

Council Information Session

Development Charges

Background Study and By-law



TOWN OF GEORGINA

March 3rd 2021



Agenda

- Background: DCs in Georgina
- Legislative Update
- Development Charges Study Process
- Capital Program Overview
- Draft Calculated Development Charges Rates
- Comparison of Current vs Draft Calculated Rates
- Rate Comparison with Neighbouring Municipalities
- Timeline

Background and Study Objectives

- Council passed Development Charges (DC) By-law No. 2016-0054 on June 22, 2016 that imposed rates for DC eligible services of:

General Services	Engineering Services
Library Services	Roads and Related
Fire and Emergency Services	Stormwater Management
Parks and Recreation Services	Water
Operations (Buildings and Fleet)	Wastewater
General Government	

- By-law No. 2016-0054 will expire in June 2021
- Town must pass a new by-law before expiry to continue collecting DCs
 - DC Study will also review and update ASDCs for Queensway East and West Service Areas

Changes as of January 1, 2020: When are DCs Determined and Paid?

DC Base Rates Established

- Applies to development applications received after Jan 1, 2020
- The day of application for site plan control; or, if not applicable
- The day of application for rezoning; or, if neither apply
- The day of building permit issuance.

DCs payable at first building permit issuance

DC Payment Deferred

- Applies to prescribed types of development
- Rental housing (5 years – 6 installments)
- Institutional development* (5 years – 6 installments)
- Non-profit housing (20 years – 21 installments)

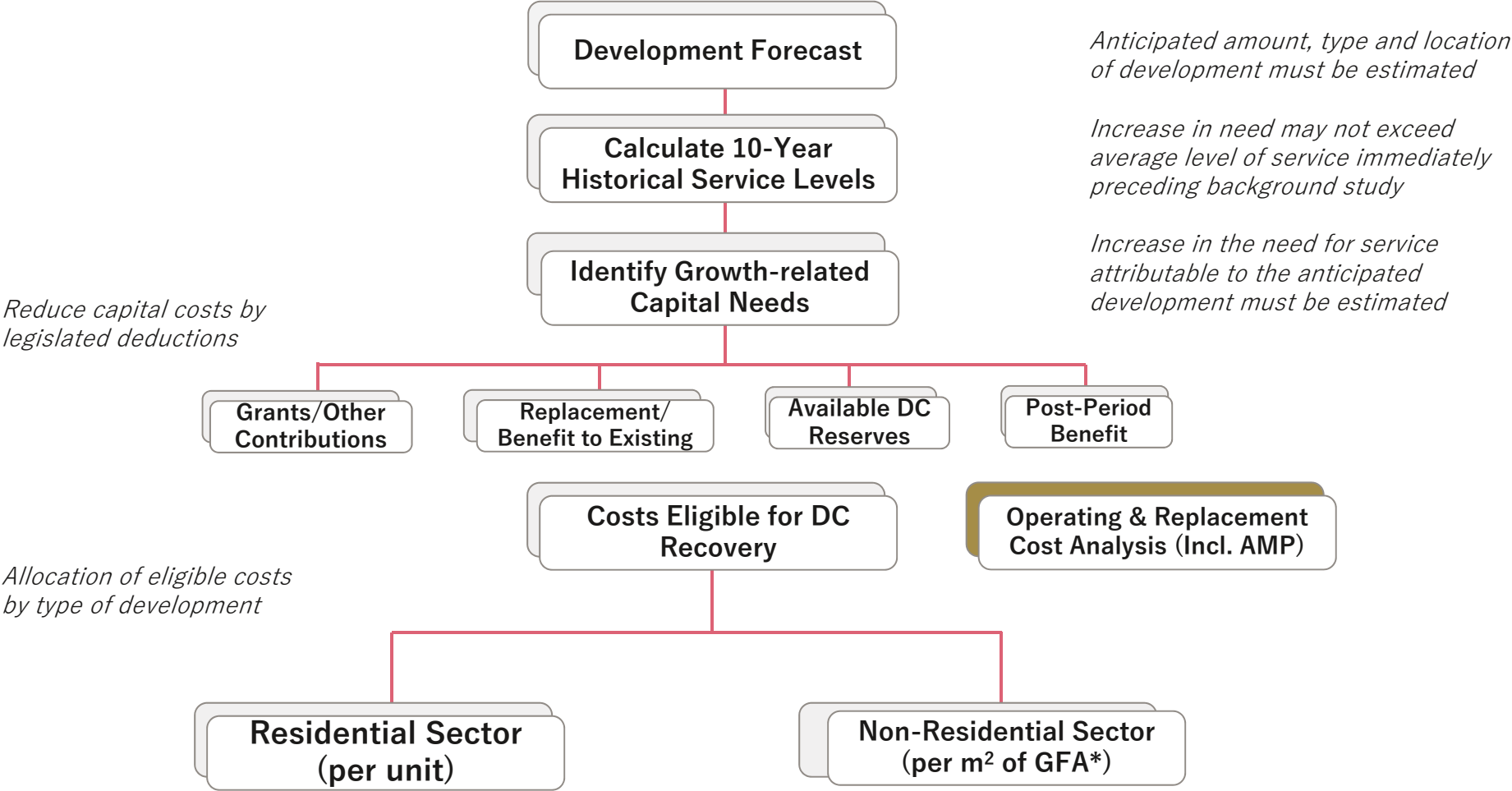
*As defined in the legislation

Initial installment paid at occupancy (permit or actual) and annually thereafter

Changes in Effect as of September 17, 2020

- Changes to the DCA:
 - Legislated 10% statutory discount will no longer apply
 - Some services are no longer DC eligible
- Changes to Section 37 of the Planning Act (now Community Benefits Charges):
 - Land value based charge
 - Charged only by local municipalities
 - Imposed only with respect to apartment buildings (5 storeys or more)
 - Used to pay for the full range of DC-eligible services, as well as for parkland and other public recreation purposes (provided that capital costs to be funded from CBCs are not also funded from DCs – no “double dipping”)
 - Prescribed CBC cap on the value of land to be developed will be 4%.
- Parkland Dedication Provisions Reintroduced

Development Charges Study Process



*Gross Floor Area

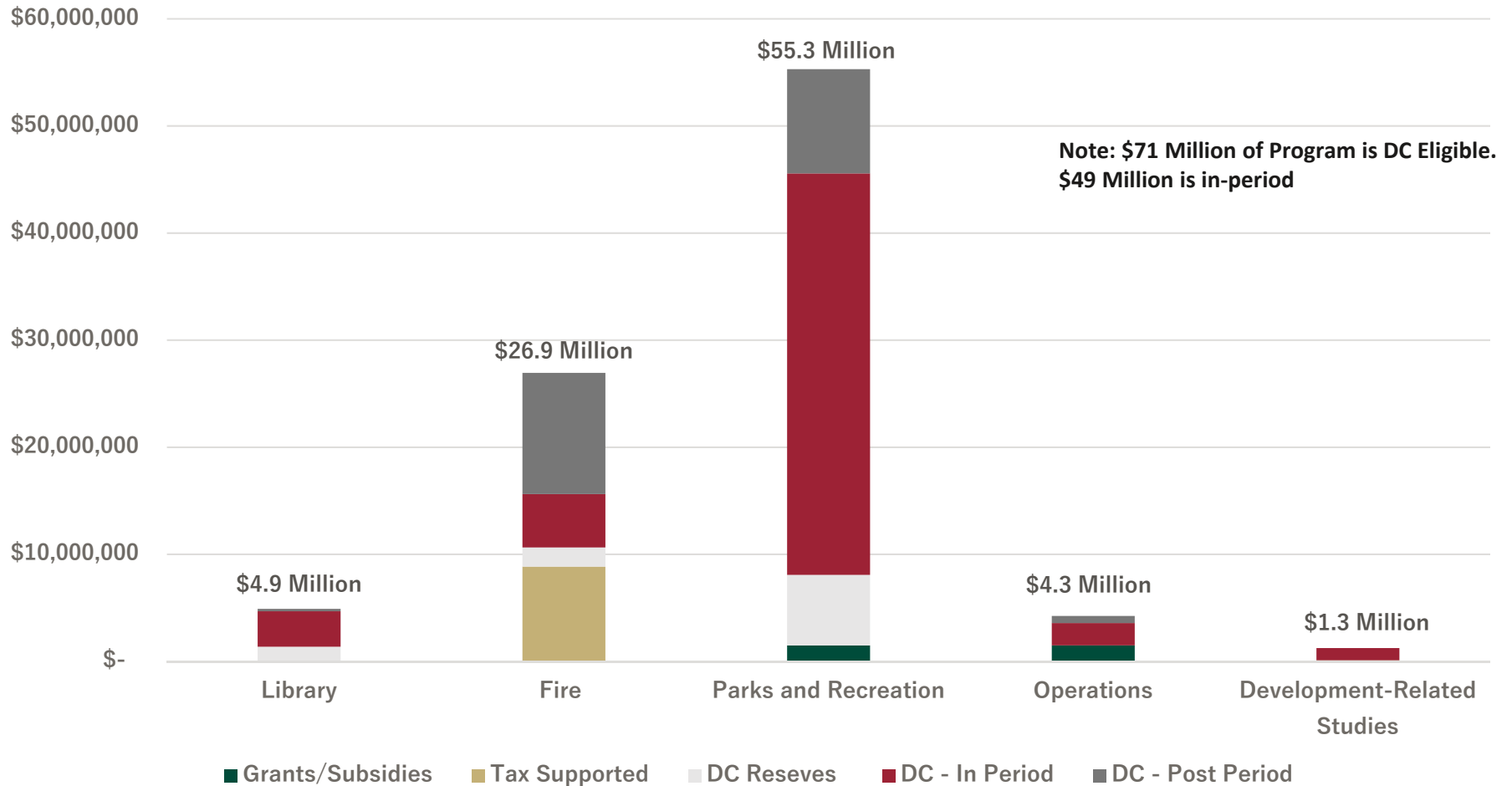
Development Forecast Summary⁽¹⁾

Town-wide Development Forecast	2020 Estimate	General Services Planning Period 2021 - 2030		Long-Term Planning Period 2021 - 2041	
		Growth	Total at 2030	Growth	Total at 2041
Residential					
Total Occupied Dwellings	17,565	3,168	20,733	8,879	26,444
Population					
Census	47,427	7,834	55,260	20,749	68,176
<i>Population In New Dwellings</i>		8,729		24,347	
Non-Residential					
Total Employment for DCs	8,095	3,045	11,140	9,994	18,089
Non-Residential Building Space (sq.m.)		205,240		731,299	

Note 1: Based on achieving OP Targets in 2041

Summary of DC Capital Program: General Services

Gross Program = \$92.7 Million



Summary of DC Capital Program: Engineering Town-wide and Area Specific

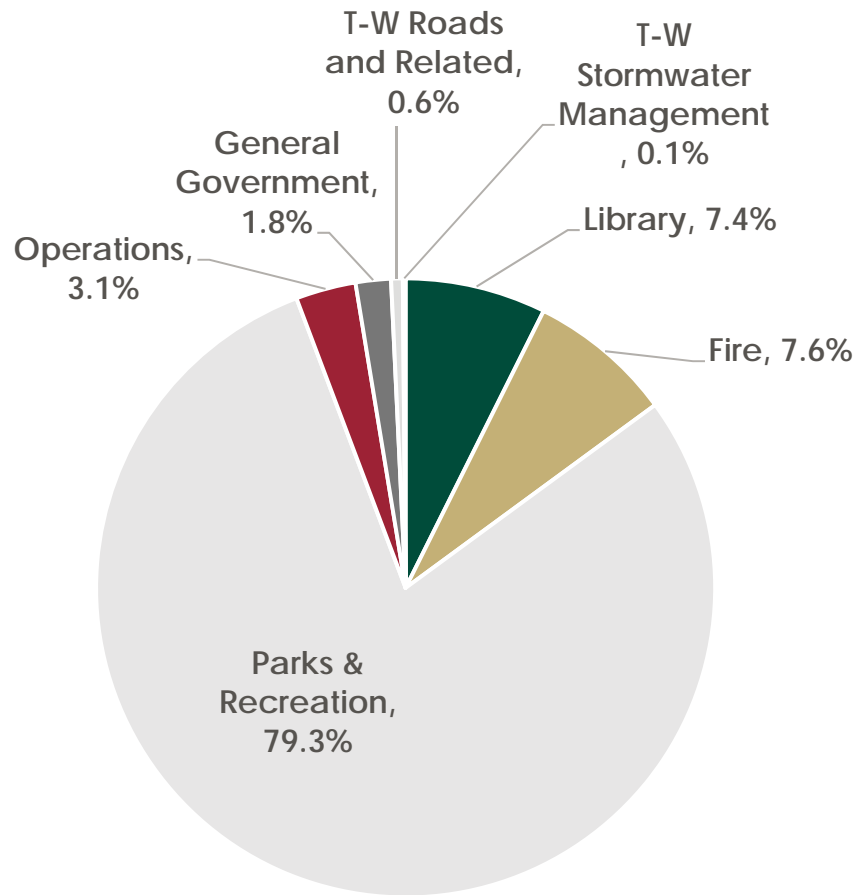
Service Area	Development-Related Capital Program (2021 - 2041)				
	Net Municipal Cost (\$000)	Replacement & Benefit to Existing (\$000)	Available DC Reserves (\$000)	Post-Period Benefit (\$000)	Total DC Eligible Costs for Recovery (\$000)
1.0 TOWN-WIDE ROADS AND RELATED	\$1,750.0	\$0.0	\$498.2	\$0.0	\$1,251.8
2.0 TOWN-WIDE STORMWATER MANAGEMENT	\$300.0	\$0.0	\$11.8	\$0.0	\$288.2
TOTAL MUNICIPAL-WIDE ENGINEERED SERVICES	\$2,050.0	\$0.0	\$510.0	\$0.0	\$1,540.0

Service Area	Development-Related Capital Program (2021 - 2041)				
	Net Municipal Cost (\$000)	Replacement & Benefit to Existing (\$000)	Available DC Reserves (\$000)	Post-Period Benefit (\$000)	Total DC Eligible Costs for Recovery (\$000)
1.0 KESWICK SERVICE AREA	\$17,701.5	\$3,722.9	\$1,263.1	\$0.0	\$12,715.5
2.0 SUTTON SERVICE AREA	\$1,348.8	\$224.2	\$293.3	\$0.0	\$831.3
3.0 SUTTON HIGH STREET SEWER SERVICE AREA	\$2,430.0	\$0.0	\$471.3	\$0.0	\$1,958.7
4.0 QUEENSWAY EAST AND WEST SERVICE AREA (1)	\$7,661.0	\$3,211.4	\$3.3	\$0.0	\$4,446.3
TOTAL AREA-SPECIFIC ENGINEERED SERVICES	\$29,141.3	\$7,158.4	\$2,031.0	\$0.0	\$19,951.8

Note 1: net municipal cost illustrated is net of local service costs for the Queensway East and West Service Area



Draft Calculated Maximum Allowable Residential Town-Wide DC Rates

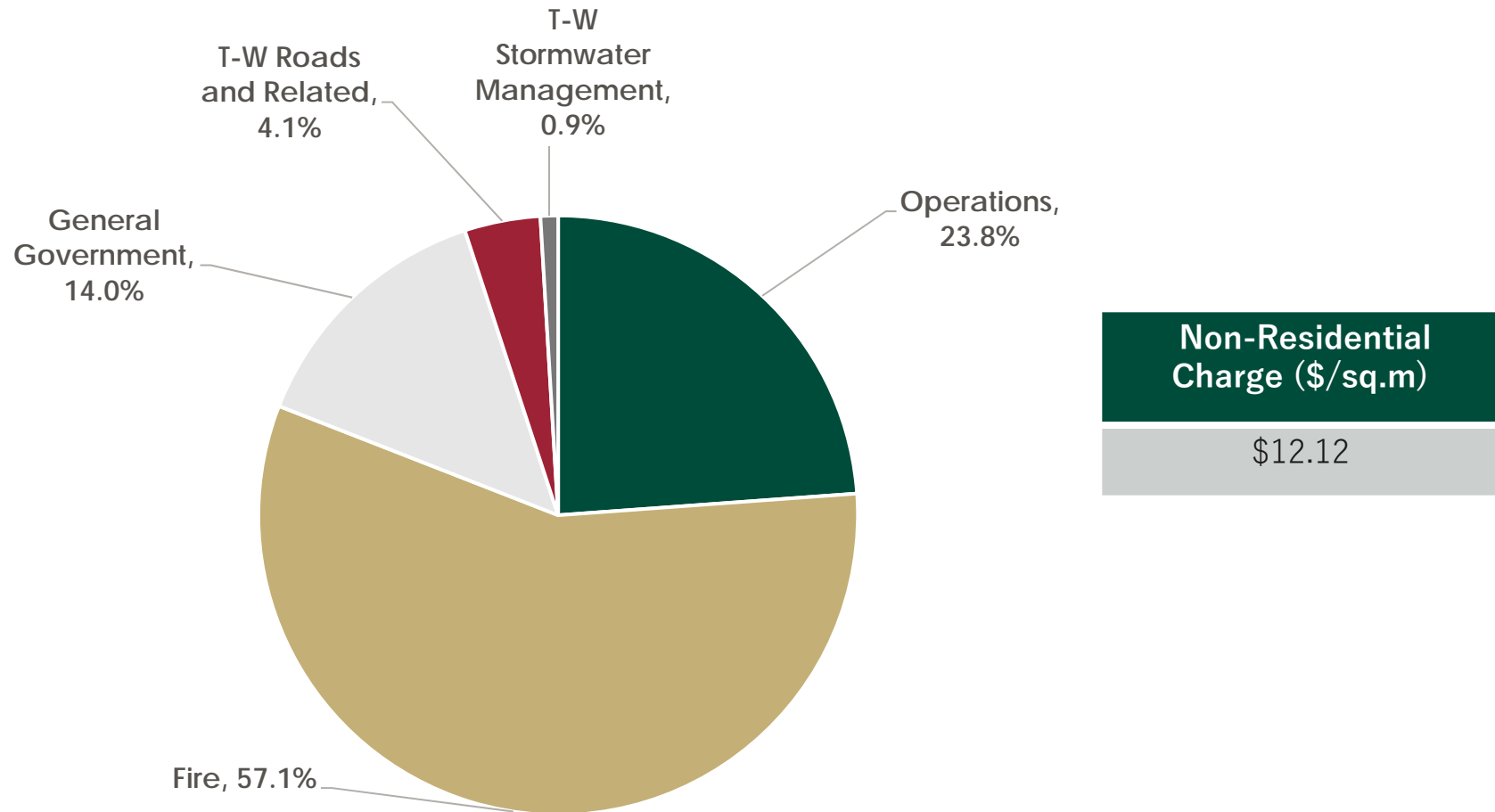


Residential Charges Per Unit	
Single & Semi Detached	\$18,068
Rows & Other Multiples	\$14,479
Apartments (Small)	\$12,566
Apartments (Large)	\$8,676

Comparison of Current vs Draft Calculated Rates (Residential)

Service	Current Residential Charge / SDU	Calculated Residential Charge / SDU	Difference in Charge	
Library Services	\$1,052	\$1,330	\$278	26%
Fire And Emergency Services	\$1,035	\$1,367	\$332	32%
Parks And Recreation	\$8,910	\$14,335	\$5,425	61%
Operations	\$713	\$568	(\$145)	-20%
Development-Related Studies	\$122	\$333	\$211	173%
Total General Services	\$11,832	\$17,933	\$6,101	52%
Town-Wide Roads And Related	\$52	\$110	\$58	112%
Town-Wide Stormwater Management	\$22	\$25	\$3	14%
TOTAL TOWN-WIDE CHARGE BY UNIT TYPE	\$11,906	\$18,068	\$6,162	52%

Draft Calculated Maximum Allowable Non-Residential Town-Wide DC Rates



Comparison of Current vs Draft Calculated Rates (Non-Residential)

Service	Current	Calculated	Difference in Charge	
	Non-Residential Charge / SQ.M	Non-Residential Charge / SQ.M		
Library Services	\$0.00	\$0.00	\$0.00	N/A
Fire And Emergency Services	\$4.86	\$6.92	\$2.06	42%
Parks And Recreation	\$0.00	\$0.00	\$0.00	N/A
Operations	\$3.47	\$2.89	(\$0.58)	-17%
Development-Related Studies	\$0.58	\$1.70	\$1.12	193%
Total General Services	\$8.91	\$11.51	\$2.60	29%
Town-Wide Roads And Related	\$0.23	\$0.50	\$0.27	116%
Town-Wide Stormwater Management	\$0.12	\$0.11	(\$0.01)	-5%
TOTAL TOWN-WIDE CHARGE PER SQ.M.	\$9.26	\$12.12	\$2.86	31%

Draft Calculated DC Rates: Area-Specific Services

Service Area	Residential Charge by Unit Type				Non-Residential Charge (\$/sq.m)
	Single & Semi-Detached	Rows & Other Multiples	Apartments		
			≥650 sq.ft.	<650 sq.ft.	
Keswick Service Area	\$1,525	\$1,222	\$1,060	\$732	\$6.90
Sutton Service Area	\$434	\$348	\$302	\$209	\$1.97
Sutton High Street Sewer	\$2,816	\$2,256	\$1,958	\$1,352	N/A
Queenway East and West	\$3,756	\$3,756	\$3,756	\$3,756	\$31.09

Draft Calculated Residential DC Rates: ASDC - Keswick

Keswick				
Service	Current Residential Charge / SDU	Calculated Residential Charge / SDU	Difference in Charge	
Town-Wide Charge	\$11,906	\$18,068	\$6,162	52%
Keswick Service Area	\$255	\$1,525	\$1,270	498%
TOTAL DEVELOPMENT CHARGE FOR DEVELOPMENT IN KESWICK	\$12,161	\$19,593	\$7,432	61%

Keswick - Queensway East and West				
Service	Current Residential Charge / SDU	Calculated Residential Charge / SDU	Difference in Charge	
Town-Wide Charge	\$11,906	\$18,068	\$6,162	52%
Keswick Service Area	\$255	\$1,525	\$1,270	498%
Keswick - Queensway East and West	\$3,373	\$3,756	\$383	11%
Total Development Charge - Keswick Queensway East and West Service Area	\$15,534	\$23,349	\$7,815	50%

Draft Calculated Residential DC Rates: ASDC - Sutton

Sutton				
Service	Current Residential Charge / SDU	Calculated Residential Charge / SDU	Difference in Charge	
Town-Wide Charge	\$11,906	\$18,068	\$6,162	52%
Sutton Service Area	\$358	\$434	\$76	21%
TOTAL DEVELOPMENT CHARGE FOR DEVELOPMENT IN SUTTON	\$12,264	\$18,502	\$6,238	51%

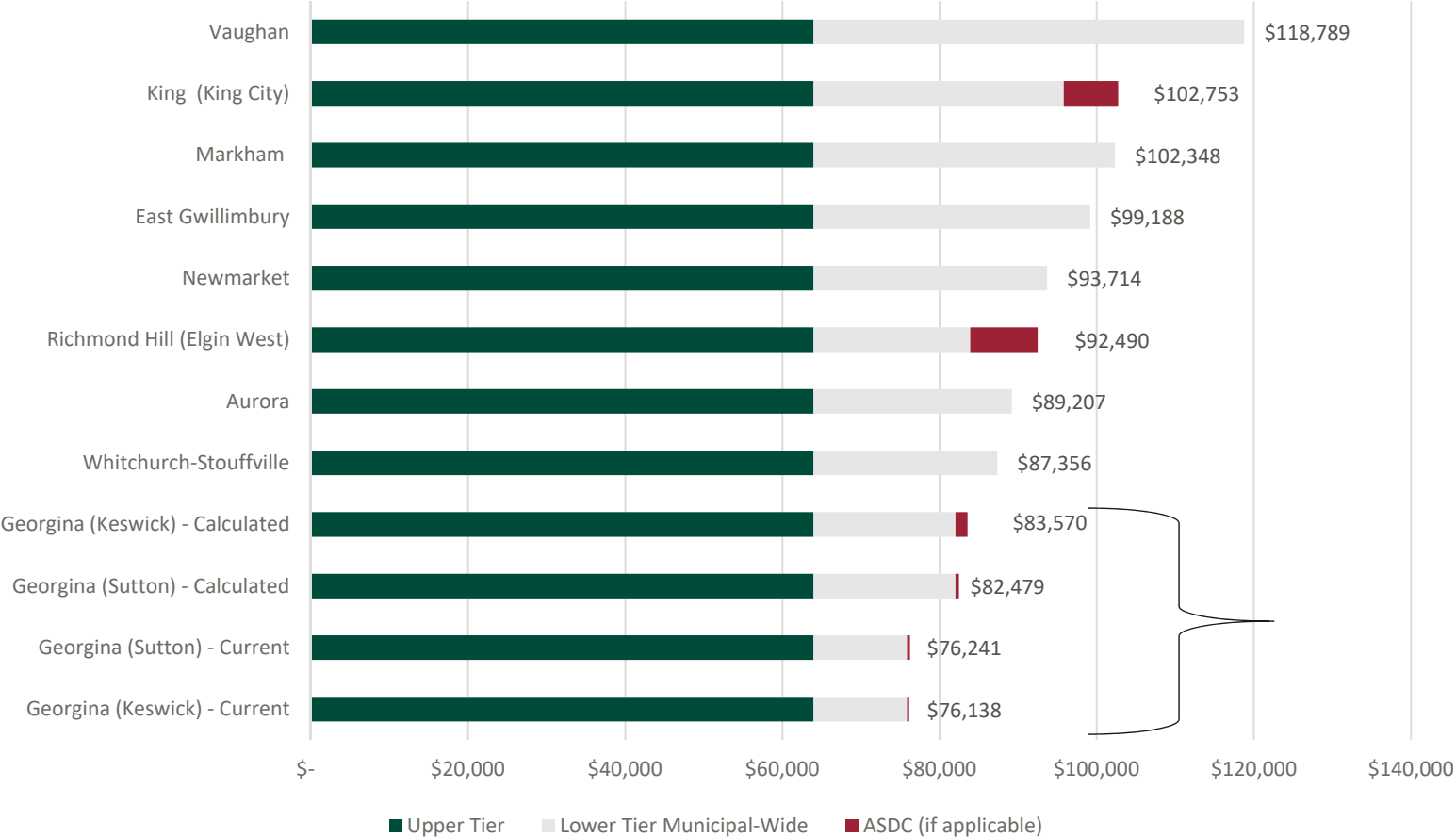
Sutton High Street Sewer				
Service	Current Residential Charge / SDU	Calculated Residential Charge / SDU	Difference in Charge	
Town-Wide Charge	\$11,906	\$18,068	\$6,162	52%
Sutton Service Area	\$358	\$434	\$76	21%
Sutton High Street Sewer	\$1,315	\$2,816	\$1,501	114%
TOTAL DEVELOPMENT CHARGE IN THE SUTTON HIGH STREET SEWER AREA	\$13,579	\$21,318	\$7,739	57%

What is Attributing to the Rate Increase?

What is attributing to the Rate Increase?

1. Parks and Recreation Capital Program
 - MURC, Various Park Projects
2. Keswick Service Area: Enhanced development-related program
 - Increased capital costs for certain projects
3. Additional studies required to support future growth

Comparison of Development Charges (Residential per SDU)

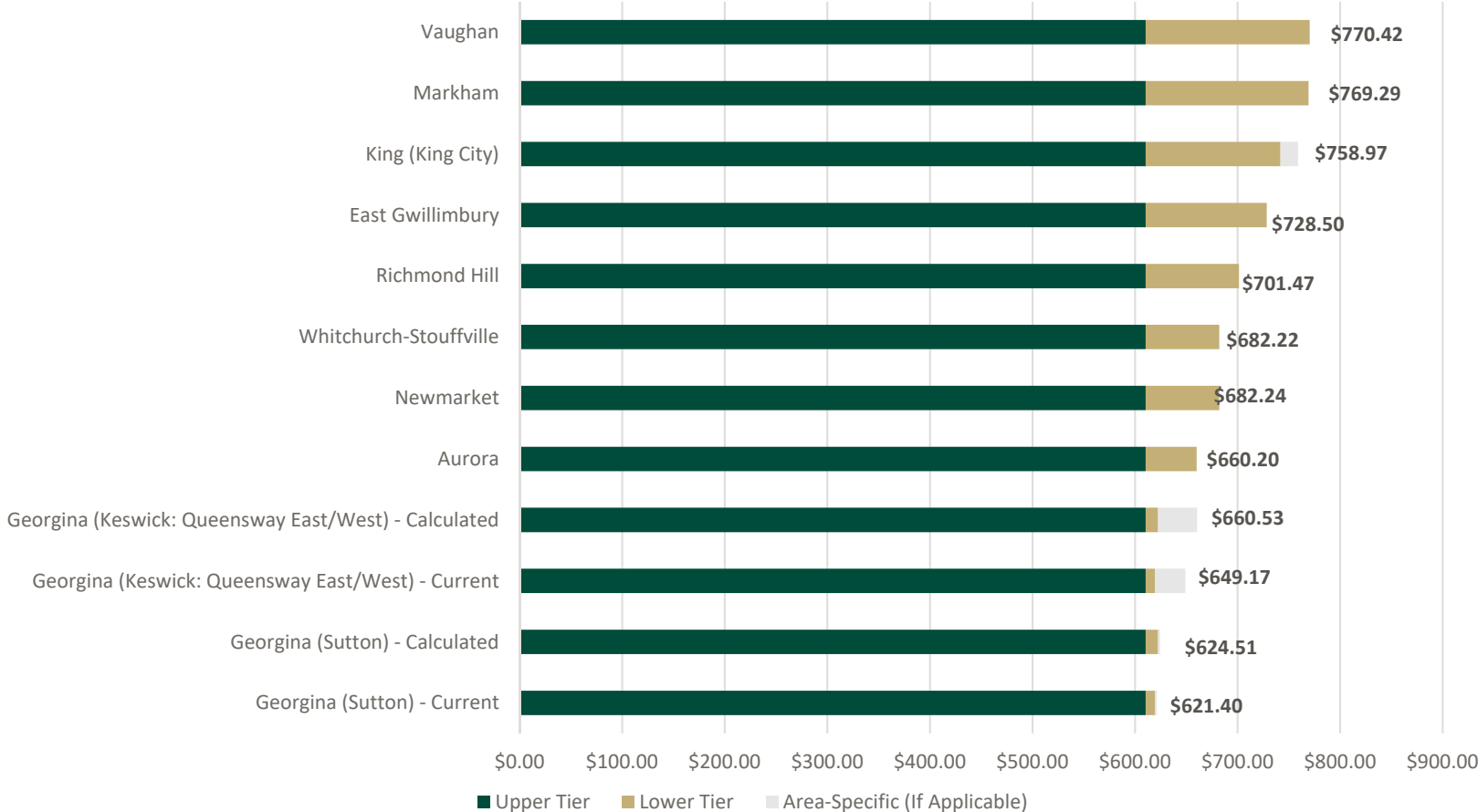


Note: Rates exclude school board charges.

Additional Area-Specific charges would be applicable in most other communities above but not illustrated



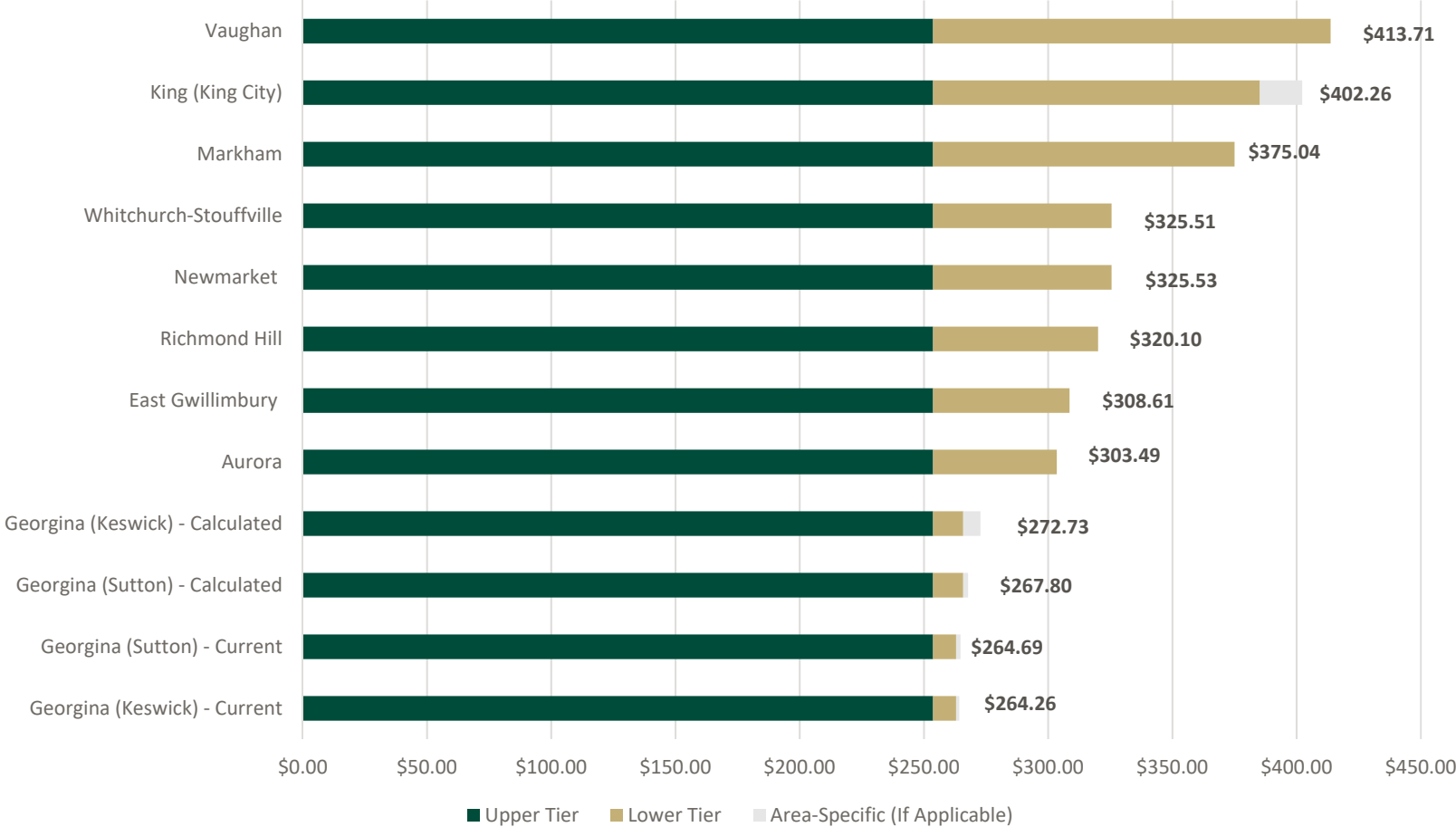
Comparison of Development Charges: Non-Residential (Commercial – per sq.m)



*Note: Rates exclude school board charges.
Additional Area-Specific charges would be applicable in most other communities above but not illustrated*



Comparison of Development Charges: Non-Residential (Industrial – per sq.m)



Note: Rates exclude school board charges.

19 *Additional Area-Specific charges would be applicable in most other communities above but not illustrated*



Implementation Options and Policy Considerations

- Council has the authority to implement:
 - the maximum allowable rate, or
 - a DC lower than the maximum allowable rate calculated.
- Development charges can also be phased-in over the life of DC by-law
- Important to consider:
 - loss of revenue to be made up from other sources – property taxes/utility rates
 - Foregone DC revenue cannot be made up by way of higher DCs.

Next Steps

Next Steps

- Seek Council Feedback and Refine Results
- Meet with stakeholders to discuss draft results
- Draft DC Background Study
- Statutory Public Meeting (April 21st)
- DC By-law passed by Town Council (May 19th)