



SHIELD
STORAGE CENTRES INC.
LOCK.STORE.SECURE

November 28th 2018

Mr. Ron Taylor
Chief Administrative Officer (CAO)
City of Kawartha Lakes
26 Francis St.
Lindsay, ON
K9V 6H7

Cc: Andy Letham (Mayor) and Kathleen Seymour-Fagan (Councillor Ward 2)

Re: Development Charge Deferral Request

Dear Ron,

As per our discussions please find enclosed our request for a DC Deferral through you to the City of Kawartha Lakes Council for review, discussion and decision regarding our Site Plan controlled development at 221 Main Street Bobcaygeon.

The request for deferral is based on the following rationale as laid out within the noted sections.

Zoning:

The zoning classification is important for several reasons, including but not limited to,

1. What is the zoning? / What is permitted within the zoning?

Our development at 221 Main Street resides on "Industrial Lands" for which the proposed and prescribed use "Self Storage" is a permitted use (Note: this use is not a stated or permitted use within the "Commercial Zones" within the Bobcaygeon Zoning By-Law 16-78) and the

development has been held to the Industrial Zoning constraints/limitations and requirements as per the Site Plan Agreement and related Bylaw.

In going through the Site Plan Process all our Designs, Engineering, Planning, etc was based on the "Industrial" requirements, including but not limited to, setbacks, lot coverage ratios and stormwater management.

Given the "Industrial" zoning of the property the storm water or effluent, which is simply rain water, was deemed to be "Industrial" effluent simply because of the zoning. As such, this distinction established a further requirement from the Engineering Dept. that required us to have a separate Certificate of Approval (C of A) from the Ministry of the Environment and Climate Care (MOECC) for the "Industrial Storm Water" generated from the site. Given the need for a further approval of our Storm Water Plan and Reporting from the MOECC significant costs and time have been added to the Site Plan process application, simply because of the "Industrial" distinction. Costs and requirements that are not contemplated under "Commercially" zoned lands.

2. Although zoned Industrial the development is still being charged Commercial DC's which are more than double the DC Rate for Industrial zoned lands, although the Serviceability between the two Classes is the same.

In the preceding DC Bylaw there was not a distinction between Commercial or Industrial Classes from a DC standpoint mainly because the cost to establish Capital Servicing ("Serviced Areas") for both Commercial and Industrial are the same. Meaning from a Servicing and Delivery Cost standpoint Commercial and Industrial areas were deemed to be the same or indifferent. As such both were classed together as "Non-Residential" in relation to their counterpart "Residential" from a DC perspective and charged as such.

However, in 2014 when the new Bylaw was enacted a distinction was made within the "Non-Residential" Class effectively breaking the Class into Commercial, Industrial and Institutional components. In doing so, a significant distinction and delta was created between the Commercial Class and the Industrial Class, which are **\$187.64/sq.m for Commercial DC's** (Urban Other DC Rate) and **\$82.89/sq.m for Industrial DC's** (Urban Other DC Rate) respectively, even though the prior DC Bylaw and supporting DC Bylaw Background Study suggests that there is not a distinction between the servicing and delivery of Capital Servicing (Water and Sewer) of these Classes (Commercial vs Industrial).

Therefore, this change and distinction in Class coupled with an addition into the 2014 DC Bylaw that designated Self Storage as being a "commercial use" created a situation whereby Self Storage Buildings within a Serviced area would be charged significant DC's regardless of the zoning and permitted use on which they resided.

Fiscal Inequity in relation to zoning/use:

We have submitted in the past that this development is a **unique situation** (large un-serviced square footage, falling within the permitted uses of properly zoned "Industrial" lands) that requires

a unique solution especially given the limited service impact of the development. An impact that would be significantly less than even the demands of the Industrial Class.

This issue is further compounded by the sheer size of the project as the warehousing nature of the square footage creates a significant sq./ft or sq./m multiplier for a very un-sophisticated structure, service need and/or demand. Therefore, these unique elements of the development/buildings should suggest a closer look at the application of the blanket Commercial DC distinction which is currently contemplated within the current Bylaw.

The result of applying the standard Commercial DC rate to this permitted use development on Industrial zoned lands has significant financial consequences that are simply unbalanced. Please see the attached overview/analysis of the DC allocation based on the different zonings. This spread sheet breaks down the building costs in comparison to the DC costs by Commercial and Industrial zoning and is broken down into a 1, 2 and a total 9 building buildout.

To pay over \$530,000.00 of Commercial DC's for the development of 30,000 square feet (in total) of non-connected (Water, Sewer, Storm) pre-engineered steel warehousing on Industrial zoned lands that has a total building cost of approximately \$1,050,000.00 is not "Fair or Reasonable".

City Proposed New Zoning Bylaw:

The City of Kawartha Lakes is preparing for a review and re-draft of the current DC Bylaw in relation to the Service Charges (Capital Services and Non-Capital Services) and how they relate to the unique Classes (Residential, Commercial, Industrial, Institutional, other).

Understanding that this development is within the Serviced Area (area where Sewer, Water and Storm is available) we are NOT objecting to paying the Urban DC Rate rather we are looking to pay an Urban DC rate that is "Fair and Reasonable" in relation to the development being proposed, the "Industrial" zoning which is applied to the lands and zoning requirements, the permitted use contemplated within this "Industrial" zoning and the limited impact the development will have on City Wide Services.

As such we believe the "Fair and Reasonable" solution would be to apply the Urban Industrial DC Rate to this project given its Industrial Zoning, Industrial Permitted Use, Design, Planning, Engineering and the un-serviced warehousing nature of the development. This we believe fairly represents the developments impact on the City's Services (General, Sewer and Water) and is in line with the Zoning and Permitted Use contemplated within the Zoning Bylaw 16-78 while achieving a DC Rate that is commensurate with use and demand of the development within the Urban – Other DC Rate zone.

Deferral Request:

We fully understand that the request for applying Industrial DC's in lieu of Commercial DC's might not be able to be contemplated under the "Current DC Bylaw" too which the City is operating, therefore, we formally request a deferral through/from Council of these "Current Commercial

DC's" until the new Bylaw is established, reviewed and finalized. In hopes that this new Bylaw contemplates unique developments such as ours that meet the prescribed and permitted use and zoning and have a Service (General, Sewer and Water) impact commensurate with the zoning/lands on which they reside. ("Industrial").

In the interim and in order to meet the obligations of the Building Department in relation to the completion/closing of our conditional building permits (which would also allow for occupancy) we are prepared to pay the current Industrial Urban – Other DC Rate of \$82.89/sq.m as an act of good faith and to allow the Site Plan Agreement to be completed with the understanding and caveat that if the future DC Bylaw does not contemplate changes as outlined above that the balance of the DC's (delta between Industrial and Commercial Urban – Other) would be applicable and payable. These amounts and deferral dates would be contemplated and documented within a Deferral Agreement that would be signed by all parties and become part of our Site Plan Agreement with the City.

Given our recent municipal election, which has created a newly formed Council, the timing of the new Council's meeting schedule in relation to the up and coming Holiday Season we note this request will probably not be heard until the New Year. As such we appreciate you taking the time to review this request and working with us to establish a time line for the request to be reviewed, heard and ultimately decided upon by Council in the New Year.

Thank-you and Take Care



Jay Allen
Owner
Shield Storage Centres Inc.