



Township of East Garafraxa 2019 Development Charges Background Study

Council Information Session
May 28, 2019

Development Charges



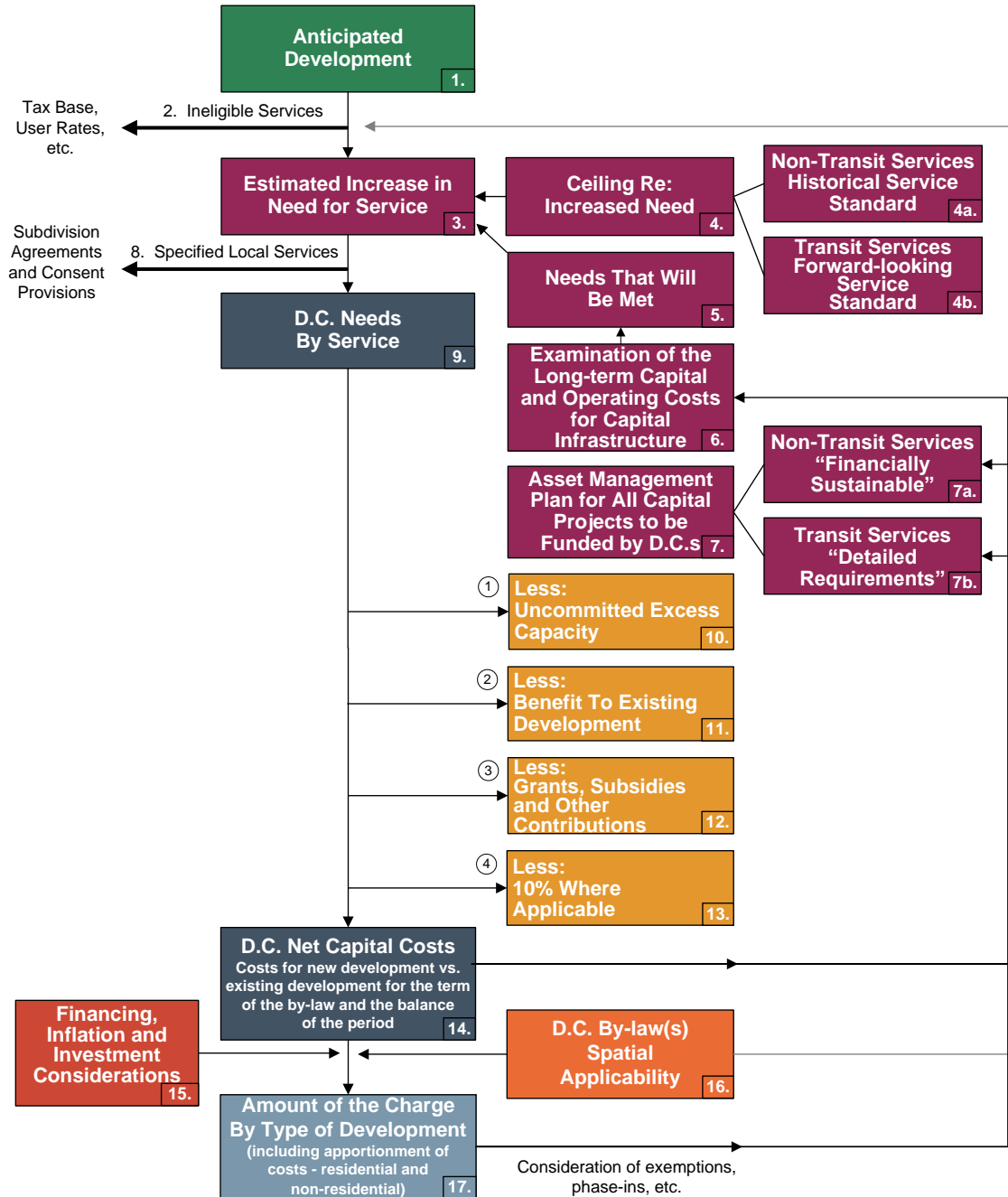
- Purpose of Development Charges (D.C.) is to recover the capital costs associated with residential and non-residential growth within the municipality
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, watermains, roads, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the *Development Charges Act (D.C.A.)*

Study Process



- D.C. Background Study process has been undertaken in conjunction with the Township of Amaranth
 - Growth forecast and detailed discussions with staff regarding future needs to service growth – *March – May, 2019*
 - **Council Information Session – *May 28, 2019***
 - Release D.C. Background Study – *by June 20, 2019* (at least 60 days prior to by-law passage)
 - D.C. Public Meeting – *July 16, 2019*
 - Council Consideration of D.C. by-law – *August 20, 2019*

The Process of Calculating a Development Charge under the Act that must be followed



Growth Forecast



- Growth forecast has been prepared based on Dufferin County Official Plan for the 10 year (2019-2029) and 17 year period (2019-2036)

Time Horizon	Residential		Non-Residential	
	Net Population	Residential Units	Employment ¹	Sq.ft. of GFA
Mid 2019	2,606	872	318	n/a
Mid 2029	2,994	1,029	518	n/a
Mid 2036	3,086	1,088	568	n/a
Incremental Change				
10-year (2019-2029)	388	157	200	186,500
17-year (2019-2036)	480	216	250	277,700

1. Excludes NFPOW and WAH

Increase in Need for Service



- Township-Wide Services (10-year)
 - Transportation Services (road improvements and public works)
 - Fire Services
 - Parks and Recreation
 - Library Services
 - Administration - Studies

Anticipated Capital Needs

Fire Services



Prj.No	Increased Service Needs Attributable to Anticipated Development 2019-2038	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 66%	Non-Residential Share 34%
	Grand Valley		-	-	-	-		-	-	-
1	Provision for Additional Fire Fighters (5) (Township Share)	2019-2028	4,000	-	4,000	-		4,000	2,640	1,360
2	Provision for Additional Space (2,500 sq.ft.) (Township Share)	2019-2028	62,000	-	62,000	-		62,000	40,920	21,080
3	Provision for Additional Tanker (Township Share)	2019-2028	52,500	-	52,500	26,250		26,250	17,325	8,925
4	Water Rescue All Terrain Vehicle (Township Share)	2019-2028	6,000	-	6,000	3,000		3,000	1,980	1,020
5	Water Rescue Training & Equipment (Township Share)	2019-2028	3,000	-	3,000	-		3,000	1,980	1,020
	Reserve Fund Adjustment							(43,625)	(28,792)	(14,832)
	Total		127,500	-	127,500	29,250	-	54,625	36,053	18,573

Anticipated Capital Needs

Transportation Services



Prj .No	Increased Service Needs Attributable to Anticipated Development 2019-2028	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 66%	Non-Residential Share 34%
1	Public Works Facility Expansion	2019-2028	137,000	-	137,000	-	-	137,000	90,420	46,580
2	Plow Truck	2019-2028	300,000	-	300,000	-	-	300,000	198,000	102,000
3	A-Line Surface Upgrade & Improvements	2019-2028	778,000	-	778,000	677,177	-	100,823	66,543	34,280
			-	-	-	-	-	-	-	-
4	Road Resurfacing	2019-2028	2,687,000	-	2,687,000	2,338,785	-	348,215	229,822	118,393
5	Bridge Improvements	2019-2028	1,132,000	-	1,132,000	985,301	-	146,699	96,821	49,878
			-	-	-	-	-	-	-	-
	Reserve Adjustment		-	-	-	-	-	(196,311)	(129,565)	(66,746)
			-	-	-	-	-	-	-	-
	Total		5,034,000	-	5,034,000	4,001,263	-	836,426	552,041	284,385

Anticipated Capital Needs

Parks & Recreation Services



Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Net Capital Cost	Less:		Subtotal	Less: Other (e.g. 10% Statutory Deduction)	Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development			Total	Residential Share	Non-Residential Share
2019-2028										95%	5%	
1	Rayburn Meadows Park Expansion	2019-2028	30,000	-	30,000	26,112		3,888	389	3,499	3,324	175
			-	-	-	-		-	-	-	-	-
	Reserve Fund Adjustment		-	-	-	-		(3,499)		(3,499)	(3,324)	(175)
			-	-	-	-		-	-	-	-	-
	Total		30,000	-	30,000	26,112	-	389	389	-	-	-

Anticipated Capital Needs

Library Services



Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Net Capital Cost	Less:		Subtotal	Less:	Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development		Other (e.g. 10% Statutory Deduction)	Total	Residential Share	Non-Residential Share
2019-2028										95%	5%	
	Grand Valley		-	-	-	-		-	-	-	-	-
1	Provision for Additional Space (Township Share)	2019-2028	36,782		36,782			36,782	3,678	33,104	31,449	1,655
2	Provision for Additional Collection Materials (Township Share)	2019-2028	15,027	-	15,027	-		15,027	1,503	13,525	12,848	676
	Reserve Fund Adjustment							(10,906)		(10,906)	(10,360)	(545)
	Total		51,810	-	51,810	-	-	40,904	5,181	35,723	33,937	1,786

Anticipated Capital Needs

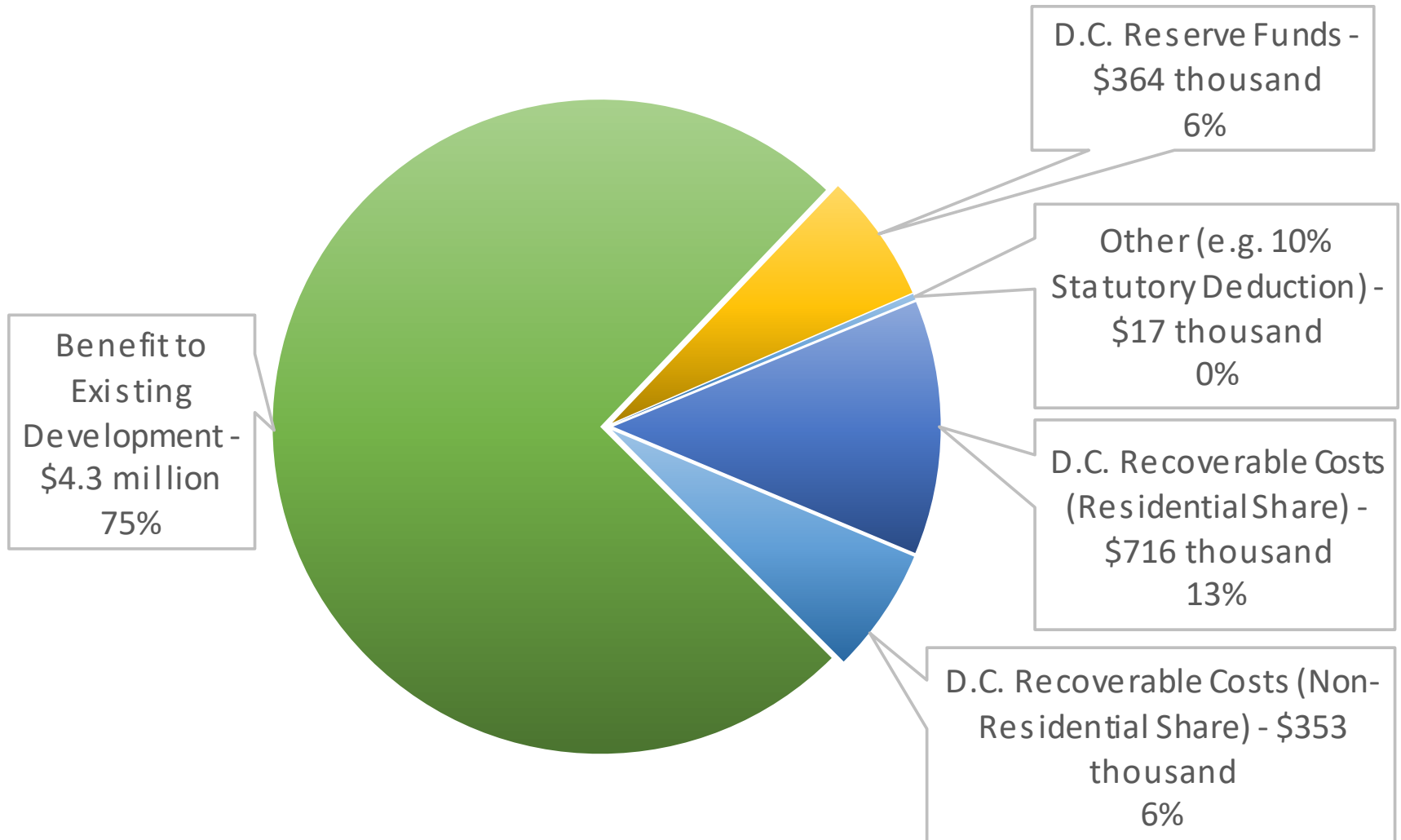
Administration Studies



Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Net Capital Cost	Less:		Subtotal	Less:	Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development		Other (e.g. 10% Statutory Deduction)	Total	Residential Share	Non-Residential Share
2019-2028										66%	34%	
1	D.C. Background Study	2019	25,000	-	25,000	-		25,000	2,500	22,500	14,850	7,650
2	D.C. Background Study	2024	25,000	-	25,000	-		25,000	2,500	22,500	14,850	7,650
3	Roads Needs Study	2019-2028	35,000	-	35,000	17,500		17,500		17,500	11,550	5,950
4	Bridge Inspection Study	2019-2028	100,000	-	100,000	50,000		50,000		50,000	33,000	17,000
5	Asset Management Plan	2019-2028	100,000	-	100,000	87,041		12,959	1,296	11,663	7,698	3,966
6	Official Plan	2019-2028	50,000	-	50,000	25,000		25,000	2,500	22,500	14,850	7,650
7	Zoning By-Law	2019-2028	50,000	-	50,000	25,000		25,000	2,500	22,500	14,850	7,650
8	Grand Valley Fire Master Plan (Township share)	2019-2028	3,500	-	3,500	875		2,625		2,625	1,733	893
			-	-	-	-		-	-	-	-	-
	Reserve Fund Adjustment		-	-	-	-		(29,083)		(29,083)	(19,195)	(9,888)
	Total		388,500	-	388,500	205,416	-	154,001	11,296	142,705	94,185	48,520

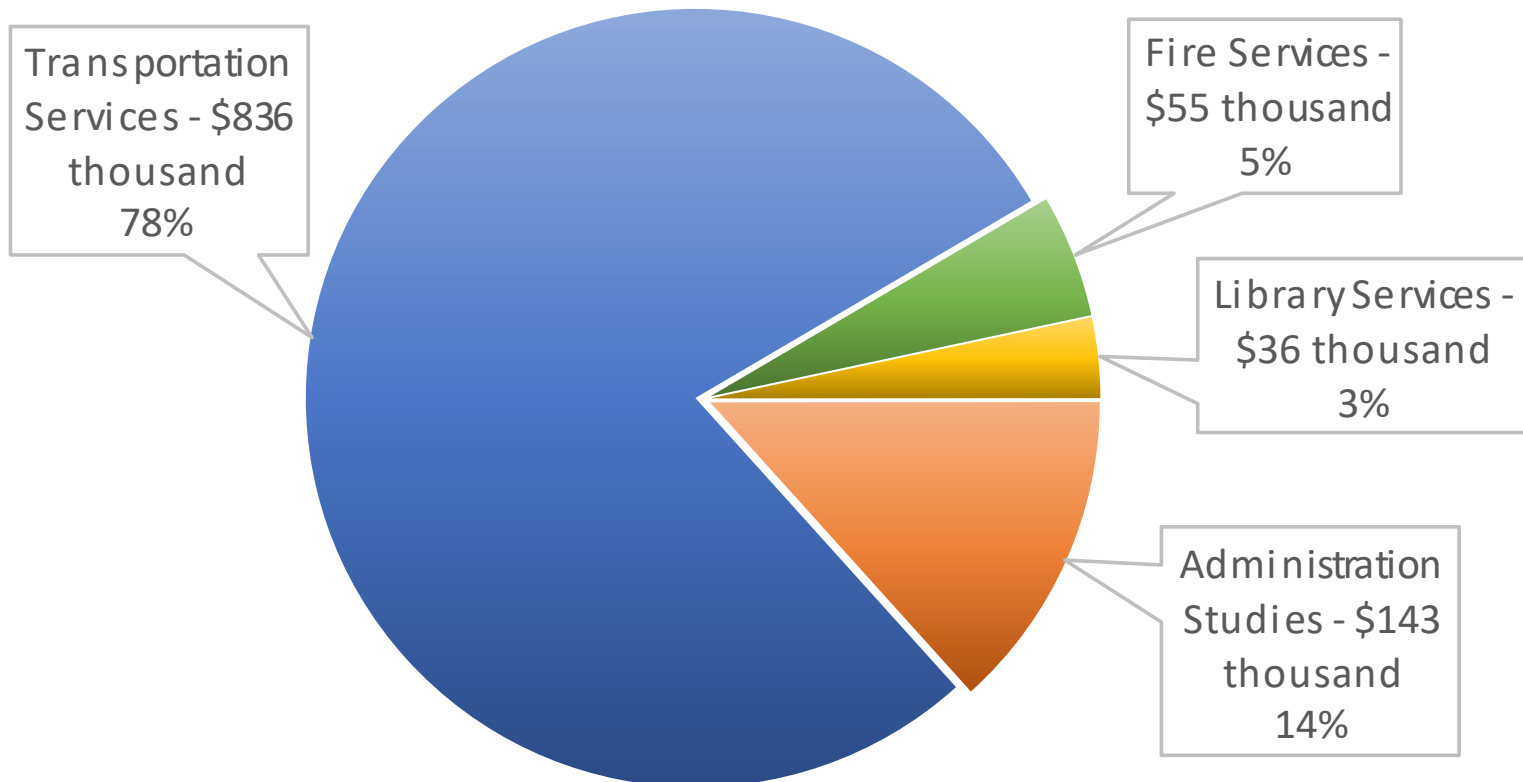
Anticipated Capital Needs

Gross Capital Costs - \$5.6 million



Development Charge Recoverable Capital Costs

Total D.C. Recoverable Costs – \$1.1 million



Calculated Schedule of Development Charges



Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per sq.ft. of Gross Floor Area)	Wind Turbines
Municipal Wide Services:						
Transportation Services	3,142	1,543	849	2,413	1.20	3,142
Fire Services	205	90	50	141	0.08	205
Parks and Recreation Services	-	-	-	-	-	-
Library Services	193	85	47	133	0.01	
Administration Studies	536	236	130	369	0.20	536
Total Municipal Wide Services	4,076	1,954	1,076	3,056	1.49	3,883



Development Charge Comparison

Current vs. Calculated Charges per Single Detached Residential Dwelling Unit and per sq.ft. of Non-Residential Gross Floor Area

Residential (Single Detached) Comparison

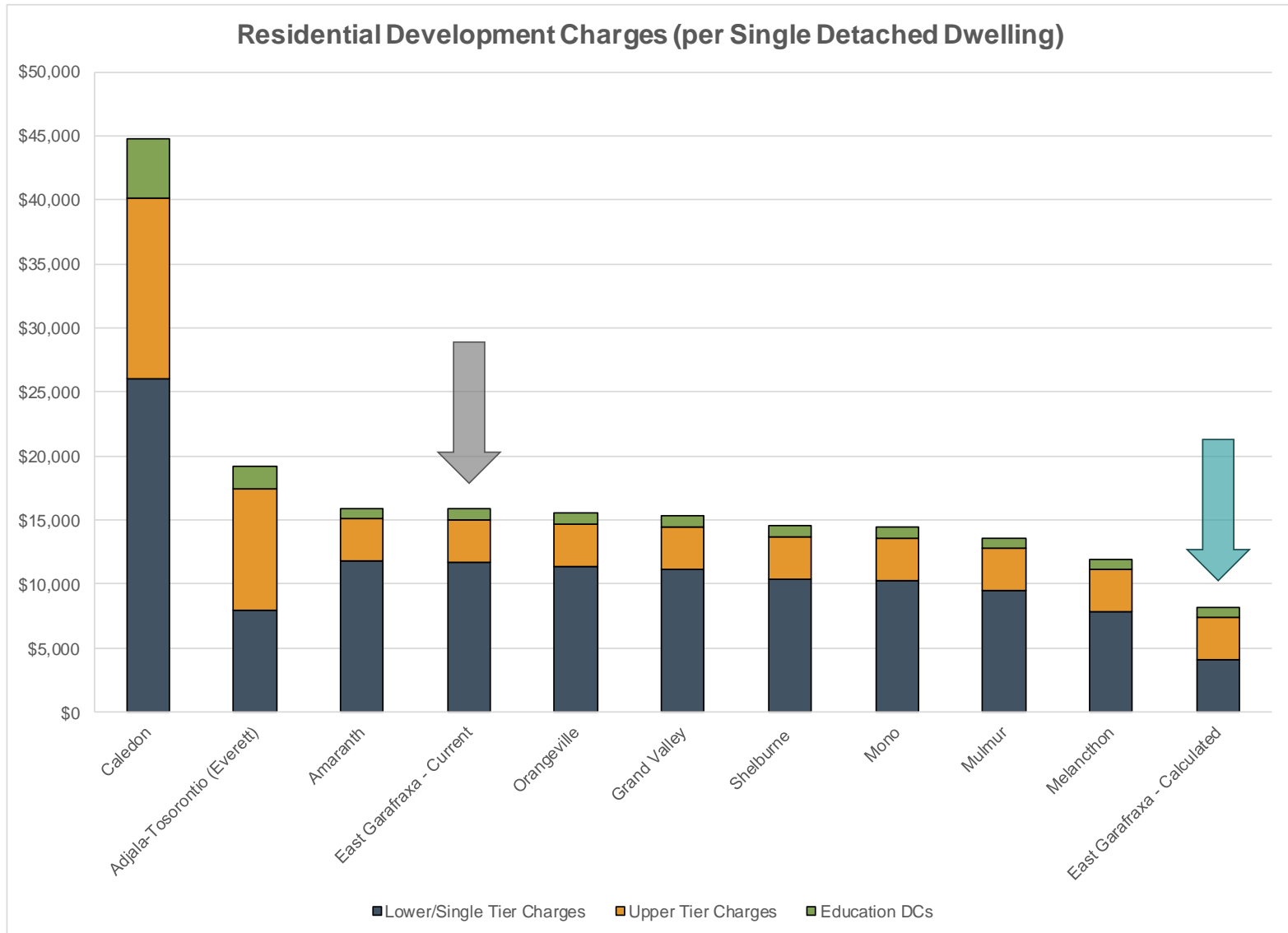
Service	Current	Calculated
Municipal Wide Services:		
Transportation Services	6,339	3,142
Fire Services	507	205
Parks and Recreation Services	2,707	-
Library Services	384	193
Administration Studies	794	536
Police Services	962	
Total Municipal Wide Services	11,693	4,076

Non-Residential (per sq.ft.) Comparison

Service	Current	Calculated
Municipal Wide Services:		
Transportation Services		1.20
Fire Services		0.08
Parks and Recreation Services		-
Library Services		0.01
Administration Studies		0.20
Police Services		
Total Municipal Wide Services	-	1.49

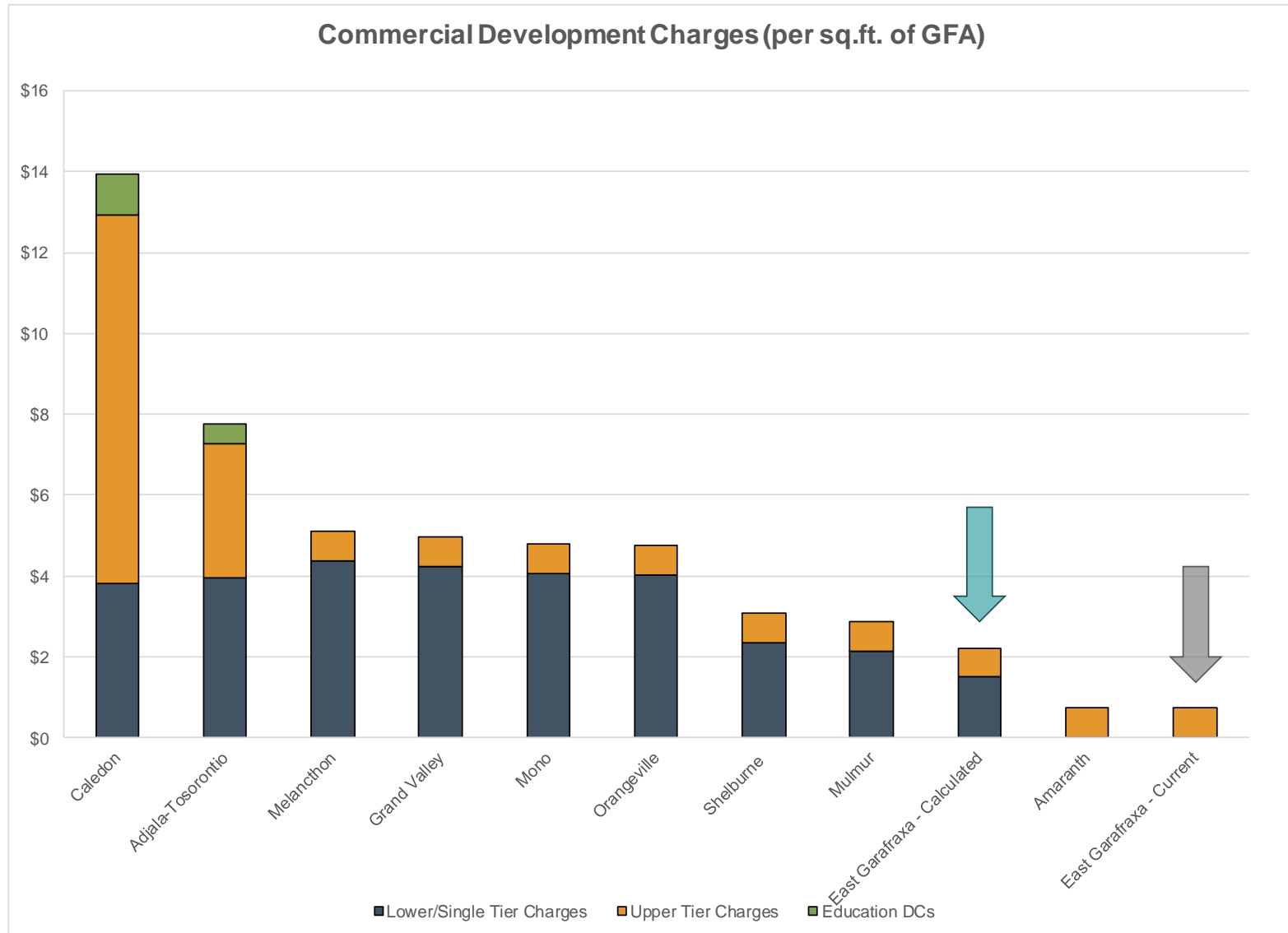
Municipal D.C. Comparison

Per Single-Detached Residential Dwelling Unit - Unserviced



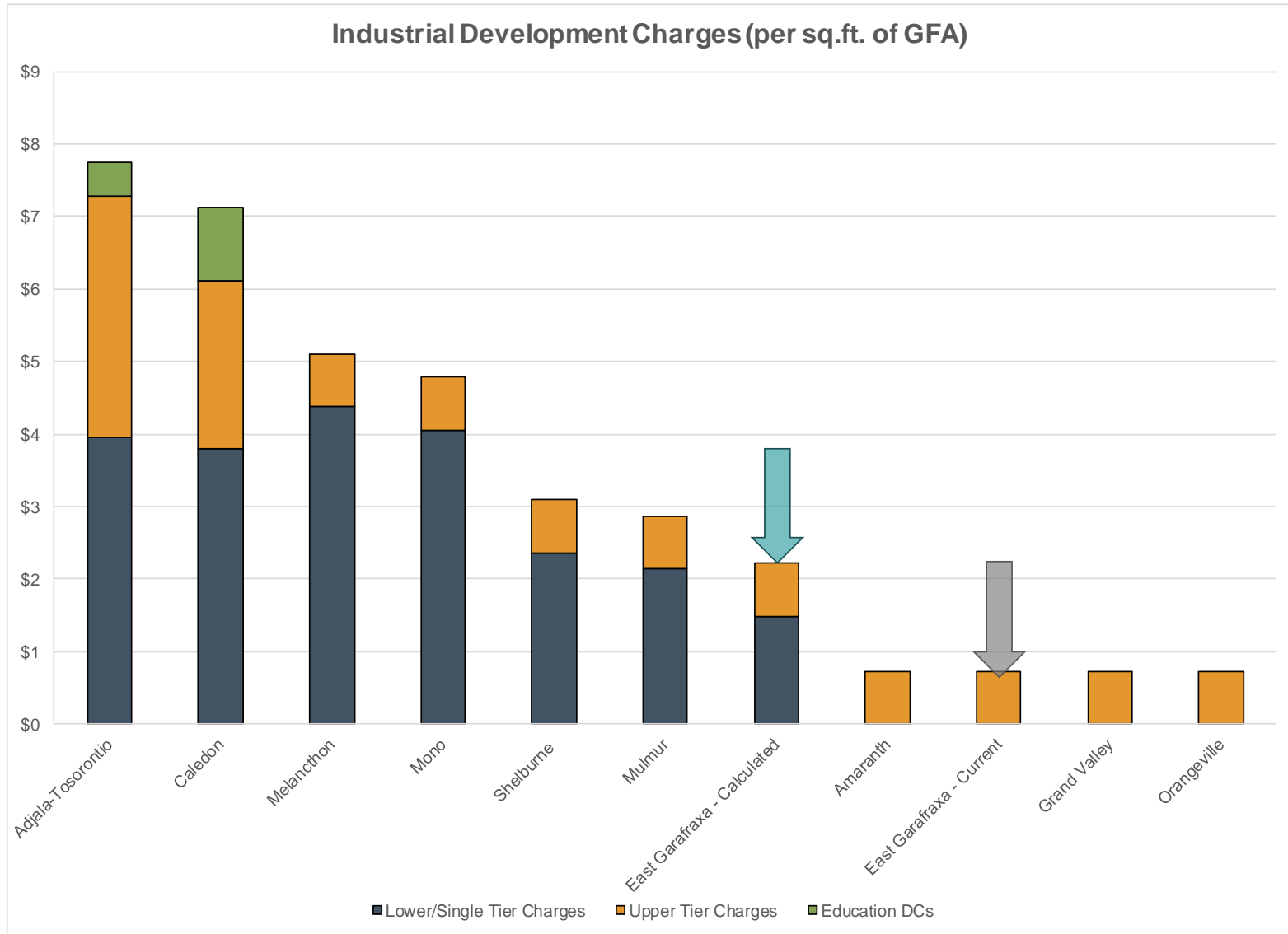
Municipal D.C. Comparison

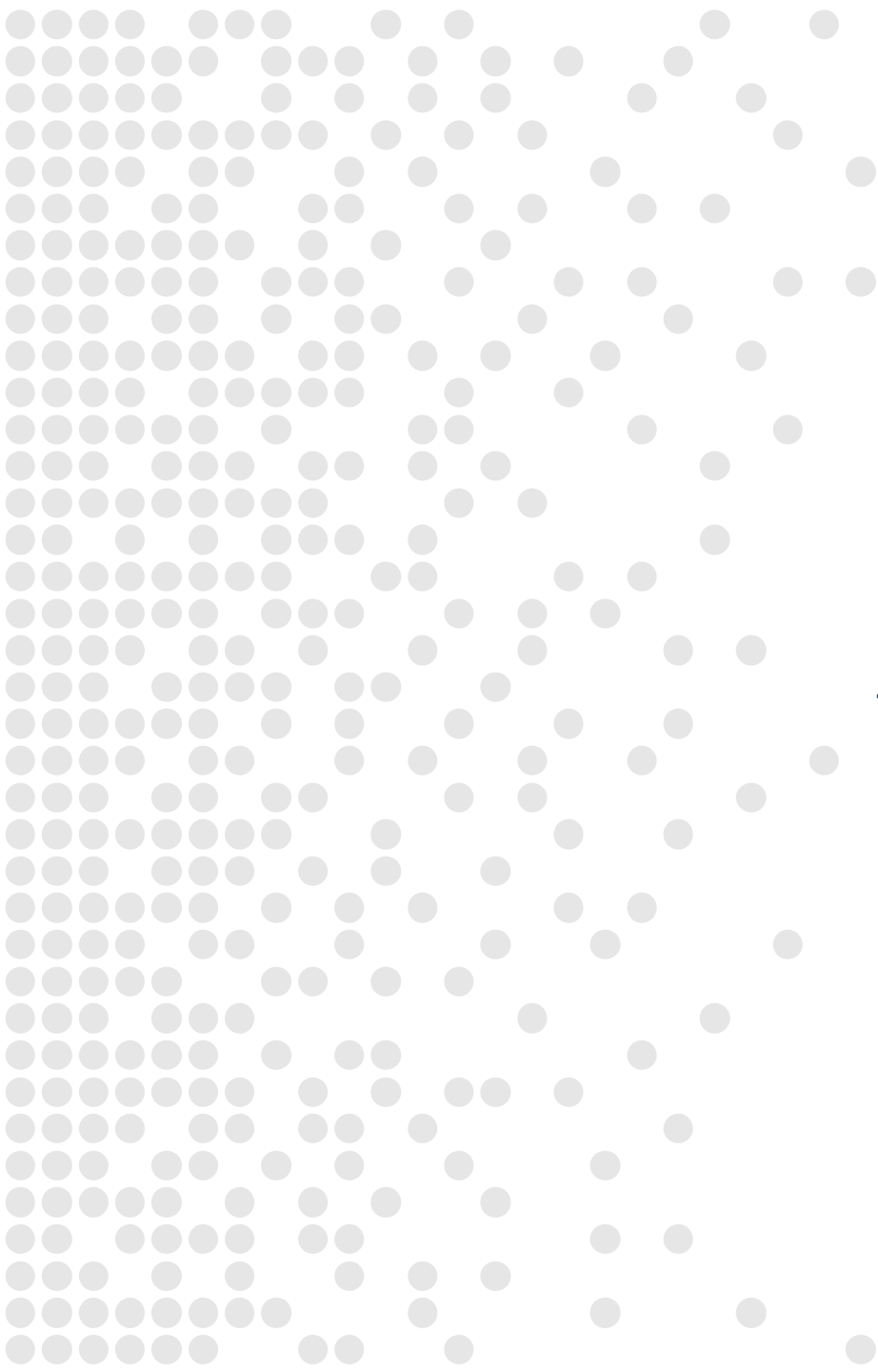
Per sq.ft. of Commercial Gross Floor Area - Unserviced



Municipal D.C. Comparison

Per sq.ft of Industrial Gross Floor Area - Unserviced





Development Charge By-Law Policies



D.C. By-Law Policies

Timing of Collection

- D.C.s can be calculated and payable at the time of building permit issuance or at subdivision registration for hard services
 - Municipality may enter into agreement for the D.C. to be paid before or after it would otherwise be payable
- A municipality is not required to issue a building permit for development to which a D.C. applies unless the charge has been paid
- If a D.C. or any part of it remains unpaid after it is payable, the amount unpaid shall be added to the tax roll and shall be collected in the same manner as taxes
- **D.C.s are payable on the date the first building permit is issued**



D.C. By-Law Policies

D.C. Exemptions

- The Act provides for some mandatory exemptions but also allows municipalities the ability to provide it's own exemptions
- Exemptions set out certain classes of development that will not be required to pay D.C.s. These exemptions may be determined by:
 - Use (e.g. places of worship, farm buildings)
 - Geographic area
 - Development type
 - Service exemption
- The Act is specific in identifying that the revenue forgone may not be made up by increasing the D.C.s for other classes of development
- In effect, it is a loss of revenue to the Municipality which will have to be funded via taxes, rates, reserves or other financial resources²¹



D.C. By-Law Policies

Statutory D.C. Exemptions

- The D.C.A. provides statutory exemptions for:
 - Industrial building expansions (may expand by 50% with no D.C.)
 - Residential intensification:
 - May add up to two apartments for a single detached home as long as size of home doesn't double
 - Add one additional unit in medium & high density buildings
 - Upper/Lower Tier Governments and School Boards



D.C. By-Law Policies

Non-Statutory Exemptions

East Garafraxa By-law 23-2014

- All non-residential development

Dufferin County By-law 2017-37

- A place of worship exempt under s.3 of the *Assessment Act*
- Farm buildings
- Temporary buildings or structures



D.C. By-Law Policies

Redevelopment Credits

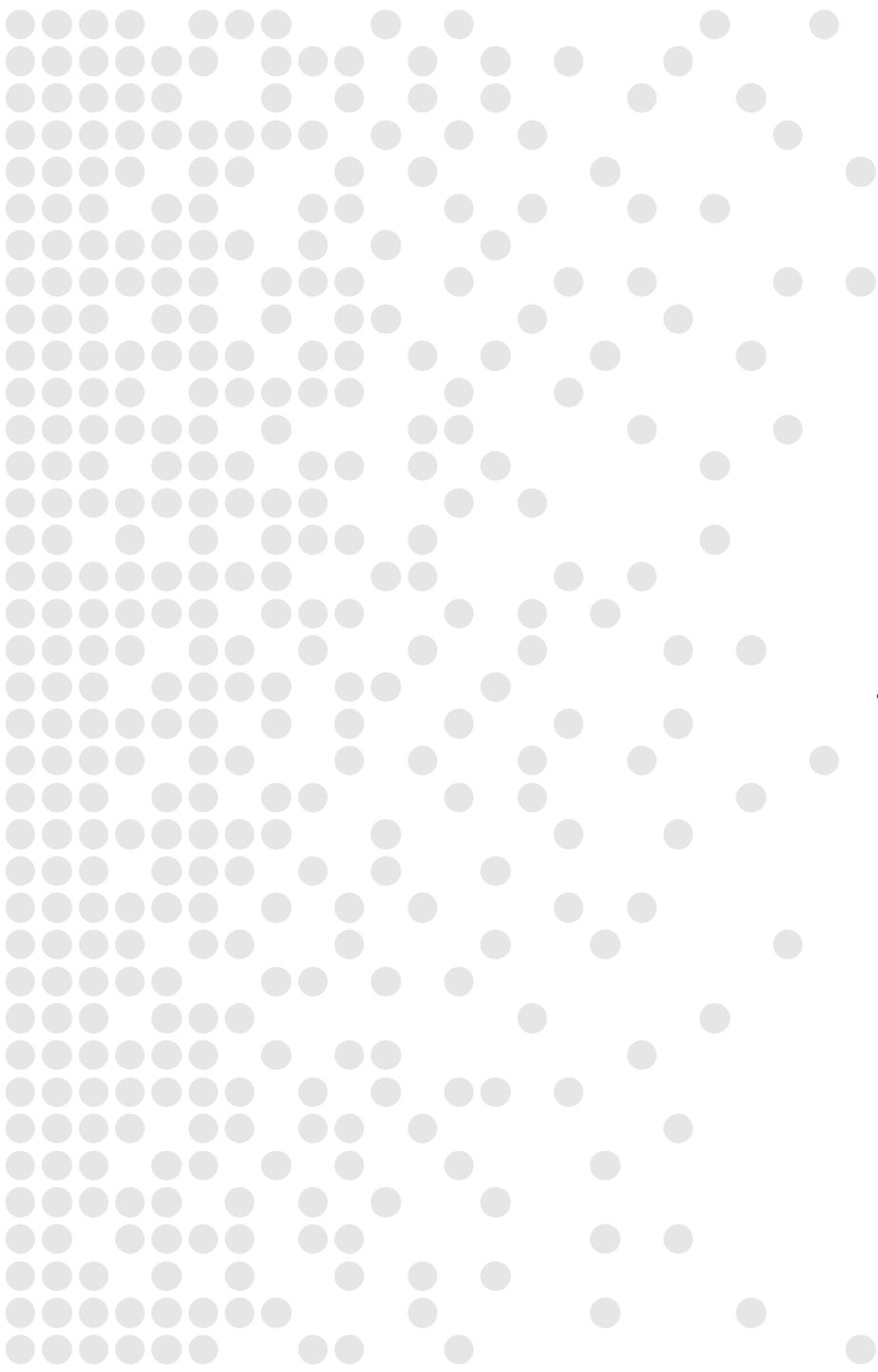
- Redevelopment credits on conversions or demolitions of existing buildings or structures are generally granted to recognize what is being replaced on site (not specific in the Act but provided by case law)
- Redevelopment credits where demolition/conversion occurs within 3 years of building permit issuance



D.C. By-Law Policies

D.C. Indexing

- D.C.A. allows for adjustment of charges to reflect underlying cost increases and reduces municipal cash flow impact between statutory by-law reviews
- Indexing can be:
 - Mandatory – implemented annually commencing from the date the by-law comes into force, in accordance with the Statistics Canada Quarterly, Construction Price Statistics
 - Discretionary – index presented to Council annually for direction
- Current by-law provision for discretionary annual indexing on January 1st
 - Proposed mandatory indexing on January 1st



Next Steps

Next Steps



- Receive Council input on the study findings
- Prepare formal D.C. Background Study and draft By-Law
- Release of D.C. Background Study *by June 20, 2019* (at least 60 days prior to by-law passage)
- Provide notice of Public Meeting in Newspaper
- Undertake Public Meeting of Council – *July 16, 2018*
- Council to consider by-law for adoption – *August 20, 2019*



Proposed Changes to the D.C.A.

More Homes, More Choice: Ontario's Housing Supply Action Plan

- Bill 108, *More Homes, More Choice Act*, was introduced in the Ontario Legislature on May 2 , 2019
- Information provide here is for information based on currently proposed changes. Bill has not yet been proclaimed and the legislative process is ongoing (e.g. comments on Bill to be provided by June 1). These proposed changes to not impact the D.C. proposal
- The proposed changes include:
 - Changes to Eligible Services
 - “Soft Services” would be removed from the D.C.A. and considered as part of a Community Benefit Charge under the authority of the *Planning Act*
 - The amount of a community benefits charge payable shall not exceed an amount equal to the prescribed percentage of the value of the land as of the valuation date

Proposed Changes to the D.C.A.

More Homes, More Choice: Ontario's Housing Supply Action Plan



- Changes to Eligible Services (cont'd)
 - Waste Diversion will be a 100% D.C. recoverable service (i.e. removal of 10% statutory deduction)
- Determination of the D.C.
 - D.C. for developments proceeding through Site Plan or Zoning Bylaw Amendment will be determined based on the charges in effect on the day of the application
 - Development is not proceeding via these planning approvals, will be determined at the earlier of building permit issuance or occupancy
- Payment in Installments Over Six Years
 - Rental housing, non-profit housing and commercial/industrial/institutional developments would pay D.C.s in six equal annual payments, commencing from the date of occupancy