



# Staff Report

## Planning & Development Services

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**Report To:** COW - Operations\_Planning\_and\_Development\_Services  
**Meeting Date:** July 2, 2024  
**Report Number:** PDS.24.100  
**Title:** Report in response of deputation of Andrew Pascuzzo for 150/160 King Street  
**Prepared by:** Shawn Postma, Manager of Community Planning

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### A. Recommendations

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THAT Council receive Staff Report PDS.24.100, entitled "Report in response of deputation of Andrew Pascuzzo for 150/160 King Street";

AND THAT Council direct Staff to enter into a Development Charges Pre-Payment Agreement for the purposes of establishing the Development Charge Rate, Timing of Payments, and to establish an interest rate charge for the 150/160 King Street Development Project.

### B. Overview

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This report provides background information on the 150/160 King Street Hotel/Mixed Use Development project, status of the Site Plan Agreement, review of applicable Development Charges, and to receive council direction on the use of a Development Charges pre-payment agreement.

### C. Background

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The purpose of this report is to seek direction from Council regarding the payment of Development Charges for the 150/160 King Street development site.

150/160 King Street proposes a new 3-storey hotel, and two 3-storey mixed use buildings (ground floor commercial and two levels of residential rental units above). Zoning for the proposed uses is already in place with minor applications for revised parking, land exchanges, and creation of easements all completed. The final component is a Site Plan Agreement between the Town and Developer which has been nearing finalization since the fall of 2023. Delays in executing the Site Plan Agreement resulted from the unconfirmed availability of sanitary sewer capacity at the Mill Street Pumping Station. Concerns regarding the availability of capacity were raised last fall, and the Town was not able to execute the Site Plan Agreement (and provide sewer allocation) until available capacity was confirmed. Town Staff are actively reviewing the status of the Mill Street Pumping Station and will confirm final details in a future Staff Report. At this time, with the uncertainty of available capacity, the Town is not executing

new agreements in the Mill Street Pumping Station catchment area that would result in the ability for new projects to obtain building permits and occupancy.

The engineering design for 150/160 King Street project is complete. A Site Plan Agreement has been prepared for the future development of the site pending the availability of sanitary servicing capacity. The financial obligations have been confirmed save and except for the timing of payment of Development Charges (DC's). The Town Development Charges By-law requires the payment of DC's at time of Building Permit for projects approved under a Site Plan Agreement. The DC Act as well as the Town DC By-law places a 'freeze' on the Development Charge Rate to the rate that was in effect at the time of application. For 150/160 King Street, the application was submitted in June 2022 and therefore the applicable DC's are calculated based on the rates in effect on June 2022. The DC Act (updated through Bill 185) as well as the current Town DC By-law holds the June 2022 rate for a maximum of 18 months from the date of execution of a Site Plan Agreement. Within the 18 months a Building Permit must be obtained for all units. After this time any building permit(s) obtained are not eligible for the 2022 frozen DC rates and must pay the current rates in effect at the time of the Building Permit.

Both the DC Act (Section 27) and the new Town DC By-law (By-law 2024-29 approved April 2024) contains provisions that a developer can enter into a Development Charge Pre-Payment Agreement with the Town. The Pre-Payment Agreement can specify the total amount of development charges payable, and the timing of when development charges are due. The Town has never used a Pre-Payment Agreement in the past, as the former Town DC By-laws (pre April 2024) did not allow for pre-payment. In addition, the Town has refused requests for pre-payments in the past with DC's being payable at the rate in effect at time of payment. It is noted that the DC Act and changes through Bill 185 have identified an automatic 'freeze' to development charge rates to time of application for Site Plan and Zoning By-law Amendment applications subject to obtaining building permits within the required 18 month timeframe.

The Owners of 150/160 King Street and the Deputation presented by Andrew Pascuzzo on June 24 has requested a Development Charge Pre-Payment Agreement. The terms of the agreement are not yet confirmed and can consider the following:

- Freeze the June 2022 Development Charge Rate beyond the 18 months required to obtain a building permit.
- Development Charges at the June 2022 rate would then be payable within 18 months of sanitary sewer allocation being confirmed as 'available' by the Town. After which time the frozen DC rate will expire and the DC rate in effect at time of payment shall apply.
- Development Charges can be paid in full within 18 months of signing the Site Plan Agreement. All Development Charges are subject to interest charges that begin at time of execution of the Site Plan Agreement and at a rate that is stipulated under the agreement.
- Development Charges can be paid in one lump sum, or in installments as authorized under the DC Act.

## **D. Analysis**

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Town Staff see merit for this project to enter into a pre-payment agreement for this project. The Owners have substantially completed the planning and development engineering review processes by the Fall of 2023 at which time the Town was reviewing the Mill Street Pump Station capacity issue. The Owners have received approval of the engineering design, is ready to execute a Site Plan Agreement, and wishes to immediately apply for building permits. At the same time, the Town is not able to support building permits or occupancy until sanitary capacity is confirmed.

The combination of a Site Plan Agreement, Development Charges Pre-Payment Agreement, and the Holding 'h' Symbol on the lands will firm the Town and Developer obligations now and position this project to commence construction as soon as sanitary capacity is confirmed. Protections under the Holding 'h' symbol will ensure that building permits will not be issued until a future By-law is enacted and the Town is satisfied that sanitary capacity is available, and the Site Plan Agreement and Development Charges Pre-Payment Agreement will provide certainty to the Owners that their development can proceed once sanitary capacity is available.

New and active development files currently under review by Planning and Development Engineering Staff are aware of the potential sanitary sewer constraints in the Mill Street catchment area. These files remain in the approvals process and conditions regarding servicing capacity have been incorporated into conditional approvals and once confirmation is received on the Mill Street Pump Station, further communications can be shared.

Staff recognize that pre-payment agreements should only be considered in exceptional circumstances. The 150/160 King Street development meets this criterion given that should sanitary capacity exist, the 150/150 King Street development would have been subject to the 2019 DC by-law as a Site Plan Agreement would be in place and building permits were to likely be under review or issued. Additionally, a pre-payment agreement further secures the long-term viability of a project that has been subject to extensive planning review. The commercial spaces and hotel envisioned are aligned with the vision of the Downtown Area in the Town's Official Plan and support continued economic diversification in the community.

Based on the forgoing, Town Staff are seeking Council direction on the use of a Development Charges Pre-Payment Agreement for the 150/160 King Street project.

## **E. Strategic Priorities**

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### **1. Communication and Engagement**

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

## **2. Community**

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

## **3. Quality of Life**

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

## **F. Environmental Impacts**

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No adverse environmental impacts are anticipated as a result of the recommendations of this report.

## **G. Financial Impacts**

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Development Charges are calculated at time of Building Permit. This Staff Report notes that staff do not support building permits for this project until such time as sanitary sewer capacity is available to service the project. Should building permits be issued within 18 months of an executed Site Plan Agreement, the applicable Development Charges are locked in at the July 2022 rates. Should building permits be issued after the 18 month window, the Development Charges in effect at time of Building Permit would be applicable.

## **H. In Consultation With**

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Amy Moore, Finance  
Will Thomson, Solicitor  
Adam Smith, Planning and Development Services

## **I. Public Engagement**

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The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Shawn Postma, [planning@thebluemountains.ca](mailto:planning@thebluemountains.ca)

## **J. Attached**

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1. Nil

Respectfully submitted,

Shawn Postma  
Manager of Community Planning

For more information, please contact:

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**Report Approval Details**

Document Title:	PDS.24.100 Report in response of Andrew Pascuzzo deputation of 150 160 King Street.docx
Attachments:	
Final Approval Date:	Jun 27, 2024

This report and all of its attachments were approved and signed as outlined below:

**Adam Smith - Jun 27, 2024 - 10:15 AM**