

Town of Georgina 2016 Development Charges Study Council Information Session



Wednesday, March 23, 2016

HEMSON
Consulting Ltd.



Topics

- Overview of *Development Charges Act*
- Development charges in Georgina
- Background study process
- Draft DC rates
- By-law provisions
- Next steps

Overview of the *Development Charges Act (DCA)*

- DCs imposed by by-law
- Town's by-laws expire July 18, 2016
- Prior to passing a by-law, Town must:
 - Undertake a background study
 - Hold at least one public meeting
- Appeals adjudicated at OMB

Overview of the *DCA*

- Charges levied on a service basis
- Town given discretion to define services
- Two types of service:

	'General ' Services	'Hard' Services (Engineering/ Protection)
DC eligible cost recovery	90%	100%
Maximum planning period	10 years	unlimited

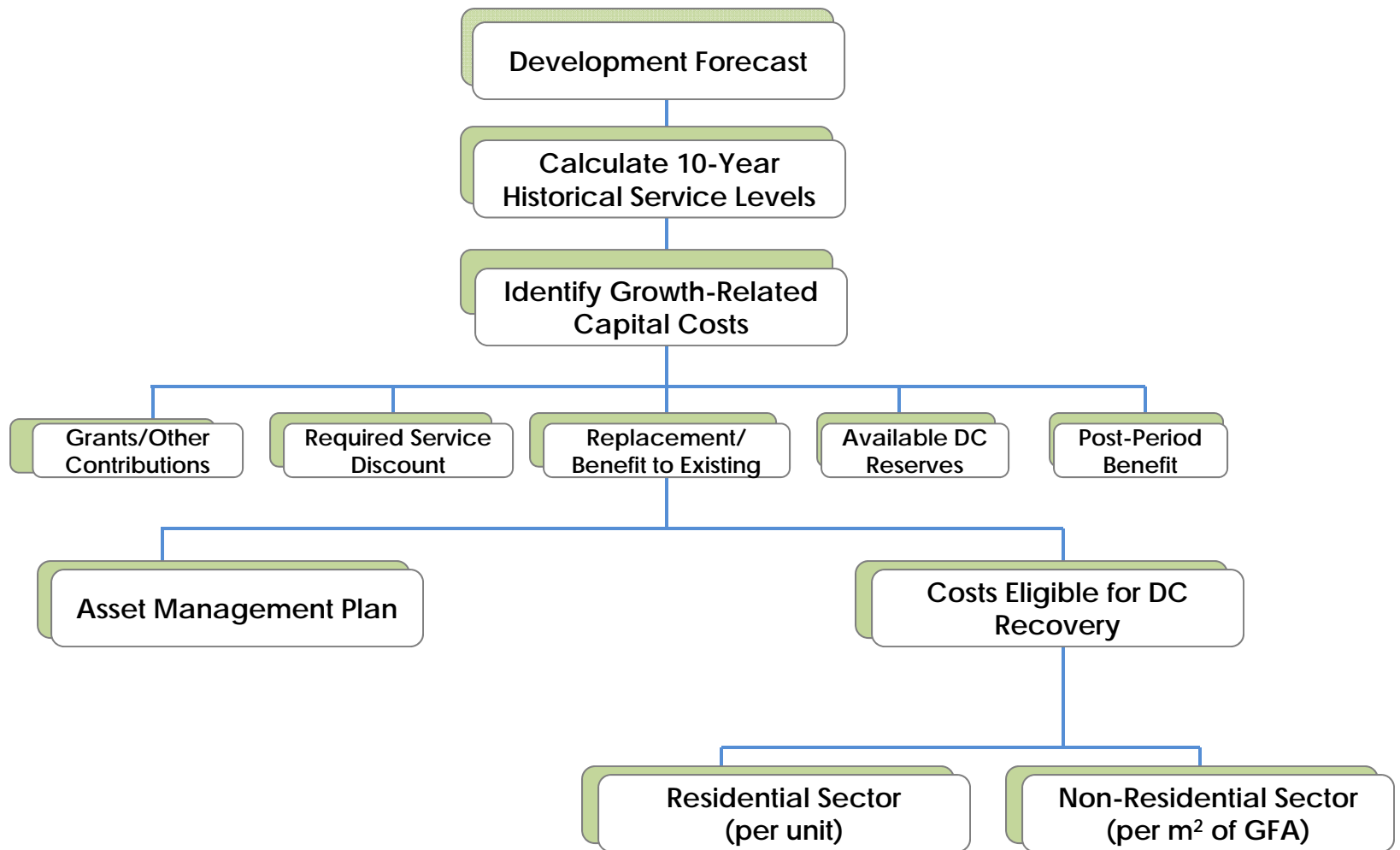
Overview of the *DCA*

- Service exclusions now set out in Regulation:
 - Cultural and entertainment facilities, including museums, theatres and art galleries
 - Tourism facilities including convention centres
 - Parkland acquisition
 - Hospitals
 - Headquarters for general administration of municipalities and local boards
 - **Landfill sites and waste incineration services**

Overview of the *DCA*

- Eligible capital costs
 - Costs to acquire and improve land
 - Building and structure costs
 - Rolling stock with a useful life of 7 years or more
 - Furniture and equipment, excluding computer equipment
 - Development-related studies
 - Interest and financing costs

Study Process



Step 1 – Development Forecast

- 2 planning horizons:
 - 10 years for general 'soft' services (2016-2025)
 - Long term for engineered services (2016-2036)
- Two types of charges
 - Town-wide uniform charges
 - Area specific charges
 - Keswick (Roads, Water, Sewer)
 - Sutton (Roads, Water Sewer)
 - Sutton High Street (Sewer)

Town-Wide Residential Forecast Comparison

	10 Year Growth		Long-Term Total	
	Old Study	New Study	Old Study (in 2031)	New Study (in 2036)
Total Population	8,605	6,169	67,104	65,394
Households	3,855	2,604	25,528	24,000
Population in New Housing	10,339	7,225	n/a	

Town-Wide Non-Residential Forecast Comparison

	10 Year Growth		Long-Term Total	
	Old Study	New Study	Old Study (in 2031)	New Study (in 2036)
Total Employment	4,464	4,169	21,244	19,670
New Floorspace	281,736	290,040	n/a	

Step 2 – Town-Wide Services

Service	Cost Recovery	Planning Period	Comments
Library Board	90%	10 years	Same as current by-law
Fire Services	100%	10 years	Same as current by-law
Parks and Recreation	90%	10 years	Same as current by-law
Operations	100%	10 years	Costs recovered to 90% under current by-law – now 100%
General Government	90%	10 years	Same as current by-law
Town-wide Roads and Related	100%	to 2036	Same as current by-law Planning period from 2031 to 2036
Town-wide Stormwater Management	100%	to 2036	New service - not in current by-law

Step 2 – Area-Specific Services

Service	Cost Recovery	Planning Period	Comments
Keswick Roads, Water & Sewer	100%	to 2036	Same as current by-law Planning period from 2031 to 2036
Sutton Roads, Water & Sewer	100%	to 2036	Same as current by-law Planning period from 2031 to 2036
Sutton High Street Sewer	100%	to 2036	Same as current by-law Planning period from 2031 to 2036

Step 3 – Development-Related Capital Costs

- Council must express intent to carry out capital works
- Based on capital budget, input from staff, 2011 DC Study, and Long Range Financial Plan
- Capital costs have been adjusted in accordance with DCA
 - Capital grants & subsidies
 - Replacement/benefit to existing
 - 10% legislated discount for “soft services”
 - Available DC reserve funds
 - Post period benefits

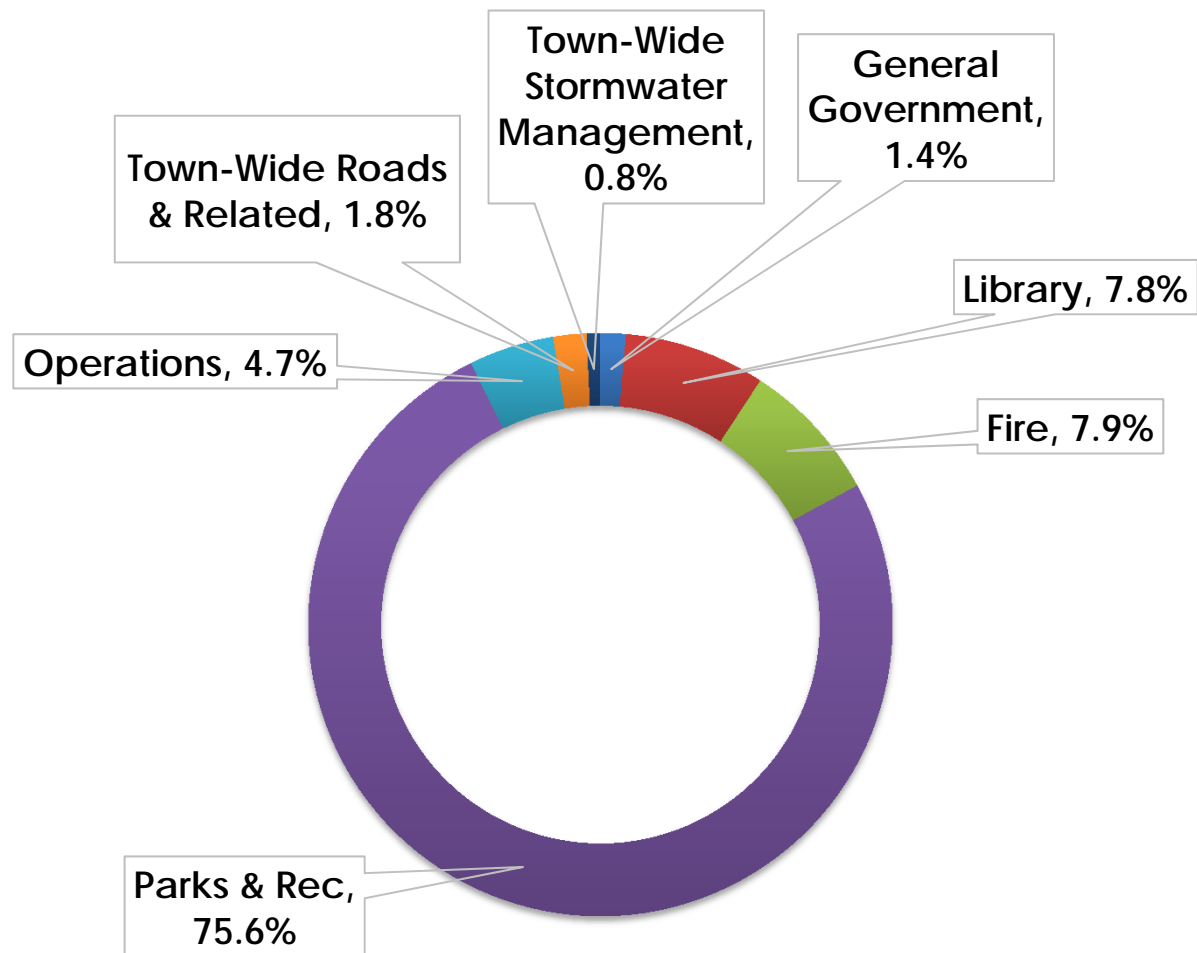
Step 3 – Capital Cost Deductions

	Town-Wide Capital Program (\$ millions)	Area-Specific Capital Programs (\$ millions)
Total Gross Cost	\$66.1	\$9.8
Less: Grants & Subsidies	\$1.0	\$0.0
Less: Benefit to Existing Share	\$6.6	\$4.1
Less: 10% Discount	\$4.1	\$0.0
Less: Reserve Funds	\$4.2	\$1.6
Less: Post-Period Benefit	\$24.0	\$0.0
DC Eligible Costs	\$26.2	\$4.1

Step 3 – Development-Related Capital Costs

- Town must fund the following from non-DC sources (i.e. property taxes)
 - \$10.4 million in benefit to existing
 - \$4.1 million in 10% discount
- Town must find interim financing for
 - \$24.0 million in “post period” benefits
 - Town can expect to fund these costs through future DCs (2026-2031)

DC Eligible Costs – Town-Wide



Total DC Eligible Costs = \$26.2 million

Step 3 – Town-Wide Development-Related Program

Service	Project Summary	Timing	DC Eligible Cost
Library Board	Library Space at MURC Collection Materials	2017 Various	\$1,590,808 \$461,970
Fire Services	<p>Additional Fire Hall Space New Station in South Keswick North Keswick Station & HQ Reconstruction Provision for Expansion outside Keswick</p> <p>New Vehicles & Equipment at South Keswick Pumper Heavy Rescue Support Vehicle Furniture & Equipment Support Vehicle</p> <p>Other Development-Related Equipment Bunker Gear Emergency Management Generator</p>	2020 2022 2025 2020 2020 2020 2020 2020 2025	\$2,063,654 Post period benefit Post period benefit Post period benefit Post period benefit Post period benefit Post period benefit Post period benefit Post period benefit
Parks and Recreation	The Link (15% Town portion) MURC Park development & amenities	2016 2017 Various	Funded from reserves \$19,836,932 Post period benefit

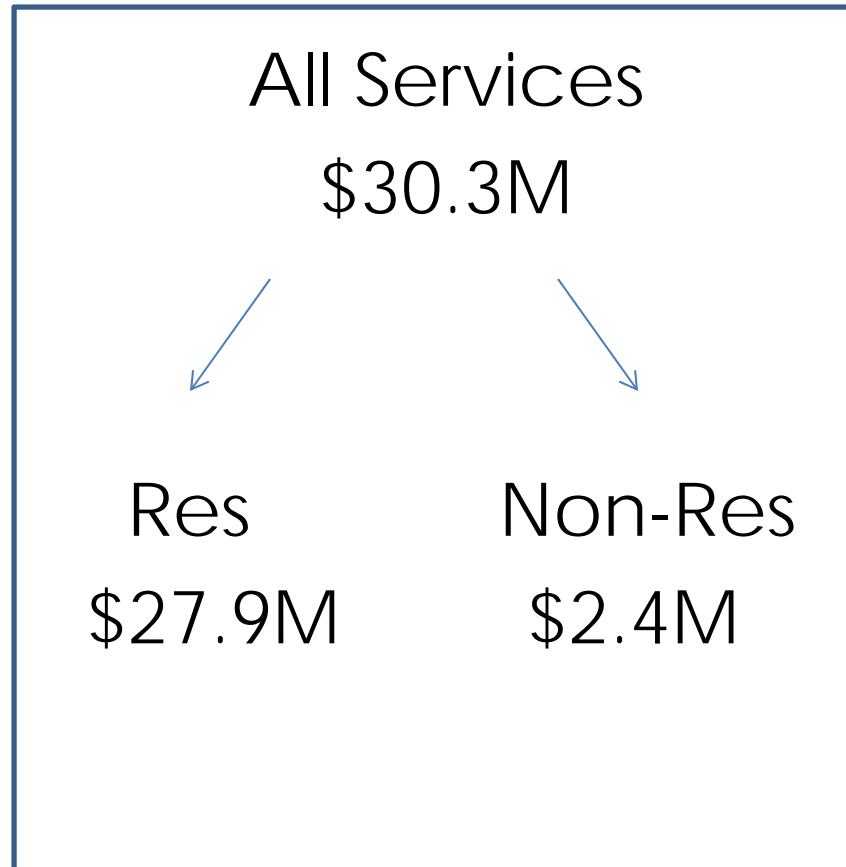
Step 3 – Town-Wide Development-Related Program

Service	Project Summary	Timing	DC Eligible Cost
Operations	Recovery of Negative Reserve Fund Balance	2016	\$729,085
	2 vehicle bays	2020	Post period benefit
	New Hoists	2020	Post period benefit
	New Roads and Related Fleet	Various	\$97,000
	New Water and Wastewater Fleet	Various	\$348,787
General Government	DC Study	2020	\$24,543
	Official Plan Review	2020	\$13,500
	Zoning By-law Update	2020	\$9,000
	Official Plan Review	2025	\$13,500
	DC Study	2025	\$45,000
	Library Master Plan	2025	\$36,000
	Other Planning Studies	Various	\$225,000
Town-wide Roads & Related	Provision for future road improvements	Various	\$480,843
Town-wide Stormwater Management	Stormwater Management Study	Various	\$200,000

Step 3 – Area Specific Development-Related Program

Service	Project Summary	DC Eligible Cost
Keswick	Roads Dovedale Drive Queensway North Urbanization	\$1,493,852 \$250,000
	Water & Sewer Keswick Truck Sewers Keswick Trunk Main	Funded from reserves Funded from reserves
Sutton	Roads Black River Sidewalk	\$519,467
	Water & Sewer Black River Watermain High Street Watermain	Funded from reserves Funded from reserves
Sutton High Street Sewer	High Street Sewer	\$1,817,858

Step 4 – Allocation of DC Eligible Costs



DC Rate Calculation

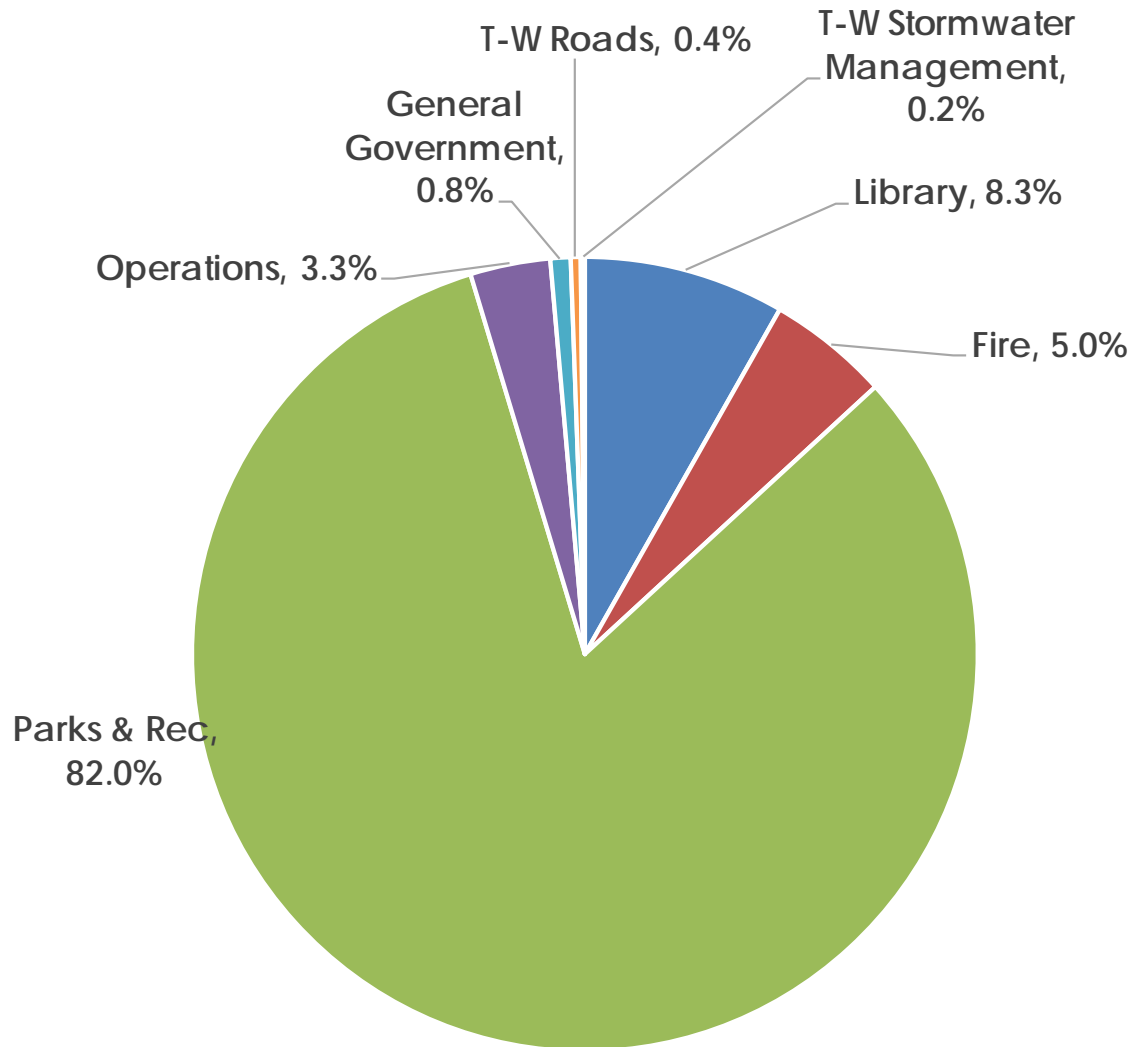
Residential:

- Expressed as a charge per capita
- Levied as charge per unit and by unit type
- Apartments differentiated by bedroom

Non-Residential:

- Expressed as a charge per square metre of gross floor area (GFA)
- Single rate calculated for all non-residential uses

Maximum Permissible Town-Wide Residential Rates



Town-wide Residential Charges / Unit

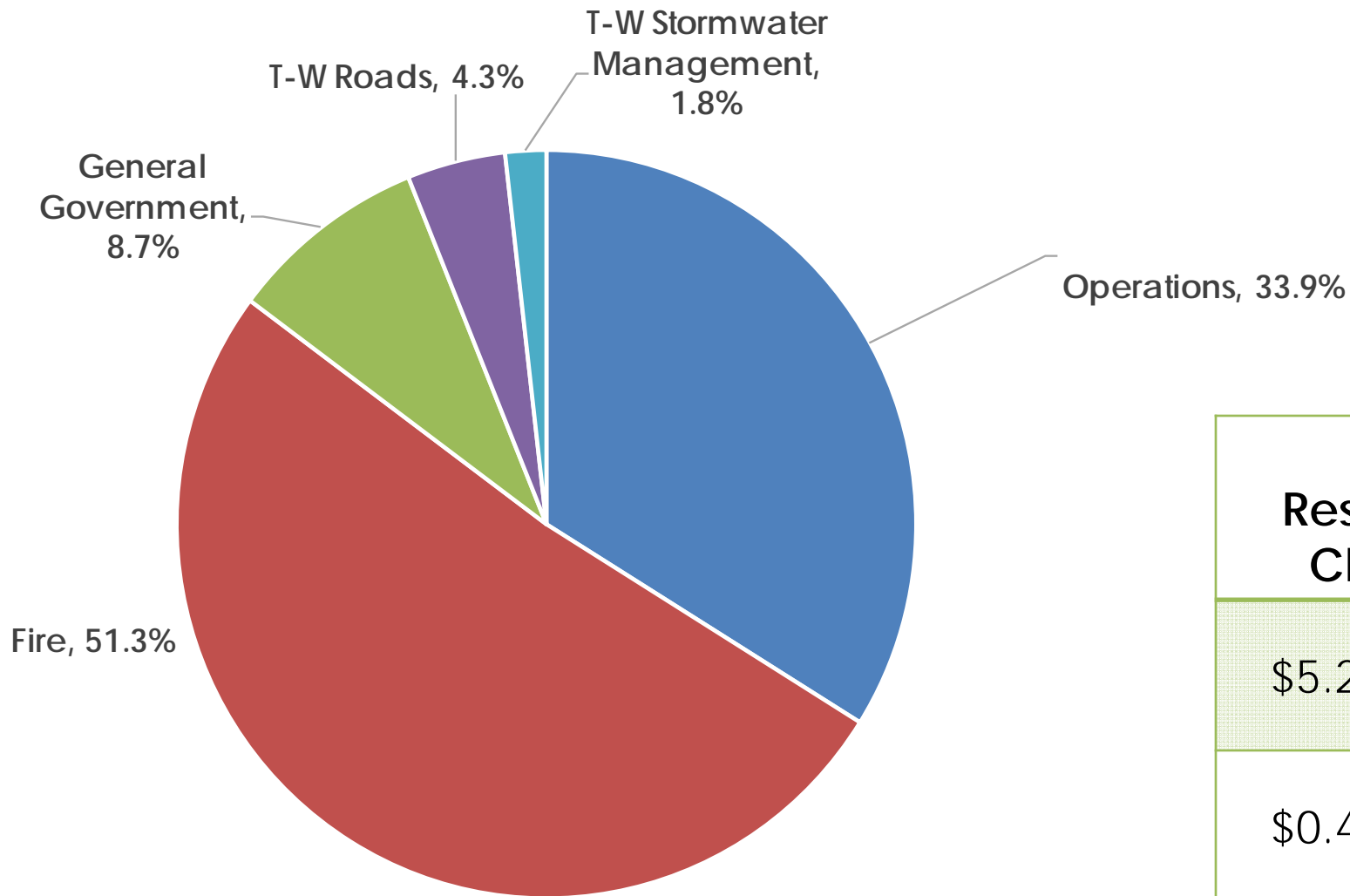
Singles & Semis
\$11,408

Rows & Other
Multiples
\$9,191

Apartments
650 sq.ft +
\$8,012

Apartments
<650 sq.ft
\$5,530

Maximum Permissible Town-Wide Non-Residential Rates



Maximum Permissible Area Specific DCs in Georgina

DC Area	Calculated Residential DC \$/SDU	Calculated Non-Residential DC \$/sq.m.
Town-wide	\$11,408	\$5.28
Keswick Roads, Water, Sewer	\$249	\$1.22
Sutton Water, Sewer	\$243	\$7.63
Sutton High Street Sewer Sewer	\$1,138	\$0.00

Current vs. Calculated Town-Wide Residential DCs

Service	Current Charge \$/SDU	Calculated Charge \$/SDU	Difference \$
Library	\$133	\$943	\$810
Fire	\$459	\$568	\$109
Parks and Recreation	\$6,264	\$9,361	\$3,097
Operations	\$17	\$376	\$359
General Government	\$169	\$95	(\$74)
T-W Roads	\$72	\$46	(\$26)
T-W Stormwater Management	\$0	\$19	\$19
Total Town-Wide Charge	\$7,113	\$11,408	\$4,295

Current vs. Calculated Town-Wide Non-Residential DCs

Service	Current Charge \$/Sq.M	Calculated Charge \$/Sq.M	Difference \$
Library	\$0.00	\$0.00	\$0.00
Fire	\$2.83	\$2.71	(\$0.12)
Parks and Recreation	\$0.00	\$0.00	\$0.00
Operations	\$0.11	\$1.79	\$1.68
General Government	\$1.02	\$0.46	(\$0.56)
T-W Roads	\$0.34	\$0.23	(\$0.11)
T-W Stormwater Management	\$0.00	\$0.09	\$0.09
Total Town-Wide Charge	\$4.31	\$5.28	\$0.98

Current vs. Calculated Single/Semi Detached Unit Charge

Service	Current Charge \$/SDU	Calculated Charge \$/SDU	Difference \$
Town-Wide	\$7,113	\$11,408	\$4,295
Keswick	\$7,176	\$11,657	\$4,481
Sutton	\$7,136	\$11,651	\$4,515
Sutton High Street Sewer	\$8,362	\$12,546	\$4,184

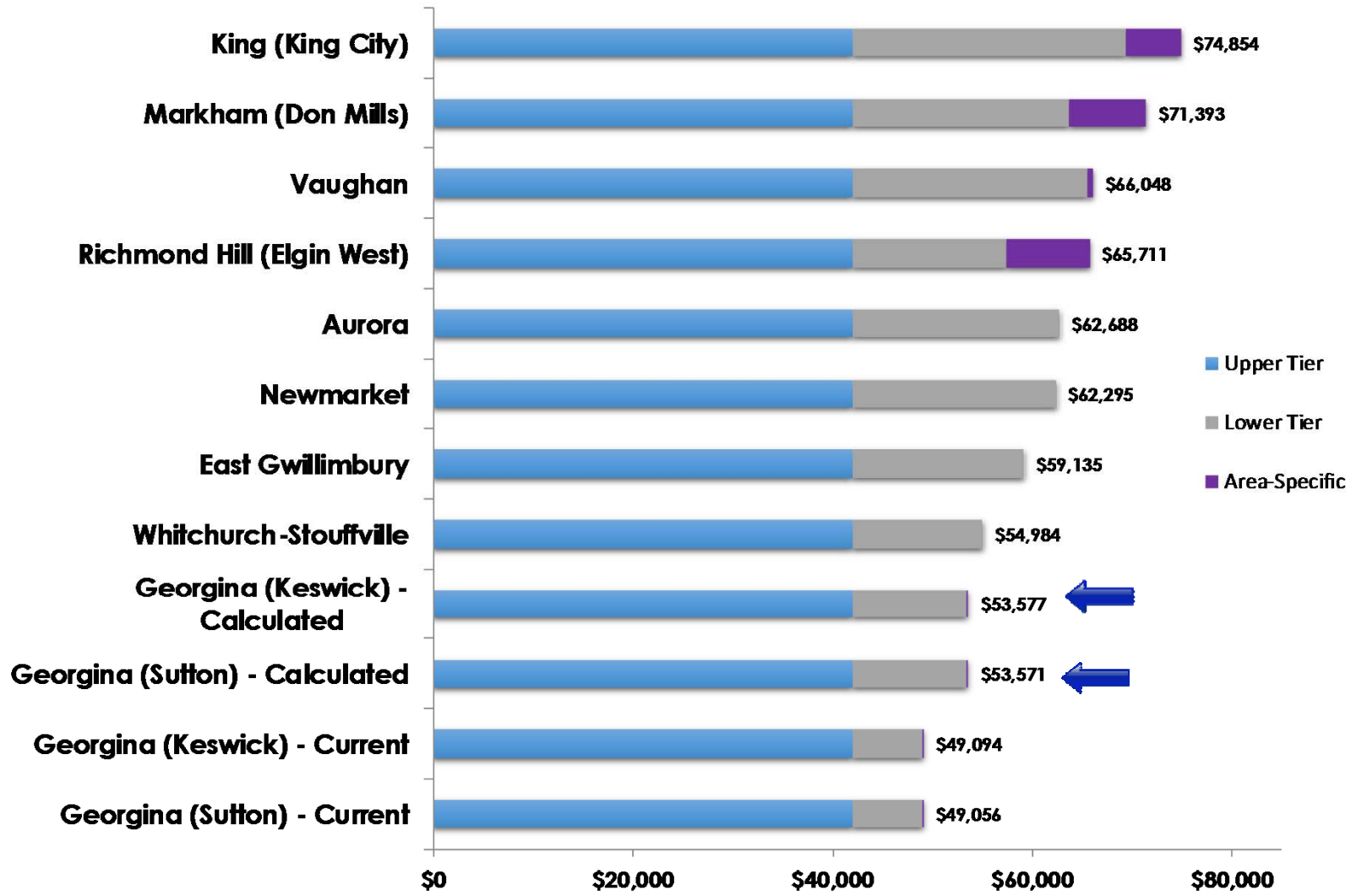
Current vs. Calculated Non-Residential Charge (Per Sq. m)

Service	Current Charge \$/Sq.m	Calculated Charge \$/Sq.m	Difference \$
Town-Wide	\$4.31	\$5.28	\$0.98
Keswick	\$4.74	\$6.50	\$1.77
Sutton	\$4.41	\$12.91	\$8.50
Sutton High Street Sewer	\$4.41	\$5.28	\$0.87

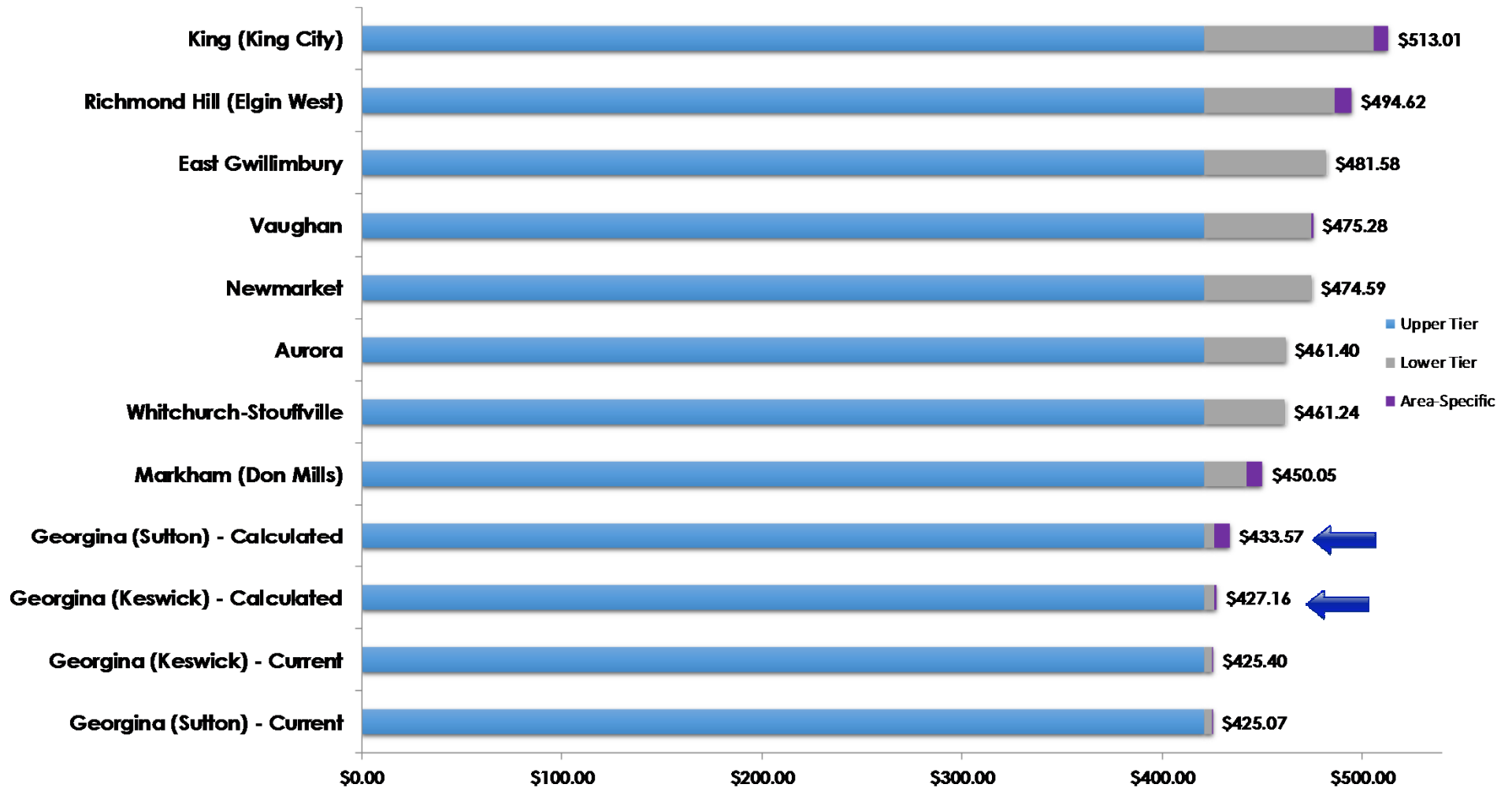
Factors Influencing Rates

- Lower growth
- Higher service levels
- Larger capital program
- New service
- Reserve fund shifts

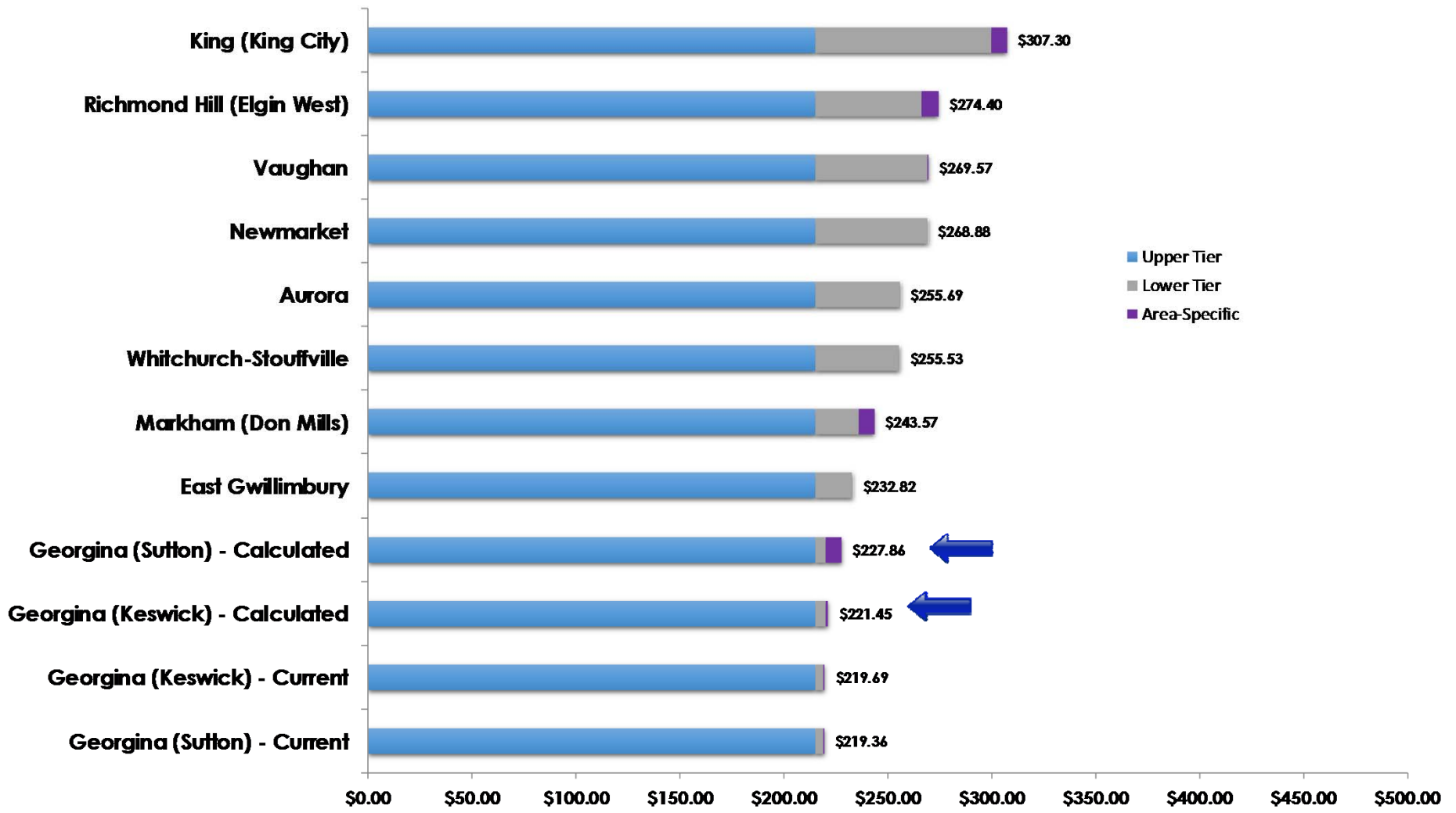
Residential Rate Comparison



Commercial Rate Comparison



Industrial Rate Comparison



Current By-law: Exemptions

- Statutory
 - Board of education
 - Municipality or local board
- Discretionary
 - Farm buildings used for agricultural purpose
 - Indian lands
 - Place of worship, including churchyards, cemeteries, and burial grounds
 - Accessory uses not exceeding 10 sq.m. of non-residential GFA

Current By-law: Other Provisions

- DCs may be indexed every July
- DC credits for redevelopment provided redevelopment occurs within 5 years
- Local services are not funded through DCs
- Timing of payment
 - Default collection is building permit issuance
 - *DCA* provides for early or late collection under agreement
- Proposed change to definition of small apartment from 1 bedroom to <650 sq.ft.

Next Steps

Activity	Date
Release Background Study and Draft By-law	22 April
Stakeholder Open House	26 April
Advertise Public Meeting	2 May
Statutory Public Meeting	25 May
By-law Passage	22 June
Current by-law expires	18 July