



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer/Treasurer

Date: March 2, 2020

Report No: CORS-011-20

Subject: Development Charge Rebate Program - Revised

Recommendation: **THAT Staff Report CORS-011-20 be received for information.**

EXECUTIVE SUMMARY

- Report CORS-011-20 has been prepared to further refine the potential Development Charge Rebate Program to limit the quantum of the rebate available per property in response to Council's consideration of report CORS-001-20 on February 10, 2020.
- Alternative program design options, including rebates based on a sliding scale, setting limits on the grant available or a case-by-case review, were considered and a legal opinion on such options is provided in report CORS-012-20.
- Should Council wish to provide some form of relief from development charges for eligible applicants, a revised Development Charge Rebate Program is attached as Schedule A for Council consideration. **The resolution required to enact such a program has been provided in the body of this report and would need to be approved by Council.**

REPORT

Background

At its meeting on February 10, 2020, Council deferred consideration of report CORS-001-20 Development Charge Rebate Program and requested further staff and legal review of the program to ensure the financial exposure for the Town is adequately managed through the design of the program's eligibility criteria and definitions.



Discussion

To address concerns regarding the financial implications of such a program, staff further reviewed the various options, including rebates based on a sliding scale formula, setting limits on the grant available and evaluating requests on a case by case basis, raised through Council discussions. To ensure compliance with Sections 106 and 107 of the *Municipal Act, 2001*, staff reviewed the options with legal counsel and the findings of the legal review are presented through CORS-012-20.

Based on the review, staff recommend a modification to the potential program that would allow Council to set a defined maximum grant amount per property. Application of a sliding scale formula could be introduced; however, is not recommended due to the lack of defined criteria for evaluation that would consistently achieve the intent of the program, as well as the administration efficiency of the program. The revised program, attached as Schedule A, has been developed to further limit the Town's financial exposure while providing relief to specific development sectors as defined in the program.

In addition to the defined maximum, the revised program also includes minor amendments to the definition of an agricultural tourism building or structure. Specifically, the list of examples has been expanded to recognize small scale value-added products for onsite usage, examples of which could include a cider press, jam/jelly preparation, etc. These uses are recognized in the Provincial Policy Statement as part of the on-farm diversified uses, and complement the existing reference to processing demonstrations that was already captured in the definition. To ensure clarity with respect to the fact that such production must remain part of the agri-tourism focus of the rebate program (i.e. to educate, entertain or provide active involvement to visitors), additional reference to the public-oriented nature of the use has also been added. Clarity has also been provided to the agricultural tourism building or structure definition to exclude spaces for concerts and all residential uses. Finally, language has been introduced to limit the grant in cases where a division of land occurs following a successful application for a rebate.

Should Council decide to proceed with a Development Charge Rebate Program to provide relief to applicants for development charges, Council could consider the following resolution. Based on the discussions of February 10th, the resolution below and program attached have been prepared to provide for a full rebate (100%) up to a limit of \$40,000 per property (cumulative over the life of the program). Council has the discretion to amend both the percentage rebate and limit to be provided by the program.

WHEREAS the Town has long been associated with its agricultural, historic and cultural roots;

AND WHEREAS Council has supported development, as well as the advancement, of programs that help highlight the importance of the Town's history as an



The Corporation of the Town of Milton

Report #:
CORS-011-20
Page 3 of 4

agricultural center and has encouraged tourism and education to support that continued recognition of its past, including existing exemptions from certain charges;

AND WHEREAS Council has determined that additional steps should be taken by the Town to highlight the importance of the Town's history and cultural connections to agriculture;

THAT a Development Charge Rebate Program be approved in accordance with Section 107 of the Municipal Act and as outlined in the Program attached as Schedule A with a financial rebate equal to 100% of the Town Development Charges payable for development applications meeting the definition of agricultural tourism building or structure and/or museum to a maximum cumulative total of \$40,000 per property.

Financial Impact

The financial implications of the potential DC Rebate Program were outlined in report CORS-001-20. The modifications to the potential program included in this report would further limit the amount of the DC Rebate available per property.

Based on the current non-residential DC rates for the Town, the \$40,000 limit would provide for just under 500 square metres of retail development, or just over 1,000 square metres of non-retail. This would be in addition to the 50 square metres that is currently exempted on a one-time basis within the development charge by-law for commercial or retail components of agricultural development.

Respectfully submitted,

Troy McHarg
Commissioner, Corporate Services / Town Clerk

For questions, please contact: Melanie Wallhouse, Phone: 905-878-7252
Manager, Development Ext. 2314
Finance & Financial Consulting

Attachments

Schedule A: Development Charge Rebate Program

CAO Approval



The Corporation of the Town of Milton

Report #:
CORS-011-20
Page 4 of 4

Andrew M. Siltala
Chief Administrative Officer



The Corporation of the Town of Milton

Development Charge Rebate Program

Purpose: This program provides a financial incentive for the development, redevelopment, rehabilitation and/or adaptive reuse of buildings for agricultural tourism usage supporting a bona fide farming operation and/or museums.

Policy Statement: This Development Charge Rebate Program is designed to strengthen the vitality and economic viability of agricultural businesses which highlight the Town’s agricultural history and public educational museums within the Town of Milton.

Definitions:

“agricultural tourism building or structure” means a building or structure or part thereof located on a working farm of a bona fide farmer for the purpose of providing enjoyment, education or active involvement in the activities of the farm to the public where the principle activity on the property remains as a farm and where products used in the activity are produced on the property and/or are related to farming. The building or structure may be related to public oriented farm based activities such as a hay or corn maze, farm related petting zoo, hay rides and sleigh, buggy or carriage rides, farm tours and/or education, processing demonstrations, small scale value-added agricultural products for onsite usage, pick-your-own produce, a farm theme playground for children, farm markets, farm and related produce stands, and farmhouse dining rooms but shall not include space used for banquets, weddings or concerts or any residential use.

“museum” means a non-profit, permanent institution that is open to the general public with the principle activity being to acquire, conserve, research, communicate and exhibit the tangible and intangible heritage of humanity and its environment for the purposes of public education, study and enjoyment.

Description:

The Development Charge Rebate Program will provide a financial grant for developments meeting the program requirements as follows:

Development Type	Amount of Grant (as a % of Town of Milton DC Payable)	Maximum Grant per Property (cumulative)
Agricultural Tourism	100%	\$40,000
Museum	100%	\$40,000

Note: the grant is only applicable on the Town portion of Development Charges payable and excludes the Region and Local School Board Development Charges.



The Corporation of the Town of Milton

This program is available to the net amount payable after any exemptions provided in the Town's DC By-laws 053-2016 and 100-2016. In no circumstance will the grant provided by this program result in an overall net payment to the applicant relative to the Town's development charges.

Review and evaluation of an application for a Development Charge Rebate along with a decision on approval will be completed by Town staff. Any rebate in the development charge would be applied at the time the Town development charge is payable.

Specific Program Requirements:

1. An application must be submitted to the Town at the time of building permit application to which the rebate of development charges will apply. To align with the current term of Council, retroactive applications for a DC rebate will be permitted for any permits issued since December 3, 2018.
2. Such application shall include sufficient details and evidence of the development and proposed operations for Town staff to determine to its satisfaction, eligibility for the program.
3. Any outstanding obligations or requests to comply and/or other charges from the Town (including tax arrears) must be satisfactorily addressed prior to the reduction of development charges.
4. Town staff, officials, and/or agents of the Town may inspect any property that is the subject of an application for this financial incentive program offered by the Town.
5. If any part of a development which received benefit from this reduction program is changed, within a two-year period, so that it would no longer be eligible for the program, the amount of the reduction is immediately payable to the Town.
6. The Maximum Grant per Property is to be applied to all or any part of the lands for which an application has been made and that any application for a consent/severance which has been approved after a grant under this program has been provided, and that such application has the effect of creating a separate parcel of land, shall not give rise to a further Maximum Grant per Property for any other parcels or lots which may be created by the severance/consent or any other form of land division.



The Corporation of the Town of Milton

Term of this Program:

The program outlined herein will be valid and applicable until Council approval of the Town's Development Charges By-law, scheduled for completion no later than June 2021 as required by the *Development Charges Act, 1997*.

At that time Council will review both the DC Rebate Program and DC Exemptions provided for in the By-law to determine the appropriateness of continuation of this program or other means by which the objectives of Council to promote developments that support the agricultural and cultural history of the Town may be achieved. Any continuing incentive to the developments considered in this program will be either consolidated into the future DC By-law or incorporated into a new program that considers the updated Provincial legislation.

Reporting

Reporting of the Development Charge Rebate Program will be included with the annual Treasurer's Statement of Development Charge Reserve Funds.

Funding

The cost to the Town of the DC Rebate Program will be funded from the Town's capital project for Legislated Development Charge Exemptions, thereby ensuring the Town's Development Charge Reserve Funds remain whole in relation to the applicable developments.