

City of Mississauga

Corporate Report



<p>Date: February 17, 2023</p> <p>To: Mayor and Members of Council</p> <p>From: Shari Lichterman, CPA, CMA, Acting City Manager and Chief Administrative Officer</p>	<p>Originator's files:</p> <hr/> <p>Meeting date: March 1, 2023</p>
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Subject

Development Charges and Places of Religious Assembly

Recommendation

That the report dated February 17, 2023, entitled "Development Charges and Places of Religious Assembly" from the Acting City Manager & Chief Administrative Officer be received for information.

Executive Summary

- In 2016, Council passed by-law 0034-2016 that provided a grant to places of religious assembly in the amount equivalent to the development charges (DC) payable for the area of worship. This grant was made retroactive to all places of religious assembly that paid DCs under the 2009 and 2014 DC by-laws.
- In 2019, the grant-in-lieu of DCs for places of religious assembly was embedded in the 2019 DC By-law. However, the policy was amended such that applicants would receive a grant-in-lieu of DCs equivalent to the twenty-five percent of the total floor area of the building, on the issuance of the first building permit and at the time of initial construction.
- The 2019 policy was brought forward to the 2022 DC By-law, which was approved by Council in June 2022.
- In 2022, The Church of The Virgin Mary and Saint Athanasius applied for a building permit to construct a four storey, 9,963 square metre addition. The impetus of this development is to relocate the existing private school from the basement level to the addition area as well as to meet the increasing demand for daycare space.
- The current DC by-law applies to this permit as it relates to the redevelopment of land that adds floor area. The grant-in-lieu of DCs is not applicable to this permit given that this is not the first building permit and at the time of initial construction.
- The total applicable DCs amount to \$2,952,089.52, of which \$904,182.93 relates to the City's portion of the DC invoice.

Background

Development charges (DC) are collected for the purpose of assisting to fund the construction of new development-related capital infrastructure. It remains to be the primary revenue tool in funding development-related capital programs contained in the City's Business Plan and Budget document.

DCs have been levied upon places of religious assembly (PRA) since the onset of the City's first DC by-law which came into force in 1991. In 2016, Council approved motion GC-0098-2016 that a grant be provided in the amount equivalent to the DCs payable by a PRA for the area of worship. In other words, the room in which the worshipping occurred, regardless of its size, was exempt from the payment of DCs. This grant was made retroactive to all PRA applications that paid full DCs under the 2009 and 2014 DC By-laws. As a result of Council's motion, approximately \$188,600 in grants were provided to past PRA applicants for the City's portion of the DCs.

Based on historical analysis of previously constructed PRAs, approximately twenty-five percent of the square footage of the newly constructed buildings was devoted to religious assembly. A twenty-five percent grant-in-lieu of DCs for newly constructed PRAs was incorporated into the 2019 DC By-law. The policy in the 2019 DC By-law reads:

Prior to the issuance of the first building permit and at the time of initial construction, a place of religious assembly will receive a grant-in-lieu of development charges equivalent to the development charges attributed to twenty-five percent (25%) of the total floor area of the building.

Consistent wording of this policy was incorporated into the 2022 DC By-law, which was passed by Council in June 2022.

Comments

In 2022, The Church of The Virgin Mary and Saint Athanasius applied for a building permit to construct the St. Athanasius Centre. The Centre proposes a four storey, 9,963 square metre addition to their existing building. The impetus of this development is to relocate the existing private school from the basement level to the addition area as well as to meet the increasing demand for daycare space.

Other ancillary uses proposed for the addition include youth and senior assembly spaces, administration and storage space, and an additional/new church hall.

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The building permit was reviewed and development charges were applicable under the policies of the 2022 DC By-law.

The following is a breakdown of the DCs applicable to this permit building.

City of Mississauga DCs	\$904,182.93
Region of Peel DCs	\$1,983,619.25
Peel District School Board DCs	\$32,840.28
Dufferin Peel Catholic School Board	\$31,447.06
Total Development Charges	\$2,952,089.52

The above noted DCs represent the fully calculated charge, based upon the prevailing DC rates. It is noted that the Region of Peel's policy regarding a PRA DC exemption is effectively consistent with the City's policy that being the exemption shall not apply to development or redevelopment solely for the purpose of expansion of an existing building or structure.

The City's parkland dedication by-law also applies to the building permit application. The cash-in-lieu of parkland payable is \$286,150

Financial Impact

There is no direct financial impact with the receipt of this report for information. However, it is once again noted that the City relies upon development charges revenue to fund development-related capital infrastructure.

The rationale as to why the City does not outright exempt DCs for PRAs is due to the fact that redevelopment or expansions to existing buildings do place an additional demand on City services. The creation of additional floor area in a PRA implies more "users" of the facility and therefore more strain on the City's roads and transit systems, for example. In addition, some of the services and programs offered outside of the worship space are similar to many other charitable, non-profit and for profit businesses across the City, who receive no DC exemptions.

By providing a 25% grant-in-lieu of DCs on the first building permit for construction, it acknowledges the rationale in that the City is providing relief on DCs for the areas of the building to conduct group worship without forgoing DC revenue on the entire building.

Conclusion

This report has been prepared to provide a history in the application of development charges as it relates to places of religious assembly, subsequent granting of relief from development charges for the area of worship within places of religious assembly and ultimately the embedding of the grant-in-lieu in the City's DC by-law.



Shari Lichterman, CPA, CMA, Acting City Manager and Chief Administrative Officer

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