

January 23, 2023

RE: 2023-24 City of Charlottetown Pre-Budget Submission

Attn: Manager of Finance

Dear City of Charlottetown Finance Committee,

On behalf of the Greater Charlottetown Area of Commerce, we write to you today regarding the City of Charlottetown's pre-budget consultations. Our Chamber appreciates that the City is in the process of updating its Official Plan, which will serve as a roadmap for how Charlottetown will grow and develop over the next 20 years. We look forward to the results of this plan.

Over the last two years, Charlottetown businesses have endured the impacts of the COVID-19 pandemic, staff shortages, inflation, supply chain delays, and closures and damages from Hurricane Fiona. That said, in this letter we have outlined several recommendations for the City to consider for its 2023-24 operating budget that will benefit both business owners and residents alike, and ensure no additional burdens are placed on struggling businesses. We note that considering the City posted a \$3.6-million surplus for 2021-22, investments are possible without causing a deficit.

The recommendations are as follows:

1. Freezing of Commercial Property Taxes

Commercial property tax hikes will increase the pressure put on Charlottetown businesses, which are already dealing with increased business costs due to PEI continually posting the highest inflation rate in the country. As businesses see consumers spend less due to inflation and less traffic in downtown businesses throughout the winter months, they will struggle to remain operational with any further fixed expenses being increased, such as property tax. Additionally, commercial landlords would be required to pass on property tax increases to their tenants through raising the rent.

Our Chamber appreciates that the City froze commercial property taxes last year, and we ask the City continue to do so for the 2023-24 year. Freezing commercial property tax will be one fixed expense that businesses can rely on remaining stable through this period of high inflation and a potential recession on the horizon.

2. Amend Zoning and Development Bylaw height restrictions to encourage supply growth by building up

Between the 2016 and 2021 censuses, Charlottetown's population grew 7.5%. As our population grows so does increased pressure on housing. With a vacancy rate below 2%, Charlottetown is in crucial need of more supply, including affordable units, for its current population and workforce and for population growth in years to come. If students, immigrants, and interprovincial migrants cannot find a place to live, they will not be able to stay in our workforce. Additionally, as cities sprawl, it costs more to provide public infrastructure and brings workers away from their places of work and makes commuting more of an issue. We recommend Charlottetown start growing up, instead of continuing to widen out.

Currently, the standard maximum height for an apartment dwelling in Charlottetown in the Zoning and Development By-Law is 49.2 feet (15 meters). In addition, the standard maximum allowable height for townhouses/stacked and block townhouse dwelling - as well as buildings in the 500 Lot - is about four stories, at 39.4 feet (12 meters). With the current housing crisis, our Chamber suggests easing height restrictions, thus increasing the amount of units that can be available in one lot, taking up less space in the city while at the same time providing much-needed units on the market.

Additional amendments that the City could make to encourage development so we have housing for our workforce and residents include:

2b) Reduce the Minimum Parking Requirements for new Multi-Unit Residential construction and Dwelling Units. Currently, developers need to provide the required number of parking spaces according to the bylaw on their own lot, or pay the city \$6,000 cash-in-lieu charge per parking space required. We have heard from members that this disincentivizes the creation of new residential construction, or adding additional dwelling units to buildings they own, particularly in the 500 Lot in downtown Charlottetown, where there is less space available for parking.

2c) Reduce the 0.5 acre minimum Lot Area required for Garden Suites. This would give more property owners the ability to create single unit dwellings on their lots, providing more rental options on the market. Garden suites, in particular, add additional housing units without changing the look and feel of neighbourhoods and can be an option for affordable housing.

3. Expedite approval process to accelerate development

Chamber members, notably land developers in our capital region, have indicated that one of the significant challenges they face is an inconsistency in decision-making and timelines at City Hall when it comes to permitting and rezoning approvals, and that the permit process can be long and drawn out, which is discouraging from an investment standpoint. Uncertainty is a significant risk in business, and that risk grows when process, regulations and procedures are not consistently and equally applied.

We encourage the City to simplify and streamline its approval process to get projects off the ground faster, particularly when Charlottetown is in great need of more housing supply as our population grows and to help revitalize Charlottetown. Examples of this may be faster permit approvals, accelerating development timelines, reducing red tape attached to the permit process, and improving communication between the council, city staff, and developers.

On behalf of our membership, the Chamber would like to thank you for the opportunity to provide our pre-budget recommendations for the City of Charlottetown, and hope you strongly consider our submission. We look forward to continuing our relationship with the City of Charlottetown and building upon the progress made up to this point.

Sincerely,

A handwritten signature in cursive script that reads "Bill DeBlois".

Bill DeBlois

GCACC 2022-23 Board President