
For Information

REPORT TITLE: **Development Charges – Coptic Church Expansion Development in Mississauga**

FROM: Gary Kent, CPA, CGA, ICD.D, Chief Financial Officer and Commissioner of Corporate Services

OBJECTIVE

To provide Council with information related to the deputation from the Coptic Orthodox Patriarchate of Alexandria, the Church of the Virgin Mary and St. Athanasius seeking development charges relief for a proposed development to expand an existing place of worship.

REPORT HIGHLIGHTS

- The Coptic Orthodox Patriarchate of Alexandria, the Church of the Virgin Mary and St. Athanasius applied for a building permit proposing the expansion of an existing place of religious assembly located at 1245 Eglinton Ave. West, Mississauga.
 - The Region provides relief to places of religious assembly in the form of a grant-in-lieu of development charges (DC) at the time of first building permit. This relief does not extend to development or redevelopment solely for the purpose of expansion of an existing building or structure.
 - In accordance with the Region's DC By-law 77-2020, there is no DC exemption available to this building permit.
 - The Region's DC By-law provides credit for demolition of existing space. Net of credit, the Regional DC owing at current rates is \$1,983,619.25.
 - Council does not have the authority to grant an exemption outside of the By-law, and any financial relief granted would need to be funded from a non-DC funding source which would result in shifting the burden of funding growth-related capital infrastructure to taxpayers.
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DISCUSSION

1. Background

In 2022, The Coptic Orthodox Patriarchate of Alexandria, the Church of the Virgin Mary and St. Athanasius (the "Applicant"), a not-for-profit organization, applied for a building permit (BP 3NEW 22-834) with the City of Mississauga (the "City"). The application was to expand an existing place of religious assembly located at 1245 Eglinton Ave. W. The proposed development includes a partial demolition of 965.30 m² of the existing building and a four-storey addition of 7,599.70 m². The proposed expansion looks to relocate and increase the building's daycare space, create youth and senior assembly spaces, expand administrative and storage space, and build an additional church hall.

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Based on the information in the application for this building permit, Regional DC owing on this development amount to \$1,983,619.25 at current effective DC rates (Feb 1st, 2023). The Applicant is seeking some form of relief from Council for the DC's that are being imposed on this development in accordance with the Region's DC By-law. We understand the applicant is currently assessing their drawings, so the DC calculation may still change depending on any resubmission.

2. Analysis

a) Regional DC By-Law Treatment on Places of Religious Assembly

The policy for the provided relief as stated under the current DC By-law 77-2020 reads as follows:

Prior to the issuance of the first building permit, a place of religious assembly will receive a partial exemption of development charges equivalent to the development charges attributed to twenty-five per cent (25%) of the total floor area of the building or structure. This partial exemption shall not apply to development or redevelopment solely for the purpose of expansion of an existing building or structure.

A review of this application concludes that the conditions are not met for any additional exemption under the Region's DC By-law. It is noted that the policy outlined in the Region's By-law is consistent with the City's policy.

b) DC Application to this Building Permit

This redevelopment consists of the demolition of existing space and the construction of new space to expand the existing structure. A place of worship is classified as non-industrial space in accordance with the Region's DC By-law, for which the current effective rate as of Feb 1st, 2023, is \$298.99/m².

A credit is applied for the demolished floor area under the notion that DC would have already been imposed on this area, satisfying the cost of growth-related infrastructure at the time it was originally constructed. DC are thus imposed on the net additional floor area, due to the fact that the expansion of existing buildings results in additional users, and places additional demand on Regional services.

The following is a breakdown of the Regional DC applicable to this building permit:

BP 3NEW 22-834 (As at Feb 1, 2023, Rates)				
Development Type	Use	GFA (m ²)	Rate	Total
Addition	Non-Industrial	7,599.70	\$298.99	\$2,272,234.30
Demolition	Non-Industrial	-965.30	\$298.99	-\$288,615.05
Total Payable				\$1,983,619.25

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FINANCIAL AND RISK IMPLICATION

Council does not have the authority to exempt DC that have been determined in accordance with the Region's DC By-law. Any financial relief for DC provided outside of the DC By-law would need to be provided in the form of a grant from a non-DC funding source. This would shift the burden of funding necessary growth-related capital infrastructure to the taxpayer. The Region already provides relief to places of worship in the form of a grant-in-lieu of DC at the time of first building permit issuance. Allowing for a grant beyond what is already provided within the Region's DC By-law would further burden the taxpayer, while also setting a precedent that would impair the Region's ability to consistently apply the Region's DC By-law on future developments across the Region.

CONCLUSION

Regional development charges for this building permit in the amount of \$1,983,619.25 have been correctly calculated, and the application of the Region's DC By-law is appropriate. We understand the applicant is currently assessing their drawings, so the number could change depending on any resubmission. The nature of this application does not meet the condition for any exemption. Providing a discretionary DC grant would put pressure on the Region's already strained financial conditions due to factors such as Bill 23 and changing economic conditions.



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