

**Minutes of Special Committee Meeting  
of City Council  
Held Wednesday, August 27, 2014**

**Present:**

Mayor McDonald, Councillors Vrebosch, Marosis, Vaillancourt, Campbell, Bain, Mayne, King, Anthony, Mendicino.

**General Government Committee:**

GG-2014-08      Report from Shannon Saucier dated June 24, 2014 re: Development Charges Background Study

Deputy Mayor Vrebosch explained the purpose of the meeting.

The City Clerk advised that notice of the meeting was given by advertisements in the North Bay Nugget on the 2<sup>nd</sup> day of August, 2014 and the 9<sup>th</sup> day of August, 2014.

Jerry Knox, Hemson Consulting and Margaret Karpenko explained the purpose of the meeting.

Deputy Mayor Vrebosch asked for public presentations in support of or objecting to the proposed Development Charges.

Public Presentations:

- John Lechlitner – North Bay
- Representing Eastview Developments Limited – develop lots for builders
- sat on the Committee to review the Development Charges
- some of the recommendations have appeal; others are dangerous
- the problem is that North Bay has not seen any significant growth in recent years
- North Bay does not compete with Barrie and Innisfil
- North Bay competes with Callander, Powassan, Mattawa and Sturgeon Falls
- The only other community in the area that has development charges is Callander
- Need to use development charges as a development tool.
- Proposes a 3 year freeze, followed by a review
- Favour tiered development charges: units under 1,300 sq. ft. would pay 1/3 of the 2014 rate; units between 1,300 and 1,500 sq. ft. would pay 2/3 of the 2014 rate; units over 1,500 sq. ft. would pay the 2014 rate; concessions for apartments
- Agrees with the staff recommendation regarding deferral of payment of fees and the eligibility for members of the Home Builders Association makes sense
- North Bay is in a declining market
- Currently North Bay has 27 housing starts; Sturgeon Falls has 30.
- Five years ago, North Bay had 78 housing starts; Sturgeon Falls had 60
- People live outside for economic reasons
- Once a house is built outside North Bay we lose those tax dollars
- The building industry needs a concentrated approach
- Development charges have a negative impact but are a “necessary evil” at some minimal level
- Advocating for reasonable development charges with a

- multi-year approach and a 3 year freeze
- Copy of presentation provided.
  
- Rick Miller – North Bay
  - Representing the North Bay Home Builders Association
  - Thank you for involving the Association in this process
  - The deferral of the development charges payment would be very helpful, especially for those building spec homes.
  - Categories for housing was one of their recommendations – but would like to see 1,300 sq. ft. and not 1,200 sq. ft. as recommended by staff and with a lower rate
  - Propose that the infill area be lands within the developed area of the City as the services are already there – expand the intensification area.
  - Would like to see this re-visited
  - North Bay is currently in a building slump – there has been a 55% decrease since 2013.
  - The 2014 projected goal is 50 housing starts – this goal will not be met.
  - In 2012, the Ontario Home Builders Association cited 840 direct building construction and renovation jobs in North Bay.
  - There are serious concerns within the home building industry.
  - This year only 6 homes have been built on spec – this is the lowest number since the early 1990s.
  - No development charges is one factor that would help the industry
  - Need a long-term approach.
  - The City currently has \$2.4 million in development charges reserves – what is a reasonable reserve? This question has not yet been answered.
  - On average the homes built over the last few years are smaller – to adjust to market demand.
  - Development of infill lots will increase the tax base – intensification is less costly because the services are already there.
  - Increased tax dollars will support the maintenance of existing services.

Ed Valenti – North Bay

- President of the North Bay Real Estate Board
- The Board is trying to get more involved in the process
- Real estate is the barometer of the economy
- The Board deals with residential, commercial and industrial lands
- The decrease of new builds is affected by many things: the addition of HT in 2010; CMHC has revised their guidelines and tightened up their lending criteria; development charges have doubled in the last 5 years; increased permit fees; and the general economy is somewhat depressed.
- Reasonable fees will lead to employment and building
- The Board is hoping that the City will be proactive and recognize that we are in a depressed market and will reduce fees.
- Home sales – listings are up but sales are down by approximately 10% - the inventory is over supplied for the demand that exists
- When the market is depressed you need to reduce fees.

John Wallace – North Bay

- Has reviewed past development charges
- There has been a 7-fold increase in development charges
- Council needs to look at where things are going in the community
- The Report recommends increases of 40% to 80%
- Why do Timmins, Thunder Bay and Sault Ste. Marie not charge development charges?
- What are the consequences of not having development charges?
- Wishes to clarify that the costs of the lights at Airport Road and Pearce Street were an additional charge to developers – the charge was over and above the development charges.
- Developers are already responsible for installing water, sewer and roads to the City's standards; also responsible for storm water designs and the costs associated

Steven Dreany – North Bay

- Vice President of the North Bay Chamber of Commerce
- Also the Chair of the Chamber's Economic Development Committee
- Also sat on the committee to review development charges
- Strongly supports the deferral of fees
- Strongly supports the lower fees for infilled developed areas
- Would prefer a longer freeze on rates
- Strongly supports a tiered rate based on square footage
- A gap in capital funding already exists
- Housing starts are higher in those Northern Ontario communities that do not have development charges
- Do not implement development charges to 100%; leave at a lower rate.

Marjorie Meister – North Bay

- Advocating for the small and macro construction business owners
- Development charges were meant to be a one-time charge
- Perception by many is that development charges are a desperate money grab
- Who will be living here and working here in 2021? 2031?
- We need to engage the youth and new innovative ideas
- Development charges have been charged for a long time
- Development charges home buyers and home builders, not just the big developers
- If you are putting on an addition, you are paying development charges – this is not right.
- Development charges are not charged on industrial development. Why? This needs to be re-visited.
- The City is required to provide pamphlets regarding development charges and not just information of the website. City needs to look into this.
- Smaller contractors cannot afford to build because of the increased costs due to development charges.
- "Growth pays for growth" is prejudicial to small businesses
- The Development Charges By-law is a capital financing tool and is prejudicial because not all development is charged development charges.

Miles Peters – North Bay

- Executive Members of the North Bay Taxpayers Association
- The private sector is a strong economic driver
- Development charges are the equivalent to 3-4 years of

taxation

- Development represents a lifetime of revenue
- Increased development leads to increased taxation which lessens the load on the taxpayer
- Need all the economic stimulus that you can get
- Encouraged by the process and the ideas expressed tonight
- Strongly encourages an elimination of development charges
- Incremental increases in revenues from increased assessment will reduce the burden to the taxpayers.

Paul Lechlitner – North Bay

- Has a seasonal home in Phoenix, Arizona
- Suggests that Council/staff go to Phoenix and see how they provide services
- The answer is to provide services more efficiently
- Consultants look for answers
- The problem is there is no demand
- We need to do things better.

Direction: Item to remain on Committee.

GG-2014-09 Report from Shannon Saucier/Lorraine Rochefort dated June 24, 2014 re: Water and Wastewater Rate Study

Direction: Item to remain on Committee.

Special Committee Meeting of Council adjourned at 9:51 p.m.

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Mayor Allan McDonald

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City Clerk Catherine Conrad