

Town of Georgina

2016 Development Charges Study

Stakeholder Information Session



Tuesday, April 26, 2016

HEMSON
Consulting Ltd.



Topics

- Overview of *Development Charges Act*
- Development charges in Georgina
- Background study process
- Calculated DC Rates
- By-law provisions
- Public consultation

Overview of the *Development Charges Act (DCA)*

- DCs imposed by by-law
- Town's by-law expires 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

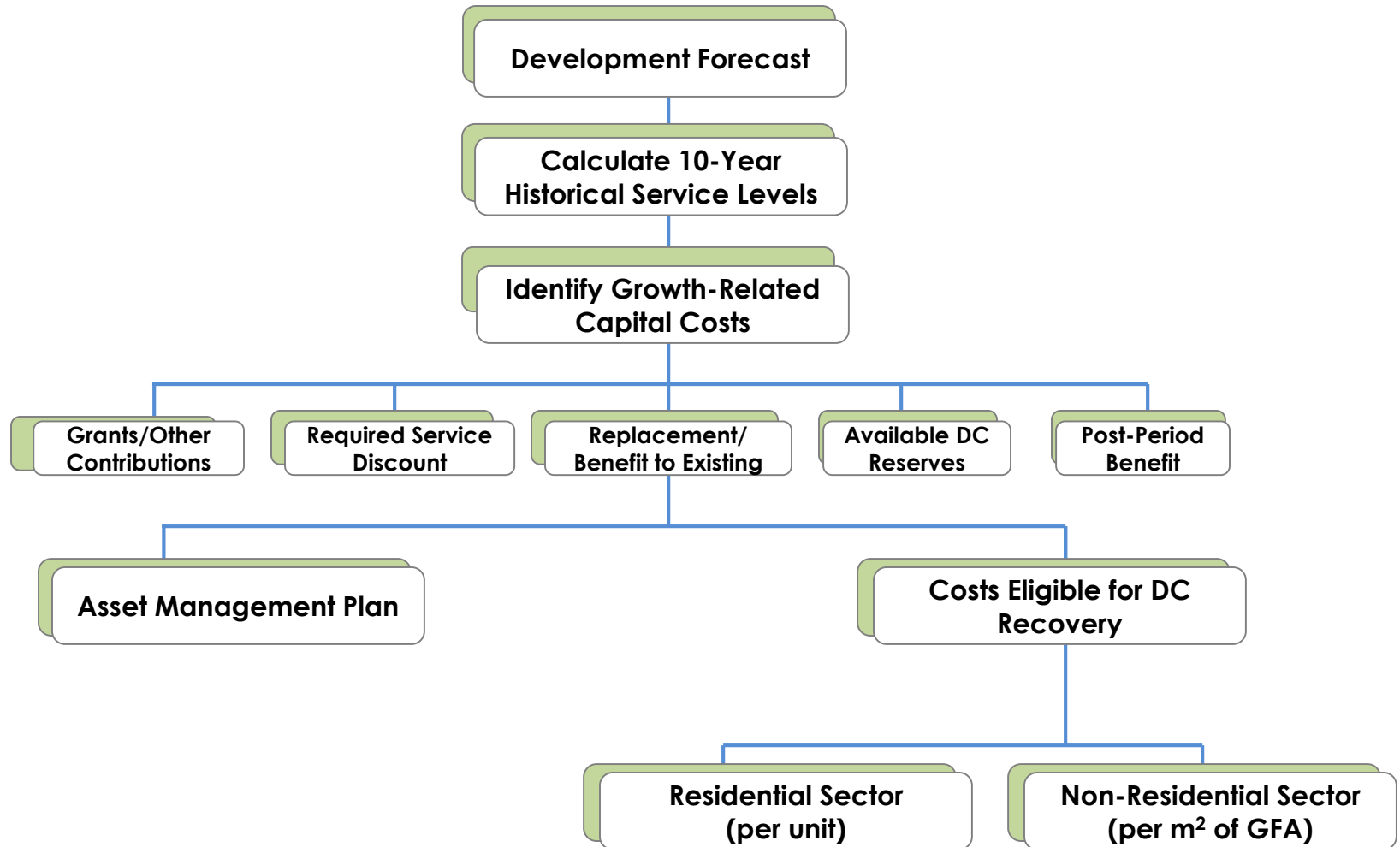
Overview of the DCA

- 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
 - Sutton
 - 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	5,977	67,104	63,354
Households	3,855	2,604	25,528	24,000
Population in New Housing	10,339	7,225	25,333	20,070

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	854,552	746,965

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

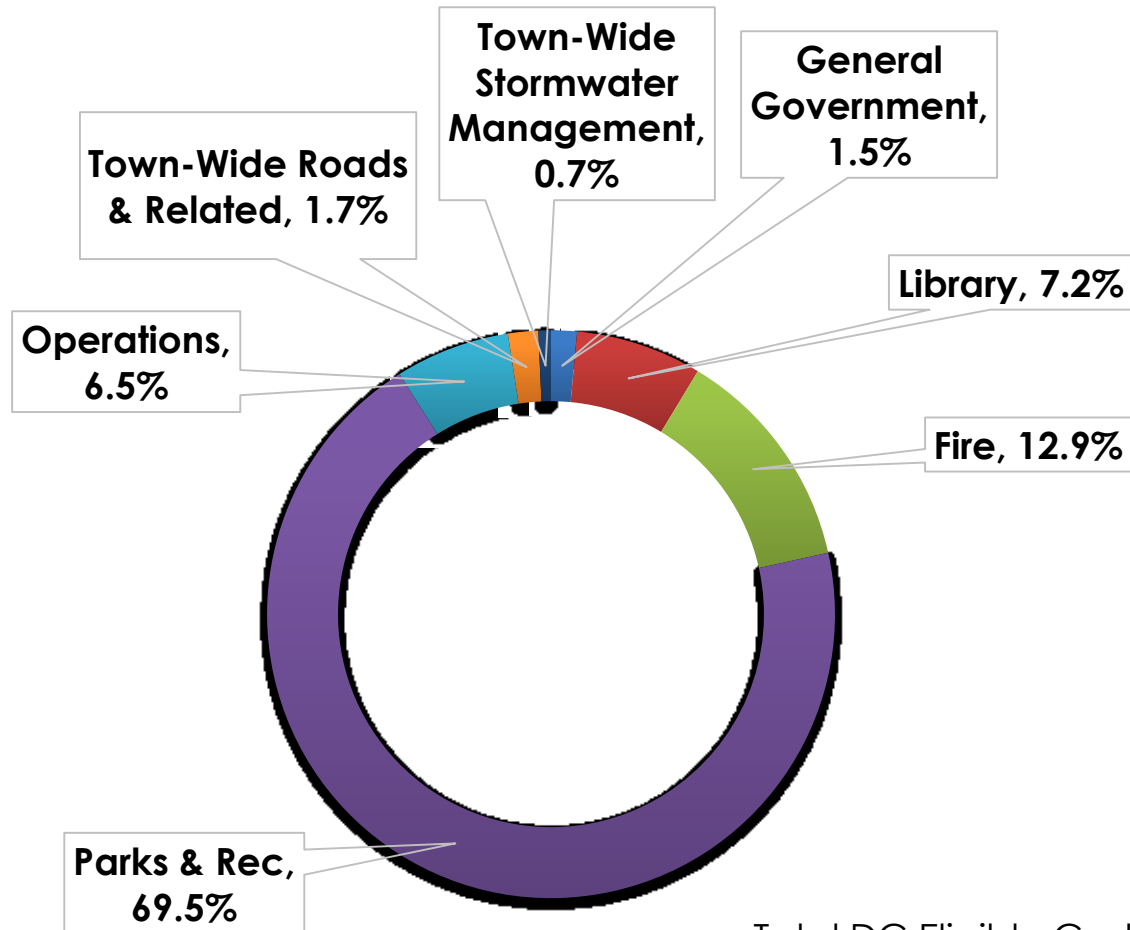
Step 3 – Development-Related Capital Costs

	Town-Wide Capital Program (\$ millions)	Area-Specific Capital Programs (\$ millions)
Total Gross Cost	\$66.7	\$9.8
Less: Grants & Subsidies	\$1.0	\$0.0
Less: Benefit to Existing Share	\$7.8	\$4.1
Less: 10% Discount	\$4.1	\$0.0
Less: Reserve Funds	\$4.2	\$1.6
Less: Post-Period Benefit	\$21.7	\$0.0
DC Eligible Costs	\$28.0	\$4.1

Step 3 – Development-Related Capital Costs

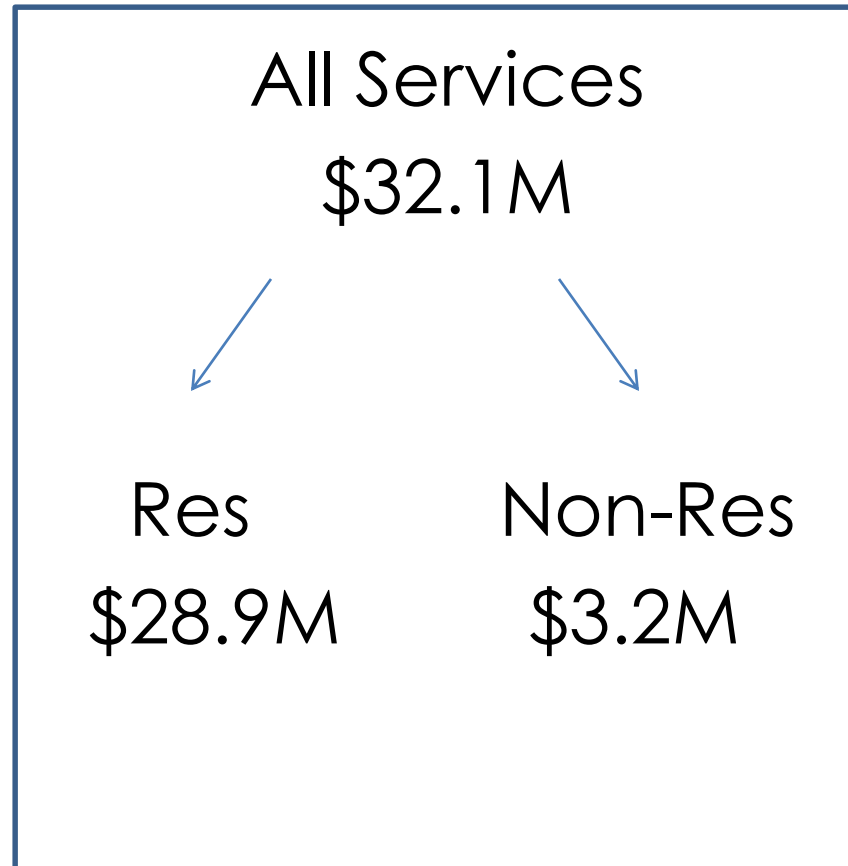
- Town must fund the following from non-DC sources (i.e. property taxes)
 - \$11.9 million in benefit to existing
 - \$4.1 million in 10% discount
- Town must find interim financing for
 - \$21.7 million in “post period” benefits
 - Town can expect to fund these costs through future DCs (2026-2031)

DC Eligible Costs – Town-Wide



Total DC Eligible Costs = \$28.0 million

Step 4 – Allocation of DC Eligible Costs



DC Rate Calculation

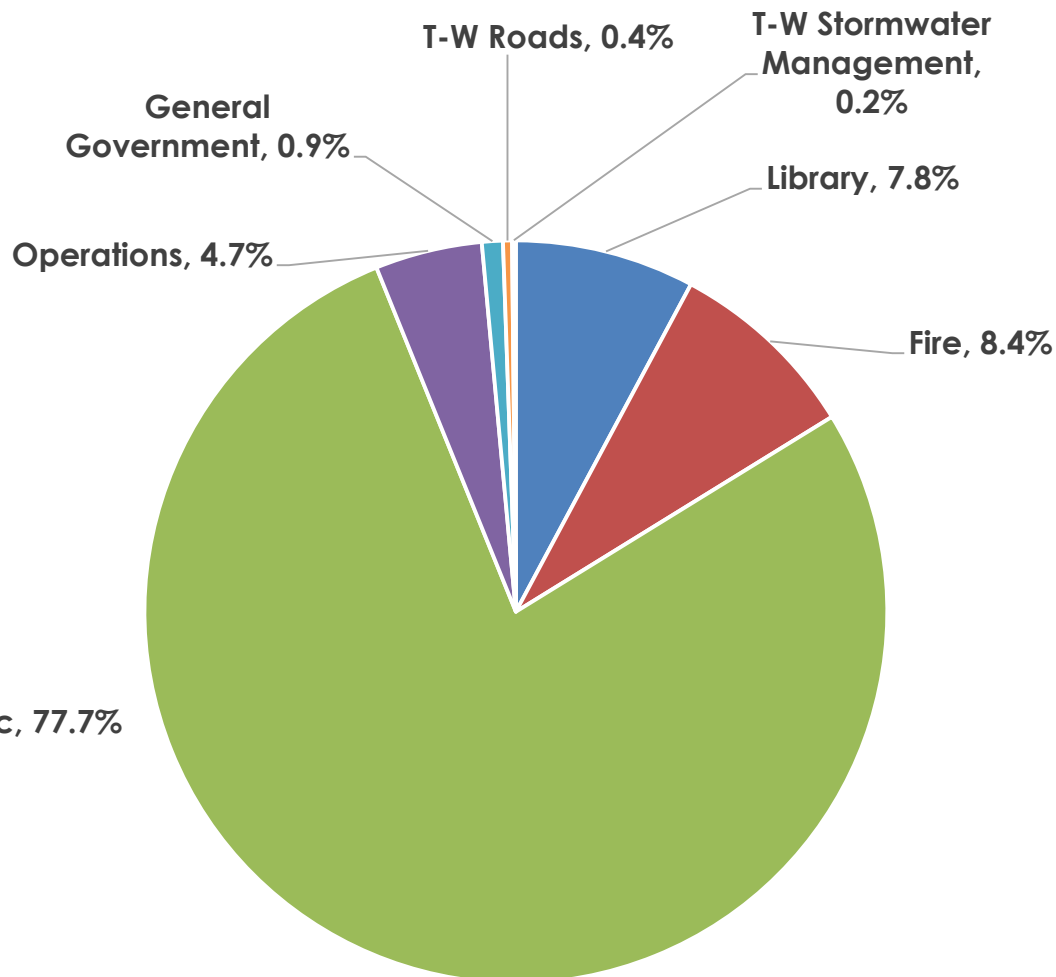
Residential:

- Expressed as a charge per capita
- Levied as charge per unit and by unit type
- *Apartments differentiated by unit size (sq.ft.)*

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

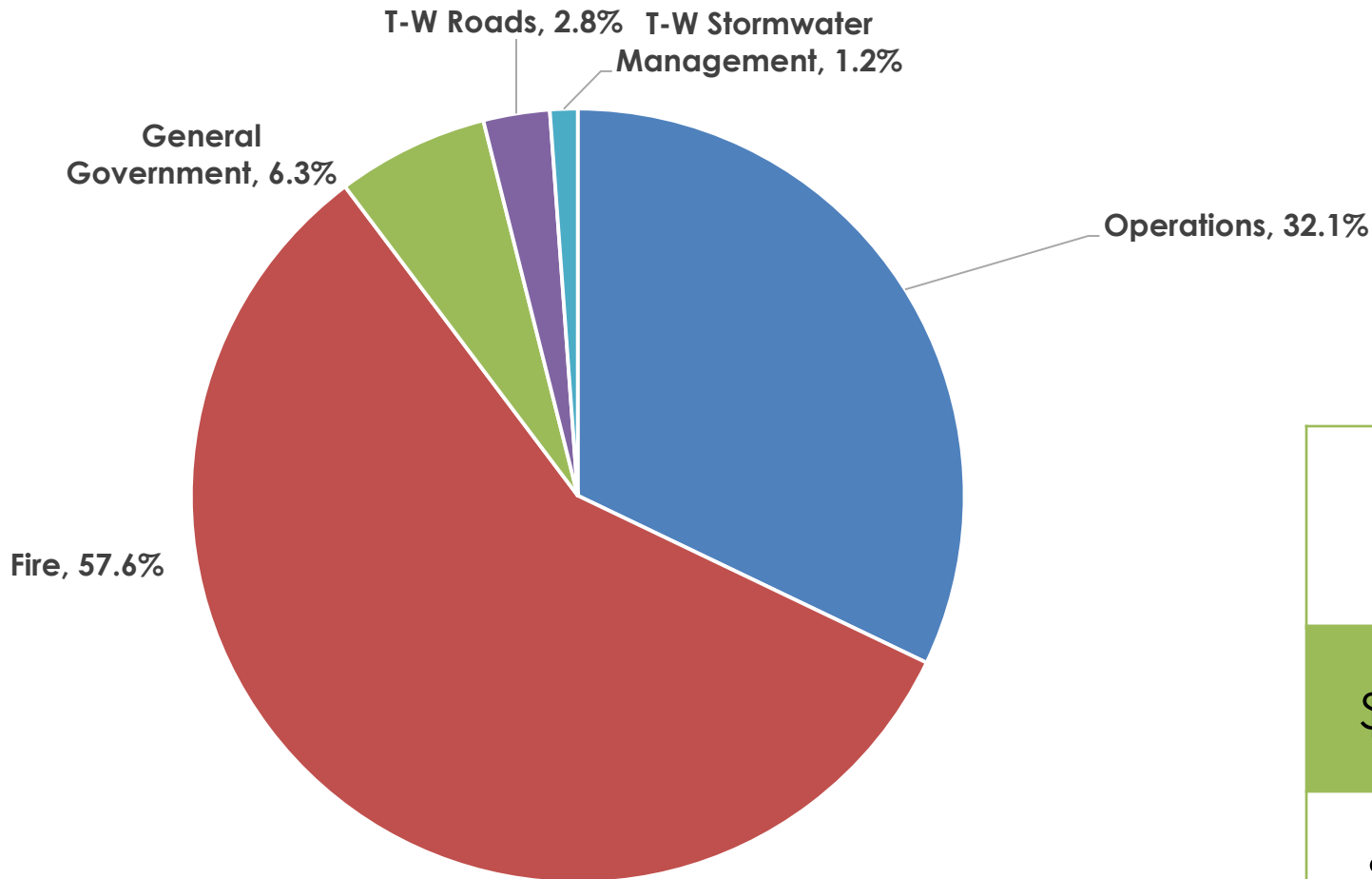
Singles & Semis
\$11,830

Rows & Other
Multiples
\$9,530

Apartments
650 sq.ft +
\$8,310

Apartments
<650 sq.ft
\$5,734

Maximum Permissible Town-Wide Non-Residential Rates



Non-Residential Charges

\$8.19 / sq.m.

\$0.76 / sq.ft.

Maximum Permissible Area Specific DCs in Georgina

DC Area	Calculated Residential DC \$/SDU	Calculated Non-Residential DC \$/sq.m.
Town-wide	\$11,830	\$8.19
Keswick Roads, Water, Sewer	\$225	\$1.10
Sutton Water, Sewer	\$315	\$1.54
Sutton High Street Sewer Sewer	\$3,139	\$0.00

Current vs. Calculated Town-Wide Residential DCs

Service	Current Charge \$/SDU	Calculated Charge \$/SDU	Difference \$
Library	\$133	\$925	\$792
Fire	\$459	\$992	\$533
Parks and Recreation	\$6,264	\$9,189	\$2,925
Operations	\$17	\$551	\$534
General Government	\$169	\$108	(\$61)
T-W Roads	\$72	\$46	(\$26)
T-W Stormwater Management	\$0	\$19	\$19
Total Town-Wide Charge	\$7,113	\$11,830	\$4,717

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	\$4.72	\$1.89
Parks and Recreation	\$0.00	\$0.00	\$0.00
Operations	\$0.11	\$2.63	\$2.52
General Government	\$1.02	\$0.52	(\$0.50)
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	\$8.19	\$3.89

Current vs. Calculated Single/Semi Detached Unit Charge

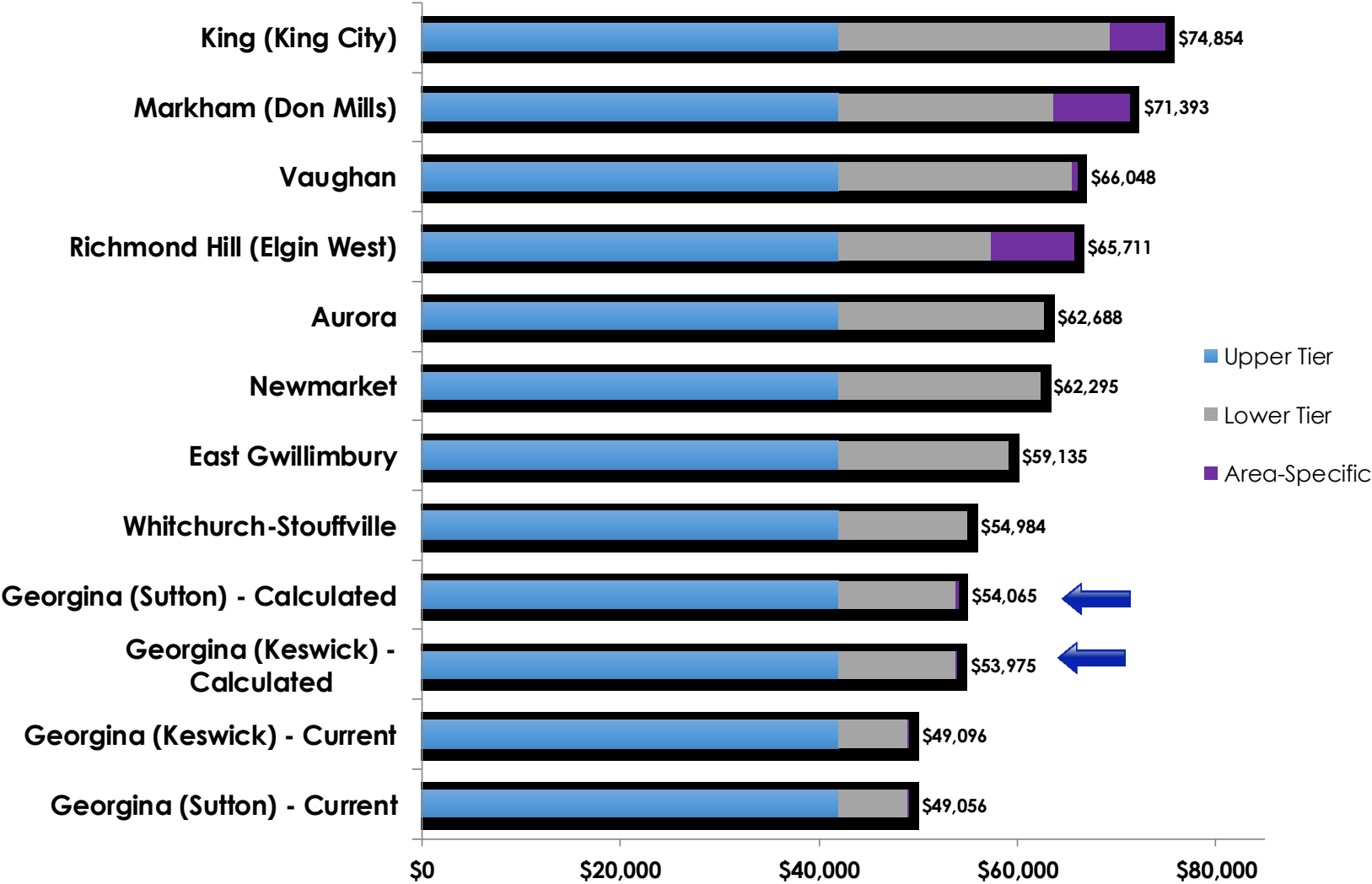
Service	Current Charge \$/SDU	Calculated Charge \$/SDU	Difference \$
Town-Wide	\$7,113	\$11,830	\$4,717
Keswick	\$7,176	\$12,055	\$4,879
Sutton	\$7,136	\$12,145	\$5,009
Sutton High Street Sewer	\$8,362	\$14,969	\$6,607

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

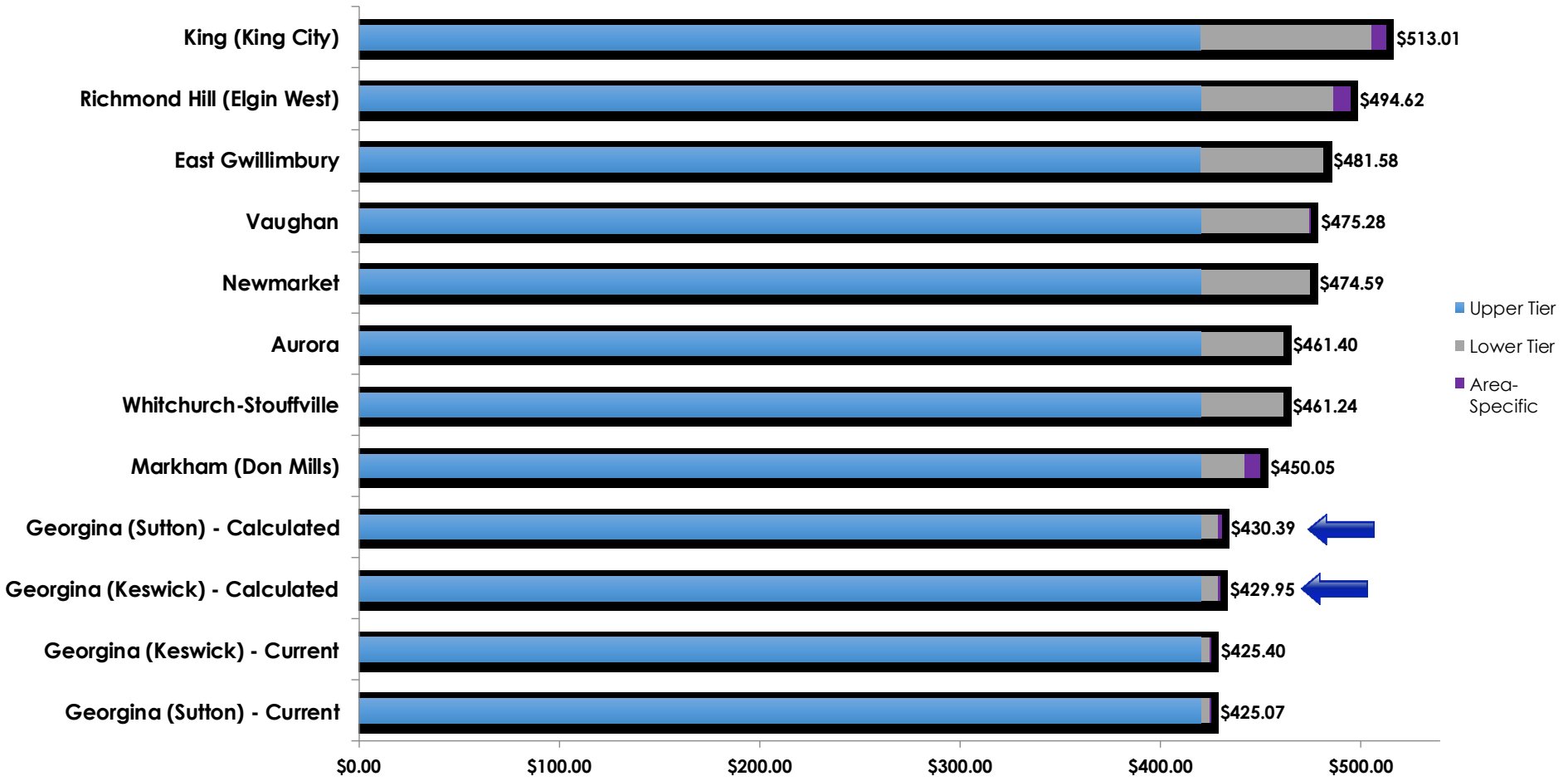
Service	Current Charge \$/Sq.m	Calculated Charge \$/Sq.m	Difference \$
Town-Wide	\$4.31	\$8.19	\$3.89
Keswick	\$4.74	\$9.29	\$4.56
Sutton	\$4.41	\$9.74	\$5.32
Sutton High Street Sewer*	\$4.31	\$8.19	\$3.89

Note*: DCs levied on residential development only in Sutton High Street Sewer Service Area. Non-residential development in the area pays only the Town-wide charge.

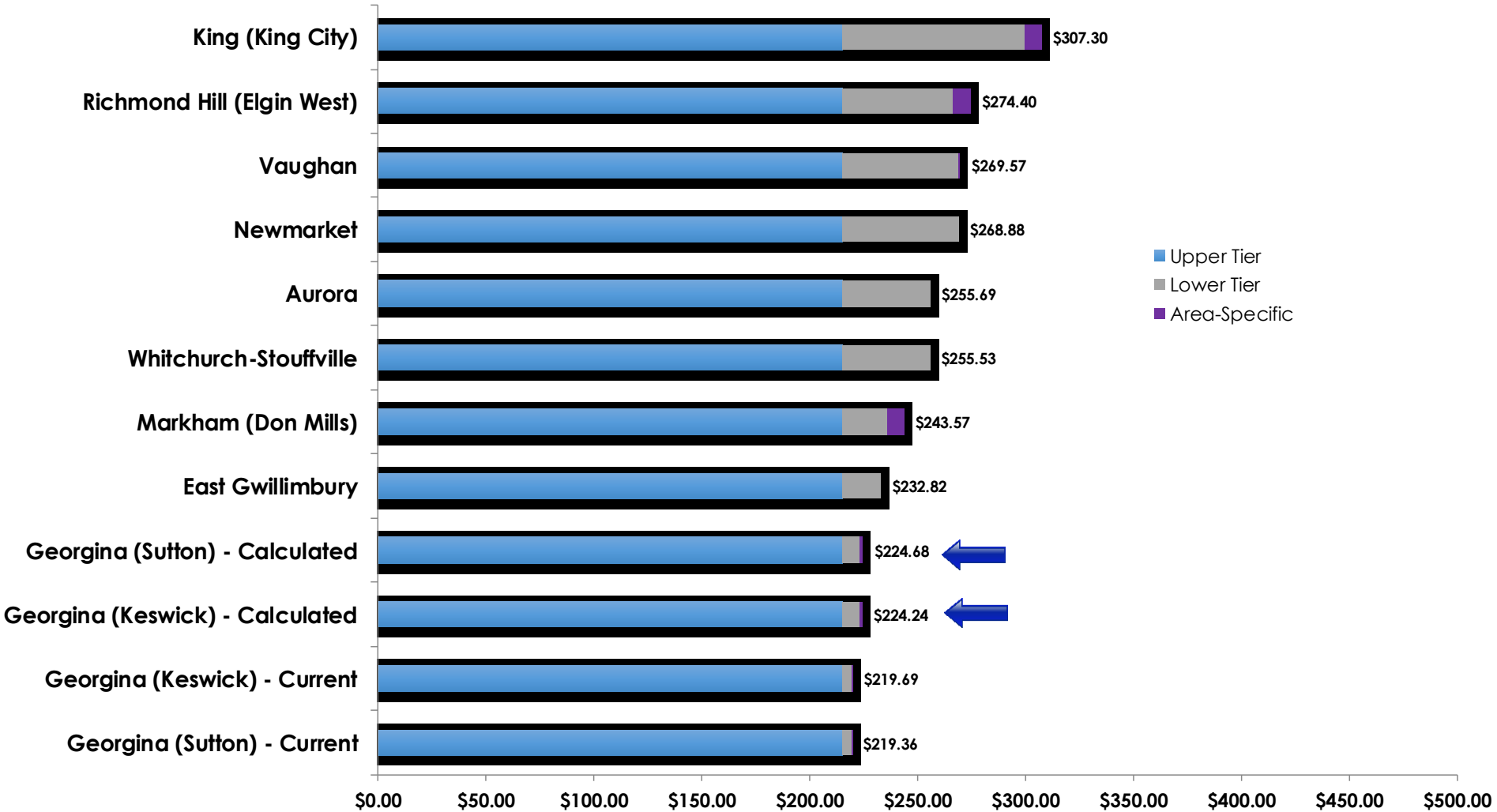
Residential Rate Comparison



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 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.

Public Consultation

Activity	Date
Stakeholder consultation (process & by-Law)	27 January
Council information session	23 March
Advertise public meeting	18 April
Release Background Study and Draft By-law	22 April
Stakeholder consultation (study & rates)	26 April
Public open house	26 April
Statutory Public Meeting	25 May
By-law passage	22 June
Current by-law expires	18 July