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**TOWN OF TECUMSEH**  
WWW.TECUMSEH.CA

**Town of Tecumseh**  
**Public Council Meeting**  
Tuesday, August 13, 2013  
6:00 PM  
Tecumseh Town Hall

**MEETING:**

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. DISCLOSURE OF PECUNIARY INTEREST**

**IV. INTRODUCTION AND PURPOSE OF MEETING**

The purpose of the meeting is to consider a Background Study and associated proposed housekeeping amendment to Section 3.9 of Development Charges By-law 2009-60, in accordance with Section 12 of the *Development Charges Act, 1997* and how it affects the collection of development charges.

**V. DELEGATIONS**

**VI. COMMUNICATIONS**

- A. Town of Tecumseh Notice of Public Meeting, July 24, 2013  
*Re: Housekeeping Amendment to Section 3.9 of Development Charges By-law 2009-60*
- B. Director, Planning and Building Services, July 16, 2013, Report No. 24/13 - *Re: Amendment to Section 3.9 of Development Charges By-law 2009-60, Affecting Reduction of Development Charges Where Redevelopment of Land*
- C. Bylaw 2013-40 - *Being a bylaw to amend By-law 2009-60, a by-law for the imposition of development charges*

**VII. ADJOURNMENT**

TOWN OF TECUMSEH

NOTICE OF PUBLIC MEETING

HOUSEKEEPING AMENDMENT TO SECTION 3.9 OF  
DEVELOPMENT CHARGES BY-LAW 2009-60

**TAKE NOTICE** that the Council of the Corporation of the Town of Tecumseh will hold a public meeting **Tuesday, August 13<sup>th</sup>, 2013 at 6:00 p.m.** in the Town Municipal Office at 917 Lesperance Road to consider a Background Study and accompanying draft housekeeping amendment to Section 3.9 of Development Charges By-law 2009-60, in accordance with Section 12 of the *Development Charges Act, 1997*.

The purpose of the public meeting is to consider a Background Study and associated proposed housekeeping amendment to Section 3.9 of Development Charges By-law 2009-60 and how it affects the collection of development charges.

Specifically, Section 3.9 of Development Charges By-law 2009-60 currently establishes specific provisions relating to circumstances where a reduction in the development charge is allowed in the event a property is redeveloped (ie. existing buildings are removed and new buildings are erected). The foregoing section is currently worded in such a manner that its reasonable application is not achievable, particularly where the redevelopment involves the demolition of other than a residential building. Section 3.9 is therefore proposed to be amended to clearly establish that a reduction/credit in development charges will be provided when redevelopment of land involves the demolition of existing residential or non-residential structures, and their replacement with new residential or non-residential structures.

**ANY PERSON** may attend the public meeting and/or make written or verbal representation either in support of or in opposition to the proposed housekeeping amendment to Section 3.9 of Development Charge By-law 2009-60.

**IN ORDER THAT SUFFICIENT INFORMATION** is made available to the public, copies of the Background Study and draft housekeeping amendment by-law will be available for review as of July 24, 2013 at the Town Municipal Office at 917 Lesperance Road between 8:30 a.m. and 4:30 p.m. and on the Town's web page at [www.tecumseh.ca](http://www.tecumseh.ca).

DATED AT THE TOWN OF  
TECUMSEH THIS 24<sup>TH</sup> DAY  
OF JULY, 2013.

LAURA MOY, CLERK  
TOWN OF TECUMSEH  
917 LESPERANCE ROAD  
TECUMSEH, ONTARIO  
N8N 1W9

6.6

PRESENTED TO  
PUBLIC COUNCIL:  
AUGUST 13, 2013



THE CORPORATION OF THE  
TOWN OF TECUMSEH

PLANNING AND BUILDING SERVICES  
DEPARTMENT  
Report No. 24/13

**TO:** Mayor and Members of Council  
**FROM:** Brian Hillman, MA, MCIP, RPP  
Director, Planning and Building Services  
**DATE:** July 16, 2013  
**SUBJECT:** Amendment to Section 3.9 of Development Charges By-law 2009-60  
Affecting Reduction of Development Charges Where Redevelopment of Land  
OUR FILE: C01 DEV2

12.16  
PRESENTED TO  
REGULAR COUNCIL:  
JULY 23, 2013

6.6  
PRESENTED TO  
PUBLIC COUNCIL:  
AUGUST 13, 2013

**RECOMMENDATIONS:**

It is recommended that:

1. The scheduling of a public meeting, to be held on Tuesday, August 13, 2013 at 6:00 p.m., to offer public review and comments on *Planning and Building Services Report 24/13 - Amendment to Section 3.9 of Development Charges By-law 2009-60* and the associated Development Charges By-law amendment, as prepared by Tecumseh Administration in consultation with Watson & Associates Economists Ltd., in accordance with the requirements of the *Development Charges Act*, be authorized;
2. Subject to satisfactorily addressing the comments received at the statutory public meeting:
  - i. *Planning and Building Services Report 24/13 - Amendment to Section 3.9 of Development Charges By-law 2009-60*, as prepared by Tecumseh Administration in consultation with Watson & Associates Economists Ltd., be received and approved as the Background Study in accordance with the requirements of the *Development Charges Act*;
  - ii. The draft by-law amending Section 3.9 of Development Charges By-law 2009-60, made available for public review and considered in accordance with the requirements of the *Development Charges Act*, be adopted at a subsequent Regular Council Meeting.

**BACKGROUND:**

**Development Charges – General Overview**

The purpose of development charges is to pay for growth-related capital costs that will be incurred by the Town as a result of new development. Development charges are to be established by by-law in accordance with the *Development Charges Act, 1997* ("the Act"). The Act requires the preparation of a background study that identifies anticipated future growth Town-wide and describes the services/infrastructure projects for which the Town will incur growth-related capital costs. The

current Town-wide Development Charges By-law 2009-60 ("the DC By-law") was adopted on August 11, 2009 and is in effect until August 31, 2014

Reduction of Development Charges for Redevelopment of Lands

Section 3.9 of the DC By-law currently establishes specific provisions relating to circumstances where a reduction in the development charge is allowed in the event a property is redeveloped (i.e. existing buildings are removed and new buildings are erected).

1) Existing Section 3.9

Section 3.9 of the DC By-law currently reads as follows:

"Reduction of Development Charges Where Redevelopment

**3.9 In the case of the demolition of all or part of a residential building or structure:**

- (1) *a credit shall be allowed, provided that the land was improved by occupied structures (or structures capable of occupancy) within the last five years prior to the issuance of the building permit, and the building permit has been issued for the development or redevelopment within five years from the date the demolition permit has been issued; and*
- (2) *if a development or redevelopment involves the demolition of and replacement of a residential building or structure, a credit shall be allowed equivalent to the number of dwelling units demolished multiplied by the applicable residential development charge in place at the time the development charge is payable;*
- (3) *if a development or redevelopment involves the demolition of a replacement of a non-residential building or structure, a credit shall be allowed equivalent to the gross floor area demolished multiplied by the applicable non-residential development charge in place at the time the development charge is payable.*
- (4) *A credit can, in no case, exceed the amount of the development charge that would otherwise be payable, and no credit is available if the existing land use is exempt under this by-law."*

It has recently come to Town Administration's attention that the foregoing section is worded in such a manner that its reasonable application is not achievable, particularly where the redevelopment involves the demolition of a building or structure other than a residential building or structure. The opening line of the current Section 3.9 ties consideration of the section to residential buildings only, which was not the intent of the section or the DC By-law. Hence, subparagraph 3 of Section 3.9, which is speaking to the demolition of a non-residential building, becomes non-applicable and appropriate consideration of such a scenario is frustrated.

Administration, along with Watson & Associates Economists Ltd., who were involved with the preparation of the DC By-law, acknowledge that the intent of Section 3.9 is to provide for a reduction/credit in development charges when redevelopment of land involves the demolition of

existing residential or non-residential buildings and structures and their replacement with new residential or non-residential structures.

ii) Proposed Revised Section 3.9

In light of the foregoing, it is proposed that Section 3.9 of the DC By-law be amended to provide language that accurately represents the redevelopment circumstances that were originally contemplated by this section. Accordingly, Administration, with the assistance of Watson & Associates Economist Ltd, proposes the following new wording:

*"Reduction of Development Charges Where Redevelopment*

**3.9** *In the case of land where a building permit is being issued for the construction of a residential or non-residential building or structure on the land subsequent to the demolition of all or part of a residential or non-residential building or structure on the land, the development charge as calculated in conformity with the requirements of this By-law shall apply, however:*

- (1) A credit shall be due to an Owner, upon the finalization of the building permit for the construction of a residential or non-residential building or structure on the Owner's land provided that the finalization of the building permit occurs within the five years immediately subsequent to the date of the issuance of the demolition permit;*
- (2) Where a credit is due in accordance with the provisions of Subsection 1 and the development or redevelopment involved the demolition of a residential building or structure then the credit shall be calculated by multiplying the number of dwelling units that were demolished by the applicable residential development charge in place at the time the development charge was paid;*
- (3) Where a credit is due in accordance with the provisions of Subsection 1 and the development or redevelopment involved the demolition of a non-residential building or structure then the credit shall be calculated by multiplying the gross floor area demolished by the applicable non-residential development charge in place at the time the development charge was paid;*
- (4) Any credit due shall become payable to the Owner immediately upon the successful completion of the final inspection for the building or structure constructed on the lands provided that the finalization of the permit occurs within the five-year time limit contemplated by Subsection 1, and in no case shall a credit exceed the amount of the development charge that was paid at the time the building permit was issued for the replacement building or structure;*
- (5) Notwithstanding the timing of the credit anticipated by Subsection 1, where the Town can reasonably anticipate that a credit will be due to an Owner in accordance with the provisions of Subsection 1, then the Town, at the Town's sole discretion, may defer the payment of that portion of the applicable development charge (the "deferred development charge") that is in an amount equal to the anticipated credit. Upon the Owner qualifying for the*

*credit in accordance with the terms of Subsection 1, the requirement to pay the deferred development charge shall be deemed to have been paid. Where the Owner becomes ineligible for a credit in accordance with the terms of Subsection 1, the deferred development charge shall become payable immediately. A deferred development charge that has become payable but remains outstanding shall be deemed to have been paid on the Owner's behalf by the Town and shall become a charge against the land, added to the tax roll, and collected in like manner and with the same priority as municipal taxes in accordance with Section 446 of the Municipal Act."*

**COMMENTS:**

The DC By-law, by virtue of Section 3.9, contemplates a reduction/credit on a development charge where redevelopment is proposed. This is a reasonable and sound regulation. However, the current wording in the DC By-law makes the reasonable application of Section 3.9 unachievable. It is therefore recommended that Section 3.9 of the DC By-law be amended as proposed above in order to provide language that accurately represents the full range of redevelopment circumstances that were originally contemplated by Section 3.9.

In order to proceed with a housekeeping amendment to Section 3.9 of the DC By-law as proposed, it is necessary to hold a public meeting in accordance with the provisions of the *Development Charges Act*. Accordingly, it is recommended that Council authorize the scheduling of a public meeting for the purpose of hearing public comments and receiving input prior to final consideration of the related Background Report (being *Planning and Building Services Report 24/13 - Amendment to Section 3.9 of Development Charges By-law 2009-60*) and the DC By-law amendment.

**CONSULTATIONS:**

Financial Services  
Public Works and Environmental Services  
Watson & Associates Economists Ltd.

**FINANCIAL IMPLICATIONS:**

None.

**LINK TO STRATEGIC PRIORITIES:**

Strategically preparing lands for diverse development opportunities and supporting increased growth in economic development are identified as Strategic Planning Priorities for the Town of Tecumseh.

This report has been reviewed by senior Administration as indicated below and recommended for submission by the CAO.

Prepared by:

  
Brian Hillman, MA, MCIP, RPP  
Director, Planning and Building Services

Reviewed by:

  
Luc Gagnon, CPA, CA  
Director, Financial Services/Treasurer

Recommended by:

  
Tony Haddad, MSA, CMO, CPFA  
Chief Administrative Officer

BH  
Attachment(s): 1. Draft DC By-law Amendment

File Name (R:\Development Charges Review, 2009\Amendments to 2008 By-law\Planning Report 24-13 July 2013 - for review - Development Charges Housekeeping Amendment - DC Reduction on Redevelopment Section 3.9.docx)



**Attachment 1**  
**Draft DC By-law Amendment**

**THE CORPORATION OF THE TOWN OF TECUMSEH**  
**BY-LAW NUMBER 2013-**

Being a by-law to amend By-law 2009-60, a by-law for the  
imposition of development charges

**WHEREAS** the *Development Charges Act, 1997* (hereinafter referred to as “the Act”) provides that the Council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of the increased need for services;

**AND WHEREAS** the Council of the Corporation of the Town of Tecumseh has enacted Development Charges By-law 2009-60 (hereinafter referred to as “the By-law”) for the purpose of imposing a development charge;

**AND WHEREAS** the Act requires that a municipality must complete a development charges background study and hold a public meeting prior to the consideration of an amending By-law;

**AND WHEREAS** the Corporation of the Town of Tecumseh has completed a development charges background study and held a public meeting held in accordance with the requirements of the Act;

**AND WHEREAS** the Council of the Corporation of the Town of Tecumseh now deems it necessary to amend the By-law for the purpose of clarifying Section 3.9 of the By-law;

**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF TECUMSEH ENACTS AS FOLLOWS:**

1. That by-law 2009-60, Subsection 3.9, Reduction of Development Charges Where Redevelopment, as amended, is hereby further amended by the deletion of subsection 3.9 in its entirety and its replacement by a new subsection 3.9, to read as follows:

**“Reduction of Development Charges Where Redevelopment**

**3.9** In the case of land where a building permit is being issued for the construction of a residential or non-residential building or structure on the land subsequent to the demolition of all or part of a residential or non-residential building or structure on the land, the development charge as calculated in conformity with the requirements of this By-law shall apply, however:

1. A credit shall be due to an Owner, upon the finalization of the building permit for the construction of a residential or non-residential building or structure on the Owner’s land provided that the finalization of the building permit occurs within the five years immediately subsequent to the date of the issuance of the demolition permit;

## Attachment 1 Draft DC By-law Amendment

2. Where a credit is due in accordance with the provisions of Subsection 1 and the development or redevelopment involved the demolition of a residential building or structure then the credit shall be calculated by multiplying the number of dwelling units that were demolished by the applicable residential development charge in place at the time the development charge was paid;
  3. Where a credit is due in accordance with the provisions of Subsection 1 and the development or redevelopment involved the demolition of a non-residential building or structure then the credit shall be calculated by multiplying the gross floor area demolished by the applicable non-residential development charge in place at the time the development charge was paid;
  4. Any credit due shall become payable to the Owner immediately upon the successful completion of the final inspection for the building or structure constructed on the lands provided that the finalization of the permit occurs within the five-year time limit contemplated by Subsection 1, and in no case shall a credit exceed the amount of the development charge that was paid at the time the building permit was issued for the replacement building or structure.
  5. Notwithstanding the timing of the credit anticipated by Subsection 1, where the Town can reasonably anticipate that a credit will be due to an Owner in accordance with the provisions of Subsection 1, then the Town, at the Town's sole discretion, may defer the payment of that portion of the applicable development charge (the "deferred development charge") that is in an amount equal to the anticipated credit. Upon the Owner qualifying for the credit in accordance with the terms of Subsection 1, the requirement to pay the deferred development charge shall be deemed to have been paid. Where the Owner becomes ineligible for a credit in accordance with the terms of Subsection 1, the deferred development charge shall become payable immediately. A deferred development charge that has become payable but remains outstanding shall be deemed to have been paid on the Owner's behalf by the Town and shall become a charge against the land, added to the tax roll, and collected in like manner and with the same priority as municipal taxes in accordance with Section 446 of the *Municipal Act*."
2. This By-law shall take effect from the date of passage by Council and shall come into force in accordance with the provisions of the Act.

READ a first, second, third time and finally passed this 13<sup>th</sup> day of August, 2013.

\_\_\_\_\_  
Gary McNamara, Mayor

\_\_\_\_\_  
Laura Moy, Clerk

# THE CORPORATION OF THE TOWN OF TECUMSEH

## BY-LAW NUMBER 2013-40

Being a by-law to amend By-law 2009-60, a by-law for the imposition of development charges

**WHEREAS** the *Development Charges Act, 1997* (hereinafter referred to as “the Act”) provides that the Council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of the increased need for services;

**AND WHEREAS** the Council of the Corporation of the Town of Tecumseh has enacted Development Charges By-law 2009-60 (hereinafter referred to as “the By-law”) for the purpose of imposing a development charge;

**AND WHEREAS** the Act requires that a municipality must complete a development charges background study and hold a public meeting prior to the consideration of an amending By-law;

**AND WHEREAS** the Corporation of the Town of Tecumseh has completed a development charges background study and held a public meeting held in accordance with the requirements of the Act;

**AND WHEREAS** the Council of the Corporation of the Town of Tecumseh now deems it necessary to amend the By-law for the purpose of clarifying Section 3.9 of the By-law;

**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF TECUMSEH ENACTS AS FOLLOWS:**

1. That by-law 2009-60, Subsection 3.9, Reduction of Development Charges Where Redevelopment, as amended, is hereby further amended by the deletion of subsection 3.9 in its entirety and its replacement by a new subsection 3.9, to read as follows:

“Reduction of Development Charges Where Redevelopment

- 3.9 In the case of land where a building permit is being issued for the construction of a residential or non-residential building or structure on the land subsequent to the demolition of all or part of a residential or non-residential building or structure on the land, the development charge as calculated in conformity with the requirements of this By-law shall apply, however:

13.11	6.6
PRESENTED TO REGULAR COUNCIL: AUGUST 13, 2013	PRESENTED TO PUBLIC COUNCIL: AUGUST 13, 2013

1. A credit shall be due to an Owner, upon the finalization of the building permit for the construction of a residential or non-residential building or structure on the Owner`s land provided that the finalization of the building permit occurs within the five years immediately subsequent to the date of the issuance of the demolition permit;
  2. Where a credit is due in accordance with the provisions of Subsection 1 and the development or redevelopment involved the demolition of a residential building or structure then the credit shall be calculated by multiplying the number of dwelling units that were demolished by the applicable residential development charge in place at the time the development charge was paid;
  3. Where a credit is due in accordance with the provisions of Subsection 1 and the development or redevelopment involved the demolition of a non-residential building or structure then the credit shall be calculated by multiplying the gross floor area demolished by the applicable non-residential development charge in place at the time the development charge was paid;
  4. Any credit due shall become payable to the Owner immediately upon the successful completion of the final inspection for the building or structure constructed on the lands provided that the finalization of the permit occurs within the five-year time limit contemplated by Subsection 1, and in no case shall a credit exceed the amount of the development charge that was paid at the time the building permit was issued for the replacement building or structure.
  5. Notwithstanding the timing of the credit anticipated by Subsection 1, where the Town can reasonably anticipate that a credit will be due an Owner in accordance with the provisions of Subsection 1, then the Town, at the Town's sole discretion, may defer the payment of that portion of the applicable development charge (the "deferred development charge") that is in an amount equal to the anticipated credit. Upon the Owner qualifying for the credit in accordance with the terms of Subsection 1, the deferred development charge shall be deemed to have been paid. Where the Owner becomes ineligible for a credit in accordance with the terms of Subsection 1, the deferred development charge shall become payable immediately. A deferred development charge that has become payable but remains outstanding shall be deemed to have been paid on the Owner's behalf by the Town and shall become a charge against the land, added to the tax roll, and collected in like manner and with the same priority as municipal taxes in accordance with Section 446 of the *Municipal Act*."
2. This By-law shall take effect from the date of passage by Council and shall come into force in accordance with the provisions of the Act.

**READ** a first, second, third time and finally passed this 13<sup>th</sup> day of August, 2013.

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Gary McNamara, Mayor

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Laura Moy, Clerk