





TO: GENERAL COMMITTEE

SUBJECT: DEVELOPMENT CHARGES DEFERRAL AGREEMENT

PREPARED BY AND KEY CONTACT: D. READ, ZONING ADMINISTRATIVE OFFICER (EXT 5158) 
A. GALLANT, CPA, CMA, BUDGET ANALYST (EXT 4503) 

SUBMITTED BY: MICHAEL JERMEY, CPA, CA, DEPUTY TREASURER (EXT 4407) 

GENERAL MANAGER APPROVAL: PATTI ELLIOTT-SPENCER, MBA, CPA, CMA
GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES 

CHIEF ADMINISTRATIVE OFFICER APPROVAL: CARLA LADD, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That staff be authorized to enter a Development Charge Deferral Agreement with the owner of #1093 Big Bay Point Road, Maureen Jennings, for the lesser of five years, or until a new Development Charges By-law is approved by Council.
2. That staff be directed to include, for Council's consideration as part of the next Development Charges By-law, an exemption from Development Charges for agricultural buildings.

PURPOSE & BACKGROUND

3. The owner of this property applied for a building permit to construct an 8,000 square foot riding barn for her horses. Since Agricultural buildings are not exempted under the City's Development Charges By-law passed on August 25, 2014, the owners are required to pay a Development Charge in the amount of approximately \$110,000. The Development Charges exceed the cost of the barn.
4. The barn is not heated, nor is it to be serviced with water or sewer. The property is for personal use and is not run as a business. The purpose of the barn is to provide a year-round indoor exercise area for the horses.
5. The building permit is on-hold pending Council's decision on this item. The resident has informed staff that she will be withdrawing the permit application if the deferral agreement is not approved.

ANALYSIS

6. Section 27 of the Development Charges Act states that 'A municipality may enter into an agreement with a person who is required to pay a development charge providing for all or any part of a development charge to be paid before or after it would otherwise be payable. 1997, c. 27, s. 27 (1)'. It is based on this provision within the Act that staff are proposing to enter into the above mentioned deferral agreement.
7. Agricultural buildings represent a type of development that has historically been extremely infrequent due to the urbanized nature within the former City boundary. As a result, this type of development did not receive consideration in the most recent DC Background Study or any recent predecessor studies.

8. Staff have reached out to several area municipalities (Newmarket, Oro-Medonte, Orillia, Springwater, and Innisfil) on this matter to determine what practices are in place for Development Charge fees on Agricultural buildings. None of the municipalities contacted impose Development Charges on agricultural buildings. In addition, Staff contacted Watson & Associates Economists Ltd., the consultant engaged to prepare the City's most current DC Background Study. Based on their experience, only 20% of municipalities charge a Development Charge on Agricultural buildings. The remaining 80% provide a full exemption.
9. The proposed barn will not be serviced and is for personal use. It therefore places minimal incremental burden on City services.
10. The proposed agreement effectively defers the payment of Development Charges until the next DC By-law update; at which time Council will have the opportunity to consider whether Development Charges will be collected on agricultural buildings. Should the next By-law still require that Development Charges be paid for agricultural buildings, the owner would be required to pay the monies at that time, or remove the building.

ENVIRONMENTAL MATTERS

11. There are no environmental matters related to the recommendations.

ALTERNATIVES

12. There is one alternative available for consideration by General Committee:

Alternative #1

General Committee could choose to not authorize staff to enter a Development Charge Deferral Agreement with the owner of #1093 Big Bay Point Road.

This alternative is not recommended as the proposed use of the barn will have little or no impact on City services.

FINANCIAL

13. As noted above, this type of development has been extremely infrequent within the City of Barrie and was essentially not considered as source of Development Charges for the City.
14. Further, it has been noted that the DCs for this building exceed the cost of the building itself and it is unlikely that the owner will proceed with the build should a deferral agreement. Therefore, the opportunity cost for the City by agreeing to a deferral is effectively \$0.
15. Since the agreement would have to be prepared, signed, and registered on title, an administrative fee of \$750 has been suggested.

LINKAGE TO COUNCIL STRATEGIC PRIORITIES

16. The recommendation(s) included in this Staff Report are not specifically related to the goals identified in the 2014-2018 Strategic Plan.