
Subject: Development Charge Demolition Credit Extension – 1070 Vansickle Rd. N., St. Catharines

Report to: Corporate Services Committee

Report date: Wednesday, September 11, 2019

Recommendations

That the eligibility period for the Regional Development Charge Demolition credit for a destroyed building located at 1070 Vansickle Road N., St. Catharines **BE EXTENDED** to December 31, 2019.

Key Facts

- At the August 7, 2019 Corporate Services Committee meeting, Committee members received a delegation from the owner of 1070 Vansickle Road North, St. Catharines regarding Regional Development Charges (RDC) payable totaling \$33,682.
- The delegate requested an extension of the RDC demolition credit for the property which would reduce the RDC payable for the project to \$16,841.
- Upon receiving the delegation Committee members passed a motion requesting more information regarding the proposed development which is the subject of this report.

Financial Considerations

The proposed development to occur on site is a semi-detached structure (2 units) which would incur RDC payable of \$33,682 (January to August 31, 2019 rates). If the RDC demolition credit 5 year timeframe had not expired, the net RDC payable for the project would be \$16,841 after the demolition credit is applied.

Analysis

At the August 7, 2019 Corporate Services Committee meeting, Committee members received a delegation from the owner of 1070 Vansickle Road North, St. Catharines regarding Regional Development Charges (RDC) payable totaling \$33,682 for a proposed semi-detached residential development. Upon receiving the delegation Committee members passed the following motion:

*That the Development Charges exemption request for 1070 Vansickle Road North, St. Catharines, **BE REFERRED** to staff for additional information and a recommendation detailing a proposed process to rebate the development charges on the second unit of the development.*

In accordance with the above motion, staff compiled additional information regarding the property which has been presented below for Council's information and consideration:

- **May 4, 2013** – House razed by fire. On December 2, 2013, St. Catharines Council approved a 357 Tax Adjustment Application with an effective date of May 4, 2013 to reduce the property taxes payable for the property as a result of the previous structure being razed by fire.
- **December 5, 2016** – St. Catharines Council passes an interim control by-law (ICB) on all properties zoned low density residential which applied to most properties within the City's lower density neighbourhoods (including the 1070 Vansickle Rd. N. property). This ICB placed a moratorium on new vacant lot creations and multi-unit development.
- **June 12, 2017** – St. Catharines ICB and moratorium on new vacant lot creations and multi-unit development rescinded.
- **May 4, 2018** – RDC Demolition credit expired. The RDC bylaw specifies that, *"...if an application is made for a building permit in respect of a parcel of land upon which a premise existed within five years prior to the date of such application, but which premise has been demolished or destroyed before the date of such application, then the amount of development charges payable upon issuance of the said building permit shall be reduced by the current development charge rates that would be payable as development charges in respect of the demolished or destroyed premise..."*
- **November 20, 2018** – The owner submitted an application to St. Catharines Design Review Panel (DRP) for consideration of a proposed severance of 1070 Vansickle Rd. N. to create a two unit semi-detached dwelling structure. The DRP identified the need for a variance at this time and requested further changes to the proposed design to be consider at their December 18, 2018 meeting.
- **February 27, 2019** – St. Catharines Committee of Adjustment approved the proposed development of two semi-detached dwelling units. At this time, the Committee also reviewed two variance application for the proposed development (one for lot severance and the second for maximum lot coverage and minimum frontage/setbacks).
- **April 7, 2019** – The property owner contacted the Region via email regarding the lapsed RDC demolition credit for the property. At this time, the Region advised the owner of the 5 year timeframe for RDC demolition credits as per the Council approved RDC bylaw.
- **August 7, 2019** – Property owner made a delegation to Corporate Services Committee requesting an extension of the 5 year RDC demolition credit timeframe.
- **Current** – As of the date of writing this report, St. Catharines has advised that a building permit application has not been submitted for the proposed semi-detached development by the owner.

As discussed, the proposed development to occur on site is a semi-detached structure (2 units) which would incur RDC payable of \$33,682 (January to August 31, 2019 rates).

If the RDC demolition credit 5 year timeframe had not expired, the net RDC payable for the project would be \$16,841 after the demolition credit is applied.

Based on the above, staff would recommend that the credit be extended for a period ending December 31, 2019. This alternative would provide the property owner with net RDC payable for the proposed development of \$16,841 (gross RDC payable of 33,682 less RDC Demolition credit) as requested. The December 31, 2019 would also ensure that the development is completed in a timely manner (i.e., application for permit by end of year). The rationale for the extension of the RDC demolition credit would be: the former structure being razed by fire (and therefore there was no active plan for redevelopment of property at time of demolition) and the moratorium period from December 5, 2016 to June 12, 2017 which delayed the owner from proceeding with the re-development for a period of approximately 6 months.

Alternatives Reviewed

Council may elect to not provide the extension as recommended. If this alternative is selected, the full RDCs will remain payable by the property owner in the amount of \$33,682 (January 1 to August 31, 2019 rates).

Relationship to Council Strategic Priorities

Not Applicable.

Other Pertinent Reports

Not Applicable.

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This report was reviewed by Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer.

Appendices

None.