

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf.
Your File/V/Réf.

DATE 17 March 1997

TO/DEST. Chair and Members of the
Corporate Services and Economic Development Committee

FROM/EXP. Committee Co-ordinator

SUBJECT/OBJET **ADMINISTRATION**
REGIONAL DEVELOPMENT CHARGE APPEAL

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee recommend Council confirm that Regional Development Charges are payable by 172859 Canada Inc. in respect of Rideau/Chapel Towers for 42 apartments at the one bedroom apartment rate (\$2,676) for a total amount of \$112,392.

BACKGROUND

At the meeting of 4 March 1997, the Committee considered the attached staff report and approved motions with regard to Recommendation Nos. 2 and 3. Those recommendations, as amended by Committee, were subsequently approved by Council on 12 March 1997.

At the request of Mr. Alan Cohen, Solicitor for 172859 Canada Inc., a decision regarding the Rideau/Chapel Towers appeal (Recommendation No. 1) was postponed until the next meeting of Committee.

Attached as reference is the staff report dated 18 February 1997 and a draft minute extract from the 4 March 1997 meeting.

Approved by
Cheryle Watson

Attach. (2)

REGIONAL MUNICIPALITY OF OTTAWA CARLETON
 MUNICIPALITÉ RÉGIONALE D'OTTAWA CARLETON

REPORT
RAPPORT

Our File/N/Réf. A.1.7.1.10
 Your File/V/Réf.

DATE 18 February 1997

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Finance Commissioner
 Regional Solicitor

SUBJECT/OBJET **ADMINISTRATION**
 REGIONAL DEVELOPMENT CHARGES APPEALS

DEPARTMENTAL RECOMMENDATIONS

That the Corporate Services and Economic Development Committee recommend Council confirm that:

- 1. Regional Development Charges are payable by 172859 Canada Inc. in respect of Rideau/Chapel Towers for 42 apartments at the one bedroom apartment rate (\$2,676) for a total amount of \$112,392;**
- 2. Regional Development Charges are payable by Brookside Manor (Kanata) Inc. in respect of a seniors retirement home for 23 dwelling units at the two bedroom apartment rate (\$4,323) for a total amount of \$99,429;**
- 3. Regional Development Charges will be payable in respect of the proposed redevelopment at 207 MacLaren Street for 39 apartments at the one bedroom apartment rate(\$2,676) for a total amount of \$104,364.**

BACKGROUND

This report deals with three appeals of the determination by staff of the Regional Development Charges payable. Although the appeals are distinct, there are similar issues involved. In particular the appeals concern the development charges to be payable or credits to be given in respect of retirement homes and rooming houses.

Pursuant to the Regional Development Charges By-law, By-law 210 of 1991, as amended, uses are initially divided into residential and non-residential categories. Residential uses are defined as:

- (cc) “residential use” means land or buildings or structures of any kind whatsoever used, designed or intended to be used as living accommodations for one or more individuals and includes land or a building or part thereof used, designed or intended for a single detached dwelling, semi-detached dwelling, row dwelling, apartment dwelling or multiple dwelling;

In the opinion of staff, retirement homes and rooming houses are intended to be used as the living accommodations of those present in those buildings and therefore retirement homes and rooming houses come within the definition of residential uses.

The Regional Development Charges By-laws applies charges and allocates credits to residential uses on the basis of dwelling units. A dwelling unit is defined in the by-law as:

- (n) “dwelling unit” means any part of a building or structure used, designed or intended to be used as a domestic establishment in a residential use building;

While this is a relatively easy term to apply to a single-detached, semi-detached, townhome or apartment building, it is with difficulty that this term is applied to retirement homes and rooming houses. In the absence of clear guidance from the *Development Charges Act* or the Regional Development Charges By-law, staff have found it necessary to examine each proposal on a case by case basis to determine the applicability of development charges to each proposal for the construction or conversion of a retirement home or rooming house. Factors that are considered are such matters as the physical layout of the premises to be constructed or converted and the location and number of bedrooms, kitchens and bathrooms.

Where there are no other means to guide staff in the applicability of Regional Development Charges, staff have applied a convention that four bedrooms are equivalent to one domestic establishment and therefore one dwelling unit, to which the two bedroom apartment rate is applied. This convention has balanced the greater number of bedrooms than typically found in a multi-apartment dwelling against the lesser number of kitchens and other rooms. This convention also balances the fact that while there may be greater demand in a retirement home or rooming house for water and sewer, at the same time there is likely to be a lesser demand on roads which receive a significant portion of the residential development charge.

Regional staff have in four cases, with the agreement of the land owner, applied the convention that four bedrooms in a retirement home are equivalent to one multi-bedroom apartment rate. In addition, one of the appellants, Brookside Manor (Kanata) Inc, agrees to the four to one convention but submits that the applicable development charge rate should be the one-bedroom (\$2,676) rather than the multi-bedroom (\$4,323) apartment rate.

APPLICABLE LEGISLATION

Two of the appeals are brought forward pursuant to the *Development Charges Act*, subsection 8(1). As the potential purchaser of 207 MacLaren has not yet obtained a building permit for the conversion, it does not yet have a statutory entitlement to appeal the applicable development charges. Nonetheless, as the conversion involves similar issues, staff have, with the support of the potential purchaser, brought forward the appeal at this time. Subsection 8(1) reads:

- 8(1) An owner may complain in writing to the council of a municipality in respect of the development charges imposed by the municipality on the owner's development that,
- (a) the amount of the development charge imposed was incorrect or was based on incorrect data;
 - (b) and (c) not applicable;
 - (d) there was an error in the application of the development charge by-law.

APPEAL NO. 1 - RIDEAU/CHAPEL TOWERS

The appeal by 172856 Canada Inc. concerns a redevelopment which is taking place at 425 Rideau Street in the City of Ottawa. The portion of the redevelopment which is subject to the appeal concerns the Rideau wing of the complex. The appeal letter filed by Mr. Cohen, solicitor for 172856 Canada Inc, is attached as Annex I to this report. The redevelopment will take the existing 522 rooms and convert them into 168 apartment units.

This redevelopment raises the question of the number of credits to be allowed to 172856 Canada Inc. for the existing 522 rooms as a deduction from the development charges to be payable in respect of the 168 apartment units. In order for there to be a consistent application of the Regional Development Charges By-law, the number of credits to be permitted for a conversion from a 522 room use must be the same as the number of charges that would be applied for the construction of an entirely new 522 bedroom rooming house. In other words, if for example it were determined that the owner of a 522 bedroom rooming house were to be allowed a credit of 522 dwelling units in converting the rooming house to another use, then the regional development charges payable in respect of the erection of a completely new 522 bedroom rooming house would have to be imposed on the same basis, i.e. 522 units at \$2,676 or \$1,396,872.

Regional staff reviewed the floor plans for the existing Rideau Tower¹. In the opinion of staff the layout of each of the floors suggests a grouping that results in the equivalent of 6 dwelling units for each of the 21 floors for a total of 126 dwelling units. This works out to a ratio of 4.14 rooms per dwelling unit. Given that the renovation will result in 168 apartment units, this would result in regional development charges being payable for 168 less 126 dwelling units (42). In applying credits, staff have consistently permitted an owner to apply credits against the highest cost

¹ The floor plans referred to in this report are available from the Legal Department prior to the Committee Meeting but will also be available for review by Councillors at the meeting of Corporate Services and Economic Development Committee on March 4, 1997.

dwelling units, e.g. in a new development of 5 two-bedroom and 5 one-bedroom apartments where the owner was entitled to five credits, the owner can use those credits against the 5 two-bedroom apartments. As a result, in the instance of the Rideau Tower, it is the recommendation of staff that regional development charges for 42 apartments at the one bedroom apartment rate should be imposed for a total charge of \$112,392.

The solicitor for 172859 Canada Inc. has raised in the appeal letter the applicability of subsections 8(a) and 9(1) of the Regional Development Charges By-law. These provisions read as follows:

8 The following shall be exempt from development charges:

(a) All residential use building permits not resulting in the creation of an additional unit;

9(1) Where development occurs on a site which involved the demolition of a building or structure within the twenty-four months previous to the date the building permit is issued for the development or will involve such demolition to permit the construction of the subject development, a credit will be provided against the development charge so that only the new increase in residential use dwelling units or non-residential gross floor area is charged.

In the opinion of staff, both of these provisions merely reflect the premise that in the case of a conversion or demolition, a credit against the development charges payable in respect of the new or renovated structure is to be given in respect of each dwelling unit in the existing building. As noted above, it is staff's view that the appropriate number of credits to be given in respect of the existing 522 bedroom rooming house is for 126 dwelling units.

APPEAL NO. 2 - BROOKSIDE MANOR (KANATA) INC.

The appeal by Brookside Manor (Kanata) Inc. concerns the construction of a new retirement home on Shirley's Brook Drive in Kanata. This retirement home will consist of 91 bedrooms.

Regional staff and Mr. Glover, agent for the owner, have agreed on the applicability of the four to one convention for this development. However, as can be observed from Mr. Glover's letter, attached as Annex II to this report, Brookside Manor has taken the position that it should be the one bedroom apartment development charge rate rather than the multi-bedroom development charge rate that should be applicable to Brookside Manor's development.

The application of the convention that four bedrooms equals one dwelling unit by definition results in a multi-bedroom dwelling unit. As noted above, four other developers for retirement homes have accepted the principle that where the four to one convention is applied, with respect to the resulting 4 bedroom dwelling units, it is the multi-bedroom apartment rate that should apply. It is the position of staff that such is fair and appropriate and therefore the development charges applicable to Brookside Manor (Kanata) Inc. should be for 23 multi-bedroom apartments for a total of \$99,429

APPEAL NO. 3 -207 MacLaren Street

The third appeal involves a proposal for a redevelopment of a former nursing home at 207 MacLaren Street in the City of Ottawa. The proposal is to take an existing structure with 52 bedrooms, most of which have their own bathrooms, and convert it into 52 one bedroom apartment units.

Two initial matters have had to be dealt with by staff as a preliminary matter to considering the applicability of regional development charges to this redevelopment. The first is that this property is within the Centretown and Central Area, exempted from regional development charges for residential development pursuant to By-law 31 of 1995. By By-law 48 of 1996, Regional Council has sought to reimpose regional development charges in the Centretown and Central Area. By-law 48/1996 requires the approval of the Minister of Municipal Affairs and Housing before it comes into force. The Minister has not yet approved the by-law nor has the Minister provided any indication as to when a decision may be forthcoming.

If the Minister should approve By-law 48, it will be retroactive to any building permits applied for on or after September 25, 1996. As a result, the potential purchaser of 207 MacLaren is potentially liable for regional development charges and staff therefore feel that it is appropriate to deal with this appeal at this time.

The second preliminary issue is the use of the property prior to it being a nursing home. Prior to 1967, the property had 63 bachelor apartment units. In the opinion of staff however, the amount of credits to be assigned to a building pursuant to the Regional Development Charges By-law is to be based on the use prior to the conversion or demolition in question. As a result, the credits that are to be assigned to the existing structure ought to be based on its most recent use as a 50 bedroom retirement home.

In the circumstances of this redevelopment, staff feel that no aspect of the floor plan of the existing use commends a particular determination of the development charges credits to be allowed. As a result, staff recommend that the four to one convention be applied and that 13 credits be provided to the prospective purchaser. This would result in the prospective purchaser being liable for 52 less 13 dwelling units (39) at the one bedroom apartment rate for a total of \$104,363.

Approved by
J.C. LeBelle
Finance Commissioner

Approved by
J. Douglas Cameron
Regional Solicitor

TCM

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BARRISTERS AND SOLICITORS

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FILE NO.: 36501-1000

BY COURIER

August 23, 1996

Mary Jo Woollam, Regional Clerk
Regional Municipality of Ottawa-Carleton
111 Lisgar Street
Ottawa
K2P 2L7

Dear Madam Clerk:

**Re: 172856 Canada Inc. - Rideau\Chapel - Regional Development Charge Complaint
- Section 8 of the Development Charges Act**

Please accept this letter as a formal Complaint by our client, 172856 Canada Inc., pursuant to subsections 8(a) and 8(d) of the Development Charges Act, respecting the requirement to pay development charges to the Regional Municipality of Ottawa-Carleton pursuant to Regional By-Law 210\91, as amended, in connection with the rehab of the Rideau Centre complex located at the northwest corner of Rideau and Chapel Streets, in the City of Ottawa, and located more precisely at premises known municipally as 425 Rideau Street.

Our client recently took title to the property but, in advance of taking title, entered into a Regional Development Charge Deferral Agreement with your municipality which is in the process, as I understand it, of being registered. Our client took out Building Permit No. 961216 from the City of Ottawa on the 14th day of August, 1996 to allow for the commencement of the first stage of rehabilitation.

By way of explanation of our Complaint, I offer the following:

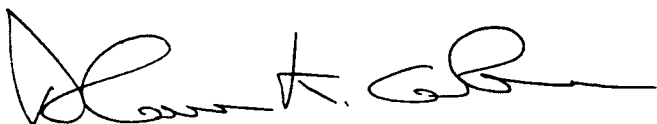
1. The Chapel Wing of the Rideau\Chapel complex currently contains 209 apartment units. Those units will be improved with no changes to exterior walls. As I understand it, no development charge is being imposed on this part of the development;
2. The Rideau Wing of the complex contains 522 rooms which will be renovated to create 188 apartment units (made up of 82 alcove units, 85 one-bedroom units and 21 two-bedroom units). Your staff have ruled that there is a requirement to pay 62 regional development charges for this part of the building;

3. There are approximately 10 bathrooms per floor on the 21 floors of the Rideau Wing, giving a total of 210 bathrooms (equivalent to 210 units). 188 units are being created in this space which is fewer than the number of bathrooms previously in existence and therefore it is inappropriate that any charge be imposed;
4. 522 rooms would have accommodated at the very least 522 occupants. 188 apartment units of the type proposed would have as a maximum 275 occupants. Put differently, there will only be half the number, approximately, of occupants in the Rideau Wing as previously existed and therefore there will only be approximately 50% of the stress on all regional facilities;
5. Your by-law, in subsection 8(a) provides an exemption so that development charges need not be paid in connection with the issuance of any building permit for any residential use - not resulting in the creation of an additional unit. It is our position that a reasonable and fair interpretation of this clause would result in no requirement to pay the charge; and
6. Sub-paragraph 9(1) of your Development Charges By-Law provides a credit where a building permit is issued for a development which involves demolition to permit the construction of the subject development in which case, only the net increase in residential use dwelling units is subject to a charge. In this case, the 522 units are being demolished to make way for the 188 new units.

Given that your staff has already considered this matter, I would urge you to have the matter brought forward before the appropriate Committee of Council at the earliest possible opportunity so that the issues may be debated before and by the politicians. I am instructed to have the matter appealed to the Ontario Municipal Board in the event of an unfavourable decision by your Council and would ask you therefore to have this matter moved forward expeditiously.

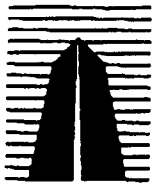
Thank you for your kind attention to this matter.

Yours truly,



Alan K. Cohen
AKC:bc

cc: R.M.O.C., Tim Marc, Assistant Regional Solicitor
René Lépine, Les Jardins Pondev Ltée
Dan Seenundun, Les Jardins Pondev Ltée

**GLOVER**

Financial Corporation

Annex B

10 October 1996

Regional Municipality of Ottawa-Carleton
111 Lisgar Street
Ottawa, Ontario K2P 2L7

Attention: Mr. Timothy C. Marc
Solicitor

Dear Mr. Marc:

Re: Brookside Manor, Shirley's Brook Drive, Kanata, Ontario

I understand that the Regional Development Charges have recently been amended and that the rate for an apartment with less than two bedrooms has been reduced to \$2,676.00. As indicated, the Region also recognizes the need for adjustments to this rate for specific uses.

A company in which I am a principal, Brookside Manor (Kanata) Inc., will be constructing a 91 unit seniors retirement home in which the units have a common bed/sitting room and a four piece washroom. The units are similar to hotel rooms without kitchens, living rooms or dining rooms. Clearly, these are not typical apartment units. A number of other municipalities recognize retirement home units as residential but apply a ratio of 4 retirement home units to one apartment unit.

I suggest that we agree to settle the development charges applicable to our retirement home in this manner.

The regional development charges for our project would therefore be: $\frac{91}{4} \times \$2,676 = \$60,879.00$

Please confirm that this is acceptable to the RMOC and forward the Regional Development Charge Agreement on this basis to my office as shown on the letterhead.

Yours very truly,

Richard Glover

Suite 207
260 Hearst Way
Kanata, Ontario
K2L 3H1
Tel (613) 592-8201
Fax (613) 592-2344



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Ottawa, Ontario
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Telephone (613) 233-1781
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Janet E. Bradley
Direct (613) 786-8651
bradleyj@gowlings.com
File 02326919

January 28, 1997

Mr. Tim Marc
Legal Department
Regional Municipality of Ottawa-Carleton
111 Lisgar St.
Ottawa, Ontario
K2P 2L7

Dear Tim:

Re: Credit Relating to Regional Development Charge - 207 MacLaren St.

We act on behalf of potential purchasers of a six storey building on MacLaren Street, in the City of Ottawa. The building has been in the hands of a Receiver for the last few years, is in a bad state of repair and we are advised that the market value of the building is less than the tax arrears owing on the subject property. The building is currently vacant and we believe that it is in everyone's interest that the building be renovated, repaired and put to good use. The applicable Development Charge, if any, will be crucial in determining whether there is a feasible way to repair and market the units.

It is our opinion that very little, if any, Development Charge is payable pursuant to the Regional Development Charges By-law. This is because of provisions in that by-law which allow a credit to be made against new residential units on the basis of pre-existing residential units.

The facts in this case are as follows:

1. The building was constructed in 1959 with 63 bachelor apartment units, each with their own kitchenette and bathroom.
2. In 1967, the building became a nursing home. Most of the kitchenettes were removed, but the bathrooms remained. A central kitchen and common area were located on the ground floor level where formerly there had been apartment units. On the upper five floors, the units which had been bachelor apartments became nursing home bedrooms.

3. In 1972, further renovation was made to the nursing home to add nursing stations required by the Ministry of Health. This required some refiguring of some of the rooms, but most still retained the original bathrooms.
4. When last used, the nursing home had fifty bedrooms, ten on each of the five upper floors.
5. Our clients propose to renovate the building in order to reinstate the apartment units. The current plan is for 52 small one bedroom or bachelor apartment units.
6. In other words, the building is being returned to its original use, or another way of looking at it is, that the 50 nursing home bedroom units will become 52 small apartments. One residential use is being exchanged for another.
7. As there were two, and sometimes three, beds in each of the nursing home bedrooms, there will be no increase in the number of people using the building and, in fact, most likely a decrease. There is thus no increase in useability or use of the municipal services.

We therefore submit that there should, at the very least, be a credit of 50 units applied to the building to be renovated.

We understand that the Regional policy is to consider nursing homes as multiple dwellings. However, we understand that the nursing home industry has argued that each bedroom should not be considered a unit; rather, three or four bedrooms should be considered a comparable unit for purposes of calculating the Regional Development Charge. This, of course, is beneficial to those who are constructing nursing homes, but is extremely prejudicial to those who are converting from a nursing home use to an apartment use. Nevertheless, it has been proposed to us that this same calculation apply and that there only be a credit of anywhere from thirteen to seventeen units. This we believe to be unfair and contrary to the policy of the Development Charges By-law.

We believe this to be the case for the following reasons:

1. There is no provision, that we can find, in the by-law which states that three or four nursing home bedrooms collectively are equal to one apartment unit. This interpretation, if being applied, is purely discretionary and not founded on provisions in the by-law.
2. If, without benefit of provision in the by-law, one has to derive a formula, it would make sense to base that formula on actual size of unit and number of users of the space. In this case, each nursing home bedroom in size is more or less equivalent to the size of the proposed new small apartment units. Moreover, the number of people using the building and thus the services on which the Development Charges are based, will not increase but, rather, most likely decrease, for reasons discussed previously.

3. The application of the nursing home formula may make sense when there is new construction. Modern day nursing homes built for that purpose may have smaller bedroom space. There is no need, however, for the application of a formula, derived for new construction, to apply in the case of the conversion of an old building.
4. In the current case, the original use of the building was 63 bachelor apartments. If our client was renovating to convert 63 bachelor apartments to 52 bachelor and one bedroom units, the credit would fully apply and, in fact, there would be a surplus. All that has occurred here is that, in the intervening time, another residential use was made of the same space. However the form, size and use of the units, as residential, remained. This history of this building, we believe, is relevant in determining the credit to apply.


For all of these reasons, we submit that, pursuant to the Development Charges By-law, a credit of at least 50 units should be applied and, arguably, based on the original 63 units, a credit of 63 units is appropriate (although only 52 are to be constructed).

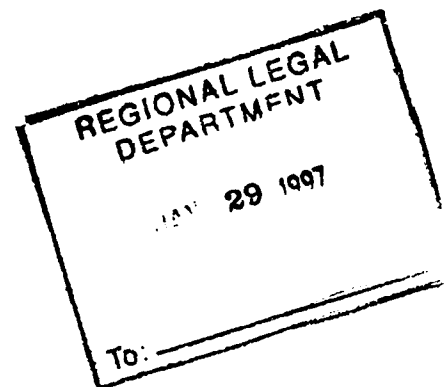
Would you please consider this matter and advise us as soon as possible of your position. Our client is preparing pro formas relating to the feasibility of the project and the Region's decision in this regard is fundamental to the bottom line.

If, for any reason, you should disagree with our position, would you please consider this letter a formal complaint pursuant to Section 8 of the Development Charges Act and refer this matter to the Corporate Services and Economic Development Committee as soon as possible.

Thank you for your immediate attention to this matter.

Yours very truly,
Gowling, Strathy & Henderson


Janet E. Bradley
JEB:jw



Extract of Draft Minute
Corporate Services and
Economic Development Committee
04 March 1997

ADMINISTRATION

REGIONAL DEVELOPMENT CHARGES APPEALS

- Joint Finance Commissioner and Regional Solicitor's report dated 18 Feb 97

T. Marc, Solicitor, reported the three appeals were similar in that they involved nursing homes or rooming\boarding houses which presented similar issues for the interpretation of the Regional Development Charges By-law. Mr. Marc explained there was no precise method in the by-law for dealing with seniors homes and rooming\boarding houses. In applying development charges to residential uses, Mr. Marc explained the by-law called for the number of dwelling units to be determined, and that dwelling units were defined as domestic establishments. Mr. Marc further explained staff reviewed the number of bathrooms, floors, kitchens, and physical layout of the premises, which led them to the conclusion as to the number of dwelling units present and the charges to be applied.

Mr. Marc explained that in the absence of any guiding factor, staff had applied the approach that four bedrooms equalled one dwelling unit, an approach that was accepted in determining the charges for the construction of four nursing homes in the Region to date. Mr. Marc stated it was important to bear in mind that the same principle applied for the construction of new retirement homes must also be applied to conversions, as in the case of 207 MacLaren and Rideau\Chapel Towers. With regard to the Brookside Manor (Kanata) Inc. appeal, Mr. Marc explained the four to one ratio was accepted by the owner, however, dispute has arose around whether the one bedroom apartment rate or two bedroom apartment rate should apply.

With regard to the 207 MacLaren Street appeal, Mr. Marc noted the building was located in the central downtown area, however, the by-law to repeal the exemption of the development charges in that area was not yet approved by the Minister of Municipal Affairs and Housing.

Councillor Bellemare inquired where the convention that four bedrooms in a retirement home was equal to one domestic establishment (one dwelling unit) came from. Mr. Marc explained that in the opinion of staff it was recommended the four to one ratio represented a fair balancing of the nature of services these types of establishments would have, such as more demand on water and sewer but less on roads. Mr. Marc reiterated the ratio had been used in the construction of four seniors homes in Ottawa-Carleton in 1995 and 1996.

Extract of Draft Minute
Corporate Services and
Economic Development Committee
04 March 1997

Ms. Janet Bradley, Solicitor for potential purchaser of 207 MacLaren Street. Ms. Bradley reviewed the history of 207 MacLaren Street including its previous uses. Ms. Bradley explained her client was willing to purchase the property from the receiver in the amount less than the tax arrears indicating the poor condition of the structure. She noted the amount of the development charge was crucial in the success of the purchase. Ms. Bradley believed staff's formula was inequitable and unfair as applied to the building. The solicitor reviewed floor plans for the original use of the building constructed in 1959 which composed of 63 bachelor apartment units. In 1972, the building was converted to a nursing house with approximately 100 residents not including staff. Ms. Bradley stated her client proposed to convert the building back to its original use of with 52 bachelor and one bedroom units following the similar structural floor plan used in the original design.

With regard to the formula used in the conversion of the nursing home to apartments, Ms. Bradley argued the credit applied by staff was not adequate in particular when the requirement for municipal services would be less. The solicitor believed there was a misapplication of the formula and suggested if any charges applied, it would be for only 2 units as the conversion was from 50 units to 52 units.

Mr. Richard Glover, Brookside Manor (Kanata) Inc. Mr. Glover reviewed the Brookside Manor project which was currently under construction. He stated retirement homes were not apartment buildings and should not be classified as such as they did not have a separate living room, dining area and kitchen. Mr. Glover believed that by redefining a retirement home and increasing the development charge applied, the existing retirement homes were given a competitive advantage which resulted in the discouragement of new development. With regard to the ratio of four retirement home units being equal to one bedroom apartment unit, Mr. Glover explained he accepted the ratio used, however, believed the charge should be based on a one bedroom rate rather than a two bedroom rate. In closing, Mr. Glover emphasized the charges represented an increase of 65% in fees and requested Committee approve the charges based on a one bedroom rate.

Mr. Marc reiterated that in the construction of four seniors homes in Ottawa-Carleton in 1995 and 1996, staff and owners had agreed to the application of the convention that four bedrooms in a retirement home were equivalent to one multi-bedroom apartment.

Extract of Draft Minute
Corporate Services and
Economic Development Committee
04 March 1997

Mr. Alan Cohen, Solicitor for 172859 Canada Inc, owner of Rideau\Chapel Towers. Mr. Cohen reviewed the history of the Rideau\Chapel Towers and the renovation and redevelopment plans for the site. Speaking to the Rideau wing of the complex, Mr. Cohen explained there were originally 522 rooms which were being internally demolished and replaced by 168 new units. Speaking to the purpose of development charges, Mr. Cohen stated they were paid under the Act to guarantee that those coming in to develop would contribute to the cost of growth related required services. Mr. Cohen restated the previous use of the building was for 522 units and the proposed use was 126 units, and questioned how charges could be applied. Mr. Cohen expressed concern with the convention used by staff and suggested it was a formula used in the attempt to interpret the lack of direction in this area in the by-law. Mr. Cohen stated his client had expended a large financial amount renovating the building to accommodate half the number of original residents, and urged the Committee that in the circumstances, to reduce the charges to zero.

The Committee moved into discussion on the appeals.

Councillor van den Ham stated it was his understanding that development charges were paid to address the required long term financing based on population growth. Mr. Marc responded that development charges, under the by-law, were based on the creation of dwelling units. Mr. Marc added it was necessary to go back to the number of dwelling units being created or converted in order to determine the number payable. Councillor van den Ham reiterated charges were to address the influx of people grow in the Region. He expressed his support of the staff opinion on new development, however, expressed concern with the charging on redevelopment unless there was an increase in square footage. The Councillor noted that in the cases of 207 MacLaren Street and Rideau\Chapel Towers, there would not be any additional pressure on the infrastructure. Mr. Marc reiterated the by-law was formulated on dwelling units not population.

Chair Clark agreed that in the case of 207 MacLaren Street, the charge applied should only be on two units.

With regard to Rideau\Chapel Towers, Mr. Marc confirmed there was the creation of 42 new dwelling units under the ratio. Mr. Cohen reported he did not have instructions from his client on the possibility of a reduced charge and re-emphasized he believed no charges should apply. Upon the request from Mr. Cohen, the Committee agreed to defer a decision on the Rideau\Chapel Towers (Recommendation No. 1) until the next meeting, 18 Mar 97.

Extract of Draft Minute
Corporate Services and
Economic Development Committee
04 March 1997

Moved by R. van den Ham

That Recommendation No. 1 and a decision on the Rideau\Chapel Towers appeal be deferred until the next meeting, 18 March 1997.

CARRIED

In reference to Recommendation No. 2 (Brookside Manor), Councillor van den Ham pointed out the Region had charged four previous applicants based on the four to one ratio. In addition, the Councillor stated the proposed charges represented under \$1100 per unit, noted it was new construction that would place an additional demand on the infrastructure.

Moved by R. van den Ham

Re: Recommendation No. 2.

That Regional Development Charges are payable by Brookside Manor (Kanata) Inc. in respect of a seniors retirement home for 23 dwelling units at the two bedroom apartment rate (\$4,323) for a total amount of \$99,429.

CARRIED

Moved by R. van den Ham

Re: Recommendation No. 3.

That the proposed redevelopment at 207 MacLaren Street be charged for 2 apartments at the one bedroom rate of \$2,676 for a total amount of \$5,352.

CARRIED as amended

Extract of Draft Minute
Corporate Services and
Economic Development Committee
04 March 1997

The Committee then considered the staff report as amended:

That the Corporate Services and Economic Development Committee recommend Council confirm that:

1. **Regional Development Charges are payable by Brookside Manor (Kanata) Inc. in respect of a seniors retirement home for 23 dwelling units at the two bedroom apartment rate (\$4,323) for a total amount of \$99,429;**
2. **That the proposed redevelopment at 207 MacLaren Street be charged for 2 apartments at the one bedroom rate of \$2,676 for a total amount of \$5,352.**

CARRIED as amended

Staff Report Recommendation No. 1 and a decision on the Rideau\Chapel Towers appeal was deferred at the request of the appellant's solicitor until the next Committee meeting, 18 March 1997.