA legislation, he would agree that some of growth is not paying for itself (for example through the 10% statutory deduction). He also advised that the 10 year level of service limits the amount available for DC recoverability. Mr. Wilson advised that through discussions with staff in departmental interviews, the capital needs of the various service areas were determined. The future master plans will also identify further growth opportunities not currently known at this time. The adoption of the master plans will result in an increase in capital needs which will affect the DC calculation.



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Ms. Burcher followed up as to whether the amount of DC's calculated is the maximum amount that can be recovered.

Mr. Wilson responded that yes, based on the available information at this time, this is the maximum amount that can be recovered through DC's.

Ms. Burcher indicated that it was mentioned in the presentation that DC's are due at the time of building permit issuance and there is an opportunity to defer DC's. Ms. Burcher questioned as to whether other communities defer development charges.

Mr. Wilson commented that deferrals are paying the DC's at a later date based on the development agreement entered into. Mr. Wilson indicated that the development agreements can state that the DC be paid at an earlier or later date of building permit issuance, depending on the conditions of the agreement.

Ms. Burcher questioned whether there is an opportunity to charge interest if a DC is deferred.

Mr. Wilson answered that this is possible through indexing of the DC, to the extent that the deferral of the DC goes beyond the calendar year.

Mr. Kevin Johnson thanked Watson for refining the non-residential growth forecast. Mr. Johnson indicated that he is aware that the Township is recovering 22% of capital projects through DC's and that there is an 80 to 20 percent split between residential and non-residential charge. Mr. Johnson questioned as to how the Township is doing compared to other municipalities.

Mr. Wilson indicated that the 22% can vary from municipality to municipality depending on the type of growth within a community. He advised that the residential and non-residential split is based on growth forecast. For residential, the growth forecast relates to the population growth forecast and for non-residential, the growth forecast pertains to the employment growth forecast. Mr. Wilson advised that this is a standard calculation that Watson completes for all municipalities.

Mr. Johnson questioned as to whether a range can be provided on what is seen at other municipalities.

Mr. Cook indicated that a faster growing municipality will not be able to recover as much in DC's because of significant growth in employment and population. He commented that 75% would likely be the maximum to be recovered through DC's in a municipality that has high growth rate projects.

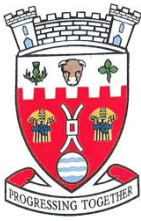
Mr. Wilson added that the percentage fluctuates significantly because of communities' varying growth demands.

Mr. Brad Whitcombe indicated that it would be interesting to see how Guelph fits into the picture of comparable DC charges.

Mr. Wilson indicated that Guelph's industrial charge is \$9.08 per square foot which is comparable to Puslinch's total charge of \$4.02 per square foot.

Mr. Whitcombe questioned whether it is required that a municipality index the DC annually.

Mr. Wilson answered that indexing is not mandatory. It is however mandatory to pass a DC by-law every five years. Mr. Wilson added that if indexing occurs, it must be based on the Statistics Canada prescribed index.



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Mr. Whitcombe questioned if annual indexing is applicable for DC deferrals.

Mr. Wilson indicated that the Township would set the terms and conditions in the development agreement. The terms and conditions are based on discussions with the developer and staff.

Ms. Burcher questioned that if deferrals are granted and they go beyond a year, is indexing mandatory.

Mr. Wilson answered that indexing is not mandatory. The amount in the development agreement would indicate if the developer is paying today's charge or a future charge (ie. an indexed charge).

The Chair inquired if there were any further comments or questions from the public.

There were no further comments or questions from the public at this time.

The Chair asked if there were any members of Council who wished to voice a comment or concern regarding the proposed DC background study and by-law.

Councillor Fielding commented that there is a potential place for industrial growth at the Maltby Road and Brock Road Corridor based on the presentation by Watson. Councillor Fielding stated that Council has requested the County of Wellington's Planning Department to report with respect to areas of future development in the Township. She questioned where this vision for growth came from for the Maltby Road and Highway 6 Corridor.

Mr. Cook responded that discussions took place with the County Planning Department. The County is currently performing a review of what is currently designated. Mr. Cook added that Maltby Road and Brock Road are currently designated, but need to go through a zoning process to be zoned as industrial. Mr. Cook stated that trying to get more land can be a challenge as the province views the County as a whole. He added that trouble can be posed if looking to buy future industrial land as the Province's view of the Provincial Policy Statement is very rigid. Mr. Cook added that there are 183 acres identified as being designated but not zoned in the Maltby Road and Highway 6 Corridor.

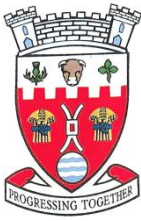
Councillor Stokley stated that he is pleased that Council's concerns were considered when amending the DC study and that additional discussion took place with the County for the growth forecasts.

Councillor Roth questioned what the process is for changing the charges when the Recreation and Parks Master Plan and the Fire Master Plan are completed.

Mr. Wilson answered that ideally the master plans would be completed prior to the renewal of a DC by-law. He indicated that due to the expiration of the current 2009 by-law, the DC study had to be conducted prior to master plans. Mr. Wilson added that the by-law can be amended at any time during the 5 years that it is in force.

Councillor Roth indicated that the brochure for the new charges should indicate that the charges will change based on the results of the master plans.

The Chair commented that the Township is expecting these plans to be completed in the next few months. He advised that we should include an asterisk in the pamphlet indicating that the charges are subject to change based on the results of the Recreation and Parks Master Plan and Fire Master Plan.



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Mr. Wilson advised that this is acceptable information to include in the brochure.

Councillor Schmidt thanked the consultants for their detailed and comprehensive study. He also thanked the consultants for addressing Council's concerns.

The Chair indicated that he still has concerns regarding the attainment of the residential growth forecasts. He added that he understands that these forecasts are based on the County's Official Plan. The Chair advised that the Maltby and Highway 6 designated lands are by the Guelph boundary and will be challenging to zone. He indicated that the County has been requested to provide the Township with a report on how this should be addressed.

Mr. Cook advised that there is a mismatch between supply and demand and this is common in a lot of municipalities. He stated that the County can perform a detailed review of all existing designated industrial lands in the County and present this information back to the Province. He indicated that this can be controversial. Northumberland County is currently in the process of completing this as part of their adoption of their Official Plan.

The Chair inquired as to whether there were any additional comments or questions from the public.

Mr. Whitcombe questioned what the budget was for the DC study.

Ms. Mary Hasan, Director of Finance/Treasurer advised that the budget was not with her at the time; however it is approximately \$15,000.

Ms. Burcher commented that deferral of DC's without appropriate indexing places the onus from industrial to residential development. She commented that she would request that Council in the future collect interest on deferred charges as the affordability of residential housing in the Puslinch area is not good and it is not fair that the residential development community suffer. She concluded by saying that it should be encouraged that indexing be charged on deferred charges.

The Chair inquired as to whether there were any additional comments or questions from the public.

There were no further comments or questions.

The Chair thanked those in attendance for their comments and questions.

The Chair reminded those in attendance to sign in and advised that those who have signed in will be notified when the by-law returns for consideration.

ADJOURNMENT:

The meeting adjourned at 7:45 p.m.