

Council reconvened in formal session at 7:00 p.m.

Present: Mayor Farbridge, Councillors Beard, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury and Wettstein

Absent: Councillor Bell

Staff Present: Chief S. Armstrong, Director of Emergency Services; Ms. M. Neubauer, Director of

Finance; Dr. J. Laird, Director of Environmental Services; Ms. L.E. Payne, Director of Corporate Services/City Solicitor; Mr. J. Riddell, Director of Community Design & Development Services; Ms. S. Aram, Deputy Treasurer; Ms. T. Sinclair, Manager of Legal Services; Ms. M. Plaunt, Mr. S. Hannah, Mr. J. Mairs, Mr. R. Henry, City Engineer; Mr. D. Kudo, Mr. P. Cartwright, Mrs. L.A. Giles, Director of Information Services/City Clerk; and Ms. D. Black, Assistant Council Committee Co-ordinator

DECLARATIONS UNDER MUNICIPAL CONFLICT OF INTEREST ACT

There was no declaration of pecuniary interest.

PRESENTATIONS

Ms. Susan Aram, Deputy Treasurer, advised that the public meeting is being held to provide a summary of the process to date, provide feedback from the Development Charges Advisory Committee, to seek direction and input from Council and the public, as well as to meet the statutory requirement under the Development Charges Act. She outlined the timeline of the final approval which includes date changes to address the request from the public for further consultation.

Mr. Gary Scandlan, Watson & Associates, outlined the study process and provided an overview of the development charges function; outlined the steps taken to determine charges, and advised the by-law is valid for five years maximum. He reviewed the mandatory exemptions and explained how the charges could be varied based on the type of development, location, economic issues and redevelopment areas. He explained two different approaches that could be taken to implement the policy and the ways to evaluate the policies. He listed existing exemptions and reductions provided through the Development Charges Act. He summarized the policies currently under consideration. He advised social housing within Guelph is being

considered as development charges funded services. He compared grants versus by-laws approaches to handle reductions and exemptions. He explained that a significant impact on the development charges is contributed to the increase in water and wastewater and costs of infrastructure replacement/expansion to support the intensifications goals of Places to Grow. He reviewed the proposed charges for residential, non-residential, commercial and industrial rates. He then outlined potential revenue shortfalls and provided a comparison of

rates to other municipalities within Ontario. He also advised of the next steps of the process.

1. Moved by Councillor Beard

Seconded by Councillor Laidlaw

THAT persons wishing to address Council be permitted to do so at this time.

Carried

DELEGATIONS

Mr. Mark Cowie, on behalf of Industrial Equities Guelph Corporation, stated that green jobs are the direction employment is taking and industrial/commercial lands are key to this growth. He wanted to know how the 33% and 67% figures were derived. He stated that an overriding principle that they support is the creation of new industrial business activities. He provided a comparison of municipalities that he believes are comparable to Guelph. He believes the proposed rates are a sizable increase in development charges and may be a deterrent to development. He suggested that City tax rates should be considered for generating more revenue rather than through the one-time development charges.

Mr. Garry Fraser, on behalf of Courtney's Alberta Co. Inc. which owns property in the industrial basin, expressed support for the deferral of the decision regarding development charges because it would allow their legal counsel time to review the presentation. He advised that if the development charges were at the level being proposed when he was looking for a location; his company would not have located within Guelph.

Mr. Robert Mullin, from Smith Valeriot Law Firm, was present to represent both the Guelph-Wellington Development Association & Guelph Development Association - two significant and key stakeholders within the City of Guelph. He stated the development sector is at a vulnerable stage and suggested any changes to the

development charges be made with extreme care and caution. He advised the developers have hired people to conduct a peer review and they plan to use the results to ensure the needs of the development community and the City of Guelph are met.

Mr. Bill Luffman, on behalf of Cooper Construction Limited Commercial, stated they have had 200 serviced and ready acres in Guelph for sale for 2-3 years, and they have seen a noticeable decline of interest. He is concerned about the effect an increase in charges will

have on activity. He suggested the charges be phased in to be more compatible with the current economic situation. He stated there are generally three items to determine the viability of people coming to Guelph: land costs, development charges and taxes. He believes the City needs to consider tax values over time and not just development charges when determining the rates.

Mr. Blake Mills, on behalf of Colliers International, Southwest Ontario Office, advised he lives in Guelph and owns property in the south end of the City. He is concerned the development charges will discourage companies coming to Guelph and the effect that would have on taxes. He stated the market is suffering and in order to remain competitive, the City should hold the charges where they are until the economy improves. He believes it is better to have tax revenue and potential tax revenue over time rather than money up front.

Mr. Marc Dexter, on behalf of DTZ Barnicke International, advised he is responsible for acquisition and disposition of commercial and industrial land assisting with site selection. He believes the policy should consider the impact that the changes will have. He explained the various drivers of the different kinds of growth within a city. He believes that price is a key factor in attracting businesses to a secondary market such as Guelph. He outlined site selection factors, both financial and non-financial, that they utilize when determining locations. He advised they select a few locations based on the non-financial factors and then let the customer make the financial decision. He provided a site selection overview to show the change in ranking for Guelph from second to sixth that would occur if the proposed rates are adopted.

Mr. Michael Klein, on behalf of DTZ Barnicke International, Senior Vice-President, has been involved in the Guelph market for approximately seventeen years. He urged Council to exercise caution and discretion when adopting a development charges by-law. He would like consideration given to tradeoffs of immediate payoff

versus lost tax base and employment in the long term. He stated the taxes and jobs brought into the community will make up for any reduction in development charges. He reiterated the economy is tough. He advised that Guelph currently has approximately 1.5 m sq ft. industrial space and there is only 5.6 to 5.8 m sq ft within the Guelph, Kitchener, and Waterloo area. He said competition to get the new tax base is difficult. He stated that Waterloo costs are significantly less. He also stated that Guelph's administrative processes are also affecting potential businesses from locating here. He

would like Guelph to be proactive and stay competitive. He believes Council must determine how costs should be allocated and borne.

Mr. David Kemper, representing Belmont Equity (HCBP) Holdings Ltd., stated the proposed increase is 240% and in combination with the current economy, may cause the competitive edge Guelph currently holds to disappear. He believes the City needs to consider the tax revenue benefits in the long term over the short-term development charges income.

Mr. Lloyd Longfield, on behalf of the Guelph Chamber of Commerce advised the City needs to look at legislation such as Places to Grow as a consideration for determining rates. He provided examples of how other cities have addressed development charges such as lowering rates or removing them altogether. He stated there is a need to look at the competitiveness of other municipalities in determining the best solution for Council to consider. He would like to see the tax base to be spread out and the split reviewed because he believes the current rates are causing a burden on industry.

Ms. Joan Todd, representing the Wellington & Guelph Housing Corporation requested that a portion of the development charges be designated to a social housing fund. She advised that there were 1370 people on the waiting list for housing in December, 2007 with 99 new applicants per month and an average of 34 vacancies per month. The wait time for a 1 bedroom apartment is 3-9 yrs; 2 bedrooms 3-5 yrs; and a 3 bedroom – 4 yrs so there is an ever increasing need for housing.

Ms. Susan Watson advised that when she attended a workshop in July of 2006, they were advised that in the Province of Ontario, growth does not pay for itself. She believes that net funding needs places upward pressures on taxes and/or rates. She does not want her tax dollars subsidizing new homes, or businesses. She wanted to know where money would come from for development if

neither taxes nor development charges could be raised. She discussed the option of proposed grants and incentive programs and would like to see all costs covered for development in order to provide for the City as a whole. She supports the inclusion of social housing as a development charges funded service.

Mr. Leslie Marlowe, advised that a 100,000 sq ft building would raise approximately 1 million in development charges, and the taxes would be \$450,000 per year. He believes that if the development charges are raised as

proposed, the revenue will not be realized because the businesses will not come to Guelph. He asked why the consultant was using the averages he proposed, rather than the standard in the industry.

Mr. A. Lambden, stated that he does not agree with the current development charge study analysis and would like Council to wait until a qualified peer review can be done.

Staff were requested to provide:

- the recovery scenario
- models to see the tax recoveries
- measures in place to monitor the performance
- the increase in taxes resulting from the development charges rates
- how the CIP correlates with the development charges report
- whether financial consideration could be provided for environmental leads certification
- comparisons for surrounding cities and the land availability within the cities
- social housing component to be clearly identified and incorporated into the development charges
- a reasonable comparative group of whom the City is in direct competition in terms of industry
- clarification regarding what items would be included in grants and what can be covered by development charges chart and the reasoning behind the categorizing
- clarification how development charges could be allocated to social housing since the City is not the provider

1. Moved by Councillor Burcher
Seconded by Councillor Findlay

Ms. M. Neubauer

THAT the Report FIN 08-32 dated November 17, 2008 regarding the City of Guelph's 2008 Development Charges Study be received;

AND THAT an administrative report be prepared for the December 22, 2008 Council meeting that includes Staff

Steering Committee recommendations for the Development Charges By-law, additional input from the public and Advisory Committee as available and any additional information requested by Council at the November 17th Public Meeting. Final adoption of the Background Study and approval of the Development Charges By-law would then take place at the scheduled January 26, 2009 Council meeting.

VOTING IN FAVOUR: Councillors Beard, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge (12)

VOTING AGAINST: (0)

Carried

CONSENT AGENDA

3. Moved by Councillor Billings
Seconded by Councillor Burcher
THAT the November 17, 2008 Consent Agenda as identified below, be adopted:

a) **Request from the Corporation of the Township of Guelph/Eramosa Regarding Support for a Building Canada Fund Application Submission**

Ms. A. Burns-Bensch
Ms. A. Pappert

THAT the report of the Director of Community Services of November 17, 2008 be received;

AND THAT the correspondence report dated November 17, 2008 from the Township of Guelph/Eramosa regarding their application for funding under the Build Canada Fund be received;

AND THAT Council of the City of Guelph acknowledge the inherent benefit that the construction of the Marden Park Recreational Facility would have in providing: increase the opportunity for sport activity; improve the health of Canadians; and strengthen Canadian communities; and that the facility would provide increased opportunities for the development of athletes and the hosting of major athletic events.

Carried

ADJOURNMENT

The meeting adjourned at 9:45 o'clock p.m.

Minutes read and confirmed November 24, 2008.

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Mayor

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Clerk