

An aerial photograph of Burlington, Vermont, showing a mix of modern high-rise buildings and older structures along the waterfront. A prominent curved pier extends into the water, featuring a white lattice tower. The sky is filled with soft, golden-hour clouds. A semi-transparent blue banner is overlaid across the middle of the image, containing the main title in white text.

2024 DC By-law Delegation

COW, May 14, 2024

F-04-24

Delegation presentation from Anita Cassidy

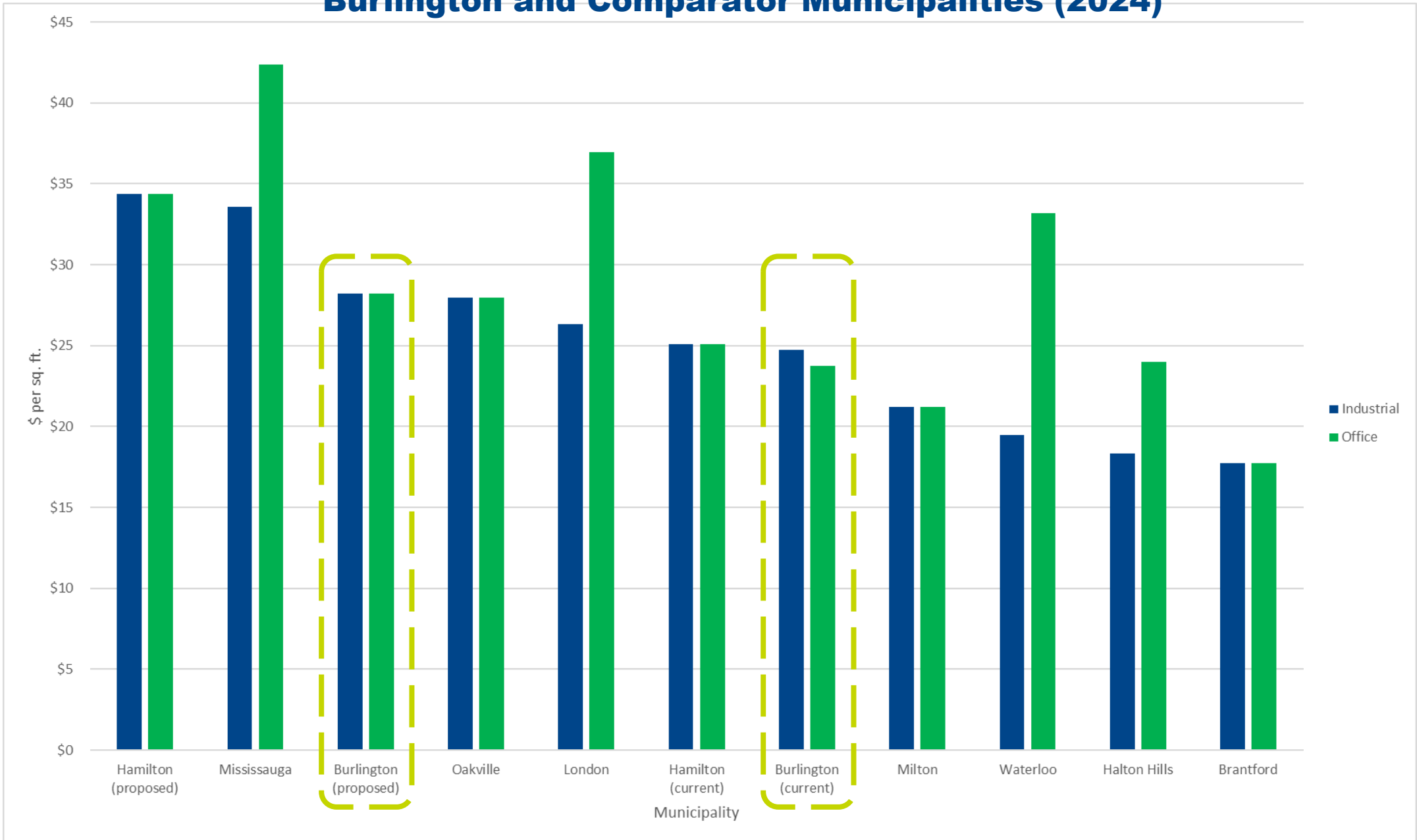
Calculated Schedule of Development Charges by Service and Phase-In

Service/Class of Service	RESIDENTIAL (\$ per Dwelling Unit)						NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Multiples - 3 or more Bedrooms	Multiples - 1 or 2 Bedrooms	Special Care/Special Dwelling Units	(\$ per sq.m of Gross Floor Area)
Municipal Wide Services/Class of Service:							
Services Related to a Highway	12,027	6,409	4,846	9,542	6,872	3,916	99.57
Stormwater Drainage Services	175	93	71	139	100	57	3.01
Fire Protection Services	2,038	1,086	821	1,617	1,164	664	16.47
Transit Services	1,617	862	651	1,283	924	527	13.13
Parks and Recreation Services	4,482	2,388	1,806	3,556	2,561	1,460	8.18
Library Services	256	136	103	203	146	83	0.43
TOTAL	20,595	10,974	8,298	16,340	11,767	6,707	140.79
TOTAL - June 1, 2024-May 31, 2025	16,476	8,779	6,638	13,072	9,414	5,366	112.63
TOTAL - June 1, 2025-May 31, 2026	17,506	9,328	7,053	13,889	10,002	5,701	119.67
TOTAL - June 1, 2026-May 31, 2027	18,536	9,877	7,468	14,706	10,590	6,036	126.71
TOTAL - June 1, 2027-May 31, 2028	19,565	10,425	7,883	15,523	11,179	6,372	133.75
TOTAL - June 1, 2028-May 31, 2034	20,595	10,974	8,298	16,340	11,767	6,707	140.79

Non-Residential DC Comparison per m² of GFA

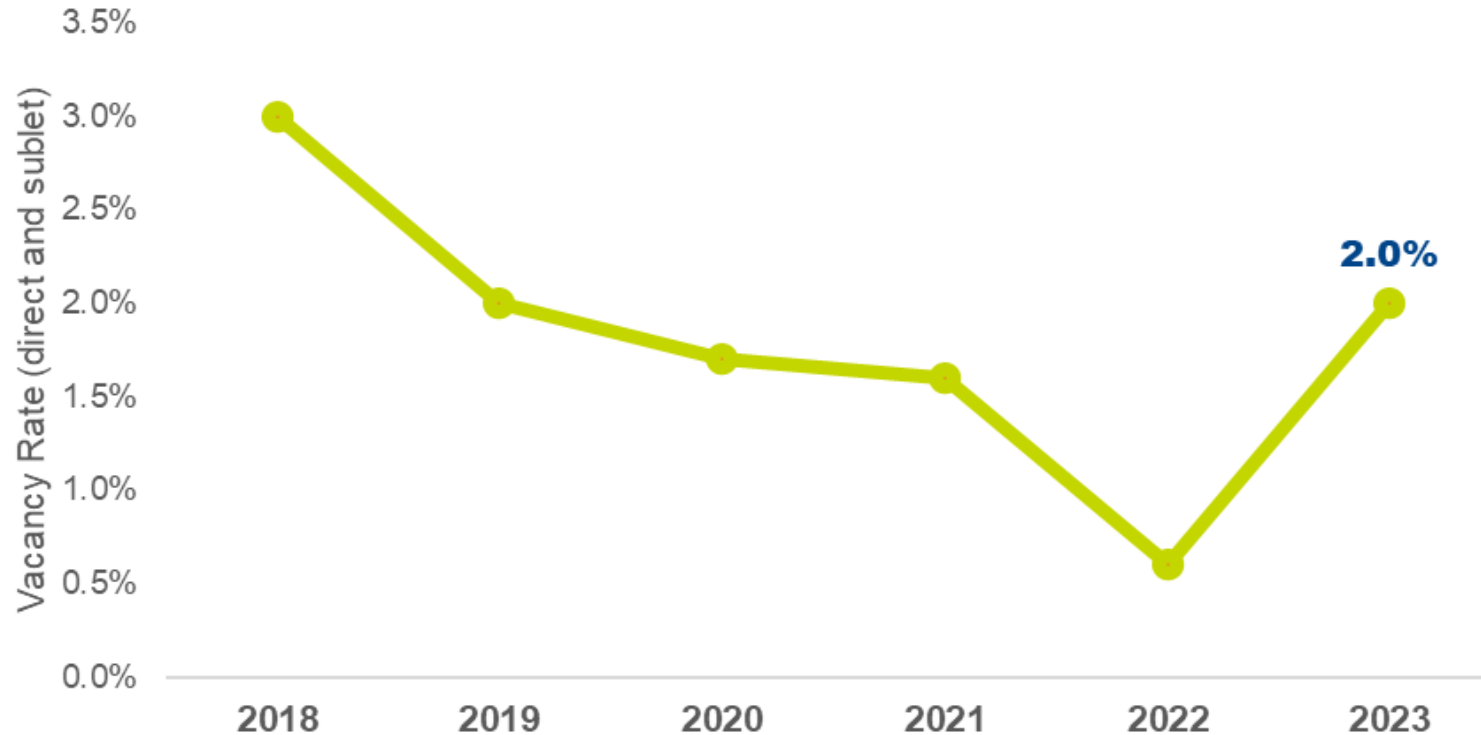
	Burlington DC	Absolute Δ	Percentage Δ
Current Non-retail Rate (April 1 st)	\$103.18		
Addendum to DC Background Study as of June 1 st (May 9 th)	\$112.63 \$140.79 by 2028	+\$9.45/m ²	+9.2%
Potential Bill 185 Impact as of June 1 st	\$140.79	+\$37.61/m ²	+36.5%

Total Industrial and Office Development Charge Rates: Burlington and Comparator Municipalities (2024)



Burlington Industrial Real Estate Trends

Industrial Vacancy in Burlington

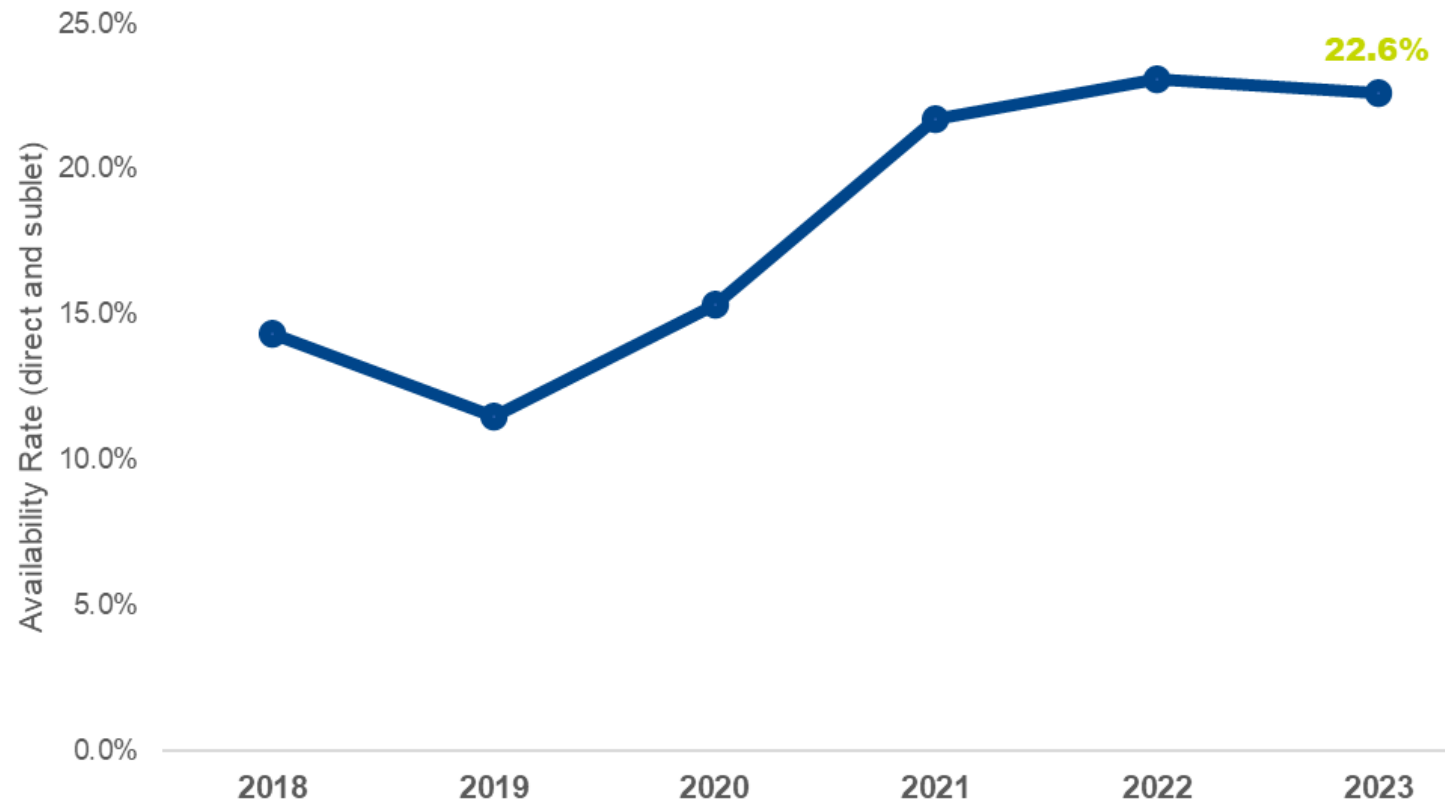


- Across the GTA, average asking rents have increased by 2% year over year.
- Intensification and rising costs across the GTA have pushed many employers in Burlington to choose to expand or re-locate to areas outside the GTA.

Burlington Office Real Estate Trends

- Availability and vacancy rates continue their upward trend across the GTA, despite this, average rental rates are holding steady.
- Office tenants are gaining a better understanding of their needs, with many beginning to right-size their spaces as leases approach expiry or renewal.

Office Vacancy in Burlington



Comparison of Non-Residential Definitions

- Newly proposed blended rate creates a misalignment between Burlington and comparable municipalities.
- Amendments to the *Planning Act* in the New PPS propose to exclude office, retail, and institutional use from employment areas unless associated with a primary employment area use.

Municipality	Non-residential DC Rate		
	Blended Rate	Discrete Rate	
		Industrial and Non-Industrial	Retail and Non-Retail
Markham			X
Mississauga		X	
Oakville	X		
Waterloo*	X		
Hamilton*	X		
Burlington (current)			X
Milton			X
Brantford		X	
Halton Hills		X	
Halton Region			X

Note: although Waterloo and Hamilton use a blended rate for all non-residential development, they each offer discounts to industrial development.

Incentivizing Development to Benefit Burlington

We suggest the following:

1. Implement all incentive programs in the Council-endorsed Brownfield CIP Report from March 2021.
2. Provide funding and resources to develop a Comprehensive CIP Strategy with actional incentive programs

- This will allow us to:
 - Have incentive programs that support achieving council objectives.
 - Make Burlington more competitive with neighbouring municipalities
 - Increase our tax base through new employment uses on remediated sites
 - Reduce contaminated sites and toxins underground
 - Leverage Regional funding which we do not currently receive

Sample Development Charge Incentives

Municipality	Incentive Type	Incentive Program	Description
Mississauga	CIP	Downtown CIP	To promote office development in the downtown area by providing Tax Increment Equivalent Grants (TIEG), development processing fees grant, municipally funded parking program, and municipal property acquisition and disposition. Matched by Peel Region's Major Office Incentive Program.
Waterloo	Discount	DC Discount for Industrial Development	To promote industrial development, all buildings defined as an "industrial building" per the by-law receives a 60% discount in non-residential DC rate.
Waterloo	Discount	DC Discount for Office	All office developments over 20,000 sf in urban growth centres are eligible for a 50% discount to the non-residential rate, for all floors from the third storey and above.
Halton Hills	DC Deferral	Deferral of Payment of Non-Residential Development Charges	Any industrial development that does not exceed 50,000 sq ft and any non-industrial development that does not exceed 25,000 sf are eligible for 10-year deferral of DCs.
Hamilton	DC Exemption	Downtown CIPA Exemption	With the 2024 proposed by-law, all non-residential development in the Downtown CIP area will maintain a 40% exemption, with Class A major office developments greater than 20,000 sq ft GFA receiving a 70% exemption.
Hamilton	DC Discount	Industrial Reduced Rate	37% discount across the city for all industrial developments. With the 2024 update, this is proposed to be limited to developments with manufacturing, production, and artist studios only.