

**Minutes of Special Committee Meeting
of City Council
Held Monday, September 9, 2019**

Present:

Mayor McDonald, Councillors T. Vrebosch, B. Vrebosch, King, Bain, Tignanelli, Anthony, Mayne, Mendicino, Robertson, Brousseau.

General Government Committee:

GG-2019-09 ***Public Meeting Held under the Development Charges Act***

Report from Shannon Saucier and Beverley Hillier dated July 22, 2019 re 2019 Development Charges.

Councillor T. Vrebosch explained the purpose of the meeting.

The City Clerk advised that notice of the meeting was given by way of advertisements in the North Bay Nugget on the 3rd day of August, 2019 and the 17th day of August, 2019.

Andrew Mirabella, representative from Hemson Consulting Ltd., explained the Development Charges Background Study dated July 25, 2019.

Shannon Saucier and Beverley Hillier explained the proposed increase of the Development Charges.

Councillor T. Vrebosch asked for public presentations regarding the proposed increase of the Development Charges.

Presentations:

1. Rick Miller:

- Presented on behalf of the North Bay District Home Builders Association (NBDHBA).
- Identified their intercommunication with City Staff and the consulting agency (Hemson) in the last two review cycles of the Development Charges By-Law.
- Indicated that new home builds have been stagnate in the City, which is negative growth in the City and less than what was projected in the previous Development Charges Study (2014).
- Commended the City and Staff on their financial prudence of funds generated by growth, and stated examples of projects at the Airport, the sanitary sewer/water expansion on Lakeshore Drive and Larocque Road.
- Acknowledged that Development Charges growth pays for growth.
- Proposed that the City place a moratorium on Development Charges for residential housing for a period of three (3) years, being the remainder of the 2018-2022 Term of Council.
- Identified that the moratorium could be used as an opportunistic marketing and competitive strategy to enhance growth in the City.
- Indicated that the surrounding area municipalities have more single family dwellings than the City of North Bay.
- Identified that developers will work with the City and

Staff to work together towards a marketing strategy.

- Identified that City Staff attend the NBDHBA meetings on a monthly basis, including future potential to market at the Home Show in the Spring.
- Stated that the water/sewer improvements to Larocque Road has allowed for up to approximately 1,000 new serviceable lots.
- Stated that developers have difficulty explaining Development Charges to clients.
- Is not opposed to Development Charges being deferred for a longer period than the 3 years initially proposed.

2. Ed Valenti:

- Presented on behalf of the Developer's Liaison Advisory Committee Sub-Committee (DLAC).
- Provided and presented Council with statistical data surrounding issued building permits for single family dwelling which included comparators to West Nipissing, Callander and East Ferris, and discussed factors such as impacts of property taxes, development charges, population, supply and demand, and serviceability.
- Stated that the City's direct competition is not in the municipalities compared to in the study, but rather the area municipalities being East Ferris, West Nipissing, Powassan, and Callander and spoke to their positions on Development Charges.
- Identified that developers, builders and real estate agents are impacted by the City's Development Charges when conducting business.
- Indicated that the statement that the City's property taxes are the highest in the area is false.
- Provided statistical reference that there is an approximate \$1,100.00 savings for the current sale of property in the City in comparison to the other area municipalities.
- Discussed that the data suggests that upon the City implementing Development Charges that a decrease in single family dwellings developments occurred.
- Supported and requested a moratorium on Development Charges for residential housing for a period of three (3) years, being the remainder of the 2018-2022 Term of Council, or longer.
- Stated that the combinations of lower taxes and cheaper homes have had some impact to be attractive, however this is changing in the resale market.
- Discussed the fixed costs for subdivisions, Stone Manor, real estate gap between new/existing developments, HST rebates and caps, low inventory of real estate in the City and increase in sales, supply and demand, barriers in the 'Canadian Shield' for additional blasting costs.
- Indicated that in 2012-2013 the comparator statistics in his handout identified an escalated increase of new builds in the City and has not rematerialized since this period.
- Stated that their position is to advocate for a residential moratorium only at this time.
- Clarified that senior levels of government are benefiting from taxation of the Harmonized Sales Tax (HST) on Development Charges.
- Discussed that Development Charges are for new infrastructure such as Thibeault/Airport/Lakeshore Drive.
- Clarified that the City is competitive in industrial development charges and reasonable in commercial development charges – that is why the ask is only a

moratorium from residential development charges, and that the market is favorable to the City due to increases in sales.

- Reiterated Council's mandate on affordable housing, and indicated that a moratorium could allow for an increase in single family dwellings under 1200 sq. ft.
- Indicated that there is a shortage of serviced lots in the area municipalities and that a moratorium on Development Charges by the City could incentivize buyers to consider North Bay and increase the demand.
- Identified that the resale demand for 1200 sq. ft. homes is not feasible and the restrictions of the Ontario Building Code impact renovations/construction.
- Discussed that with a Development Charges moratorium it may increase affordability for secondary unit builds and further assist homeowners to mortgage for the construction of same.

3. John Wallace:

- President of Laurentian Heights Limited.
- Provided a copy of his presentation.
- Identified support for Council's direction of growth for the City.
- Expressed that a group of developers have concerns surrounding growth in the City, as growth is majorly occurring outside of North Bay in the area municipalities.
- Discussed that Development Charges leave the City at a disadvantage from the neighbouring area communities for the costs in constructing a home.
- Identified his position and rationale behind the City's Development Charges being that statistics indicate that taxpayer actually benefits from growth and that new growth provides the funds for growth related to infrastructure expansions and improvements, not from the collection of Development Charges.
- Indicated that Laurentian Heights Limited has created 97 new residential lots in nine (9) separate subdivisions for a total of 55 new home constructions, and discussed his statistical data and calculations collected from the 2019 Assessment Roll Books for those properties.
- Discussed calculations of property tax allocations and the extraction of the education portion indicating the sum of potential perpetual lifetime annuity.
- Discussed his calculations of the incremental annual cost to the City to provide services to Laurentian Heights Limited's new development phases.
- Believes that his calculation of \$380,000.00 of net cash inflow is sufficient to cover infrastructure improvements and provide some relief to the taxpayers.
- Claims that the City's quote "Failure to collect Development Charges could result in a decreased level of service for existing ratepayers or increased tax rates." is a false claim..
- Discussed a scenario of the sale of a lot in the Laurentian Heights Limited's phased development and that Development Charges would be close to the same collection as the City's calculated portion of the property tax bill annually.
- Believes that Staff's recommendation to Council is a "Status Quo" approach and needs a radical system change.
- Recommending that Development Charges for the residential sector be eliminated for a three year trial

period to allow for growth.

- Indicates that reflection is required on the current situation to determine what steps are necessary to achieve growth and attain fair share of growth currently taking place in the City.
- Suggested that the net gain the City receives from each new home is transferred into a new development reserve fund, as opposed to imposing the Development Charges "tax".

City Staff provided clarification to Council on questions and information provides from the public presentations.

Direction: Item to remain on Committee.

Community Services Committee:

No items dealt with.

Engineering and Works Committee:

No Items Dealt With.

Committee Meeting of Council adjourned at 7:24 p.m.

Mayor Allan McDonald

City Clerk Karen McIsaac