

THE CORPORATION OF THE TOWN OF GEORGINA**REPORT NO. CS-2018-0041****FOR THE CONSIDERATION OF COUNCIL
SEPTEMBER 26, 2018****SUBJECT: AREA SPECIFIC DEVELOPMENT CHARGES BACKGROUND STUDY
& BY-LAW FOR THE QUEENSWAY EAST AND WEST SERVICE
AREA**

1. RECOMMENDATION:

1. That Council receive Report No. CS-2018-0041 prepared by the Corporate Services Department dated September 26, 2018 respecting the Area Specific Development Charges (ASDC) Background Study and By-Law for the Queensway East and West Service Area.
2. That Council state that it has given notice in accordance with Section 12 of the *Development Charges Act, 1997*, of its intention to pass a by-law under Section 2 of the Act.
3. That Council approve the ASDC Background Study dated September 14, 2018.
4. That Council state that it held a Public Meeting to consider the enactment of the ASDC By-law in accordance with Section 12 of the *Development Charges Act, 1997*.
5. That Council state that it heard all persons who applied to be heard and received written submissions whether in objection to, or in support of, the Area Specific Development Charges proposed at the Public Meeting.
6. That Council has determined that no further public meetings are required under Section 12(3) of the *Development Charges Act, 1997*.
7. That Council has indicated that it intends to ensure that the increase in the need for services attributable to the anticipated development, including any capital costs, will be met, by updating its capital budget and forecast where appropriate.
8. That Council adopt the Area Specific Development Charges By-law as presented in the By-laws Section of today's agenda.

2. PURPOSE:

The purpose of this report is to propose Council's adoption of the Area Specific Development Charge By-law as presented on today's agenda.

3. BACKGROUND:**Development Charges Overview**

Development charges are one-time fees collected from developers and builders to help pay for the cost of capital infrastructure required to provide municipal services to new development, such as roads, transit, water and sewer, parks, community facilities and fire and police facilities. Development charges are generally collected upon building permit issuance. The legislative authority for municipalities to levy development charges is contained in the *Development Charges Act, 1997*.

Development in the Town of Georgina is subject to development charges imposed by the Town of Georgina, as well as the Region of York and the school boards.

Wexford Pumping Station Replacement Strategy and Cost Sharing Agreement

At their meeting of October 25, 2017, Council adopted Resolution No. C-2017-0034;

"...That Mayor and Council give the Operations and Infrastructure Department authority to negotiate a cost sharing agreement with The Queensway East and Queensway West Developers for the construction of a new expanded water pumping station to replace the existing Wexford Pumping Station. Costs to be returned by staff to Council for final approval. "

At their meeting of May 9, 2018, Council adopted Resolution No. C-2018-0011;

"...That Council endorse a cost sharing agreement for the construction of the new booster pumping station and identified supporting transmission watermain upgrades with the Town contribution being 31%, and that the 'Future Development Area' contribution be funded by 'Area Specific Development Charges'; Town contribution estimated to be \$1.65 Million."

"...That the final Cost Sharing Agreement be returned to Council for approval. "

"...That Town staff be authorized to complete an Area Specific Development Charge Study for the benefiting area at a cost of \$12,000 to be funded by future area specific development charges."

"...That the Operations and Infrastructure Department proceed with the necessary water system upgrades needed to support the joint servicing solution and to address the identified water pressure issues within the Queensway and Church Street Area; at an estimated cost of \$0.41 Million."

4. **ANALYSIS:**

Background Study Process

Prior to determining and imposing a development charge, the Town must first do a background study. Since entering into the agreement with Hemson Consulting Ltd., staff have worked closely with the consulting team to prepare background information and conduct analysis in order to prepare the ASDC background study.

A development forecast was prepared based on the Town of Georgina Queensway East and West Land Development Technical Memo by GM Blue Plan dated June 29, 2018 along with consultation from Town staff. The development forecast for the 2018 to 2036 planning period estimates that the Queensway East and West area will accommodate about 1,130 new dwelling units by 2036. The population in these new dwelling is estimated at 3,321. Approximately 9,000 square metres of new, non-residential building space is anticipated in the 18 year planning horizon. This new non-residential space will accommodate approximately 225 jobs.

The total cost associated with all of the area-specific development-related works amounts to \$9.40 million. Of the \$9.40 million in the engineered services capital program, approximately \$3.80 million of the total program is to be recovered from development charges over the 2018-2036 planning period, \$2.99 million is associated to local service infrastructure and \$2.61 million is associated to benefit to existing shares. A complete breakdown of costs is listed in Table 4 on page 19 of the ASDC Background Study.

The growth-related capital costs identified in the study may be subject to deductions and adjustments as required by the *Development Charges Act*.

- a. Identifying services ineligible for a development charge
- b. Requiring a service level cap tied to a ten-year historical average
- c. Reducing capital costs by the amount of growth-related infrastructure that benefits existing development
- d. Reducing capital costs by an amount that reflects any excess capacity for a particular service
- e. Reducing capital costs by adjusting for grants, subsidies, or other contributions
- f. Reducing capital costs for soft services by 10 per cent.

Policy Decisions and Exemptions

The exemptions outlined in the By-law would include:

- Land that is owned by and used for the purposes of:
 - a. A board of education (statutory)
 - b. Any municipality or local board thereof (statutory)
 - c. The development of a non-residential farm building used for bona fide agricultural purposes (discretionary)
 - d. First Nation lands (discretionary)
 - e. A place of worship, and a churchyard, cemetery and burial ground exempt from taxation under the *Assessment Act* (discretionary)
 - f. Accessory uses not exceeding 10 square metres of non-residential gross floor area (discretionary)

The By-law also contains provisions for development charge credits for redevelopment provided the redevelopment takes place within five years of demolition of the previous building.

Calculation of Development Charge Rates

The proposed development charge rates have been calculated based on ASDC's applicable to new development in the service area identified in the background study. Residential development charges are expressed as a charge per capita and levied as a charge per unit and by unit type. Non-residential development charge rates are expressed as a charge per square metre of gross floor area (GFA).

The ASDC Background Study and its accompanying by-law are intended to build on the existing Town-wide and ASDC by-law.

Recent Updates to the Proposed Development Charge Rates

In July 2018, Council received the ASDC Background Study for information and review. Since that time, Hemson Consulting, in consultation with staff, have further refined the calculated values contained in the proposed by-law and have included an additional \$18,000 to the growth capital plan for the Wexford Pumping Station condition assessment. This has resulted in the rate for singles and semis to increase by \$38 to \$3,209, rows & other multiples to increase by \$31 to \$2,587, apartments ≥ 650 sq.ft. to increase by \$27 to \$2,254, apartments < 650 sq.ft. to increase by \$18 to \$1,556, and for non-residential to increase by \$0.32/sq.m to \$26.83/sq.m. The proposed rates below reflect the updated figures.

Proposed Area Specific Development Charge Rates - Residential

The recommended ASDC rates for residential dwellings proposed to come into effect on September 26, 2018 are listed in Table 1 below.

Table 1				
Proposed New Area Specific Development Charges for Residential Dwellings				
Service	Residential Charge by Unit Type			
	Single & Semi-Detached	Rows & Other Multiples	Apartments	
≥650 sq.ft.			<650 sq.ft.	
Water Service	\$3,209	\$2,587	\$2,254	\$1,556

Proposed Area Specific Development Charge Rates – Non-Residential

The recommended ASDC rates for non-residential development proposed to come into effect on September 26, 2018 are listed in Table 2 below.

Table 2	
Proposed New Area Specific Development Charges for Non-Residential	
Service	Commercial, Industrial, Institutional
	Non-Residential Charge per Square Metre of GFA
Water Service	\$26.83

5. RELATIONSHIP TO STRATEGIC PLAN:

Goal 2: "Promote a High Quality of Life" – HEALTHY, SAFE, SUSTAINABLE COMMUNITIES

Goal 2.1: Maximize collaboration with the development community to mitigate costs and impacts of development growth.

6. FINANCIAL AND BUDGETARY IMPACT:

The adoption of the proposed ASDC By-law will enable the Town of Georgina to collect development charges from developers and builders to mitigate the cost of the growth related capital program and the related burden to the Town's property tax base.

7. PUBLIC CONSULTATION AND NOTICE:

The following timeline for development of the ASDC Background Study and By-law was established and advertised on the Town page and in the local Georgina Advocate newspaper:

- Council Meeting – Statutory Public Meeting
Wednesday, August 15, 2018 at 7:30 p.m.
- Council Meeting – Proposed Passage of the Development Charges By-law
Wednesday, September 26, 2018 at 7:00 p.m.

The above-noted dates were advertised on the Town's web page www.georgina.ca with accompanying reports and information.

Staff met with members of the development community on July 31, 2018, for the purpose of refining the study and proposed development charge rates, and to strive for co-ordinated and cohesive growth forecasts between the Town of Georgina and the development community.

In accordance with the *Development Charges Act, 1997*, the Town of Georgina held a public meeting on August 15, 2018 to consider the proposed enactment of an ASDC by-law, in accordance with Section 12 of the *Act*. At the Public Meeting of August 15, 2018, Council provided the opportunity for any persons to state their objection to, or support of, the area specific development charges proposed. There were no speakers for or against the proposed by-law.

CONCLUSION:

This report seeks Council's approval of the proposed Area Specific Development Charges By-law as prepared by Hemson Consulting Ltd. In consultation with Town staff.

Prepared by:



Rob Wheeler, CPA, CA
Director of Corporate Services /
Treasurer

Approved by:



Dave Reddon
Acting Chief Administrative Officer

Attachments:

1. Area Specific Development Charge Study for the Queensway East & West Service Area.