

The Corporation of the City of Kawartha Lakes
Council Report

Report Number EA2019-012

Date: September 24, 2019
Time: 1:00 p.m.
Place: Council Chambers

Ward Community Identifier: Ward 5

Title: Request by All Into Storage for Deferral of Development Charges

Description: This report apprises Council of the request by All Into Storage for the deferral of the development charges related to its proposed storage unit development at 74 Colborne St. E. in Lindsay.

Author and Title: Adam Found, Manager of Corporate Assets

Recommendation(s):

That Report EA2019-012, Request by All Into Storage for Deferral of Development Charges, be received.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

Owned and operated by Stephen Corley, 1853869 Ontario Inc., operating as All Into Storage, is a business providing storage services in Lindsay. In the spring of 2019, Mr. Corley contacted the City to inquire about obtaining a deferral of development charges (DCs) in respect of a proposed expansion to his existing storage unit business at 74 Colborne St. E. in Lindsay. In letter to the Manager of Corporate Assets, dated June 27, 2019 and attached hereto as Appendix A, Mr. Corley confirms his request for a 2-year deferral of DCs. This report apprises Council of this request.

Rationale:

Through conversations with the Manager of Corporate Assets, Mr. Corley has indicated that business cash flow considerations underlie his request for the deferral of DCs. In his estimation, success of the proposed expansion depends on his obtaining the requested deferral. Specifically, Mr. Corley estimates that a 2-year deferral period, commencing at time of site plan agreement, is sufficient for the proposed expansion to enable his business to pay the subject DCs in full. Such a deferral, however, is inconsistent with Council Policy CA2016-001 (DC Deferral Policy) because DCs would then be paid after time of building permit issuance. Under that policy, non-residential DCs may be deferred only to time of building permit issuance. As a matter of practice, staff does not make recommendations to Council contravening existing Council policy.

Other Alternatives Considered:

Notwithstanding the foregoing, Council may nevertheless elect to override the DC Deferral Policy, as it did at the March 26, 2019 Council meeting when it granted a deferral of DCs to Shield Storage Centres Inc. for its non-residential expansion in Bobcaygeon (CR2019-246). Section 5.06(b) of the City's DC by-law enables Council to enter into an agreement (typically a subdivision or site plan agreement) to determine the dates on which DC levies are calculated and made payable in respect of a development. As such, Council could again exercise this section of the DC by-law to override its DC Deferral Policy and enter into a site plan agreement with Mr. Corley that facilitates the requested 2-year deferral of DCs. Should Council resolve to take this course, staff suggests Council do so by providing the following direction:

That notwithstanding Council Policy CA2016-001, the site plan agreement for the storage unit development proposed at 74 Colborne St. E., Lindsay by All Into Storage, as outlined in Appendix A to Report EA2019-012, provide for the deferral of development charges whereby the development charges are made payable on the second anniversary of the site plan agreement and are determined in accordance with the applicable development charge rates in effect at time of payment.

Financial/Operation Impacts:

Based on the proposed development outlined in Mr. Corley's June 27, 2019 letter and the applicable 2019 commercial DC rate, the proposed development would be expected to generate about \$126,460 in DC revenue. As the forthcoming new DC by-law is yet to be prepared, the potential change in DC revenue that would arise from granting the requested DC deferral is unknowable at this time. Mr. Corley understands and accepts the risk that the DC rate applicable to his proposed development could increase with enactment of the City's forthcoming new DC by-law.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

The recommendations of this report align with the following strategic enablers: (i) Responsible Fiscal Resource Management and (ii) Efficient Infrastructure and Asset Management.

Consultations:

Stephen Corley, Owner of All Into Storage

Attachments:

Appendix A: Letter by Stephen Corley to the Manager of Corporate Assets,
Dated June 27, 2019



Letter by Stephen
Corley Dated June 27

Department Head E-Mail: jrojas@kawarthalakes.ca

Department Head: Juan Rojas, Director of Engineering and Corporate Assets