

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. CS-2021-0003

**FOR THE CONSIDERATION OF
COUNCIL**

March 3, 2021

SUBJECT: DEVELOPMENT CHARGES STUDY 2021 – DRAFT RATES

1. RECOMMENDATION:

- 1. That Council receive Report No. CS-2021-0003 prepared by the Finance Division, Corporate Services Department dated March 3, 2021 respecting the Development Charges Study 2021 – Draft Rates.**
- 2. That Council receive the presentation of Hemson Consulting Ltd. regarding the Draft Rates for Development Charge Background Study and By-law.**

2. PURPOSE:

The purpose of this report is to provide an update and present to Council the draft rates for the Development Charge Study 2021.

3. BACKGROUND:

Development Charges are the primary way for Ontario municipalities to raise funds for required services and infrastructure improvements resulting from development. The charges are intended to help pay for the cost of capital infrastructure required to provide municipal services to new development, such as roads, water and sewer, parks, community facilities and fire facilities.

The legislative authority for municipalities to levy development charges is contained in the Development Charges Act, 1997. The Development Charges Act mandates that municipalities review their Development Charges Background Study every 5 years. The Development Charges By-law (2016-0054) currently in effect for Town-wide services and some engineering services in Keswick and Sutton was adopted by the Town of Georgina on June 22, 2016. An additional Area-Specific DC by-law (2018-0080) was passed by the Town in 2018 to impose development charges in the Queensway East and West Service Area.

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.

The development charge rates currently in effect for the Town (for all by-laws) are detailed by Service Category in Tables 1 and 2 below. The development charges were calculated based on a Town-wide rate for those capital costs that are common across the whole of the Town's geography (Table 1). Recognizing that the growth related capital costs for the two main urban areas of Keswick and Sutton are unique to those areas, those unique costs are separated as Area Specific Development Charges applicable to new development in those community plans only (Table 2).

Note: The amounts included in Tables 1 and 2 below do not include development charges for the Region of York and the school boards.

Table 1 – Town-Wide Rates Effective September 26, 2020

Service:	Residential Dwellings				Non-Residential Charge per Square Foot of GFA
	Single & Semi-Detached	Rows & Other Multiples	Apartments		
			≥650 sq ft	<650 sq ft	
	\$	\$	\$	\$	\$
Library Board	1,053	848	740	509	0.00
Fire Services	1,035	833	725	502	0.45
Parks and Recreation Operations	8,910	7,177	6,257	4,320	0.00
General Government	713	574	501	346	0.33
	122	100	86	59	0.05
Total General Service Charges	11,833	9,532	8,309	5,736	0.83
Town-wide Roads and Related	51	42	38	26	0.02
Town-wide Stormwater Mgmt.	22	17	15	9	0.01
Total (including Roads and Related)	11,906	9,591	8,362	5,771	0.86

Table 2 – Area-Specific Rates Effective September 26, 2020

Service:	Residential Dwellings				Non-Residential Charge per Square Foot of GFA
	Single & Semi-Detached	Rows & Other Multiples	Apartments		
			≥650 sq ft	<650 sq ft	
	\$	\$	\$	\$	\$
Keswick Queensway East & West	3,373	2,720	2,369	1,635	2.62
Keswick Service Area	255	206	181	123	0.12
Sutton Service Area	358	289	252	174	0.16
Sutton High Street Sewer	1,315	1,060	924	638	0.00

4. ANALYSIS:

Prior to determining and updating the development charge rates, 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 the analysis in order to calculate draft development charges rates. The analysis included the formulation of growth forecasts related to population, housing and employment, and the associated forecast of the capital infrastructure costs needed to service the proposed growth while maintaining the Town's historical service levels to its residents and businesses.

The calculated development charge rates for the Town are detailed by Service Category in Tables 3 and 4 below. Similarly to the current Town rates, the calculated rates are differentiated based on a Town-wide and Area Specific approach.

Table 3 - Draft Calculated Town-Wide DC Rates (Draft Development Charge Study):

Service	Residential Charge By Unit Type (1)				Non-Residential Charge (\$/sq.m)
	Single & Semi-Detached	Rows & Other Multiples	Apartments		
			≥650 sq.ft.	<650 sq.ft.	
Library Services	\$1,330	\$1,066	\$925	\$639	\$0.00
Fire And Emergency Services	\$1,367	\$1,096	\$951	\$656	\$6.92
Parks And Recreation	\$14,335	\$11,487	\$9,968	\$6,883	\$0.00
Operations	\$568	\$455	\$395	\$273	\$2.89
Development-Related Studies	\$333	\$267	\$232	\$160	\$1.70
Total General Services	\$17,933	\$14,371	\$12,471	\$8,611	\$11.51
Town-Wide Roads And Related	\$110	\$88	\$77	\$53	\$0.50
Town-Wide Stormwater Management	\$25	\$20	\$18	\$12	\$0.11
TOTAL TOWN-WIDE CHARGE BY UNIT TYPE	\$18,068	\$14,479	\$12,566	\$8,676	\$12.12

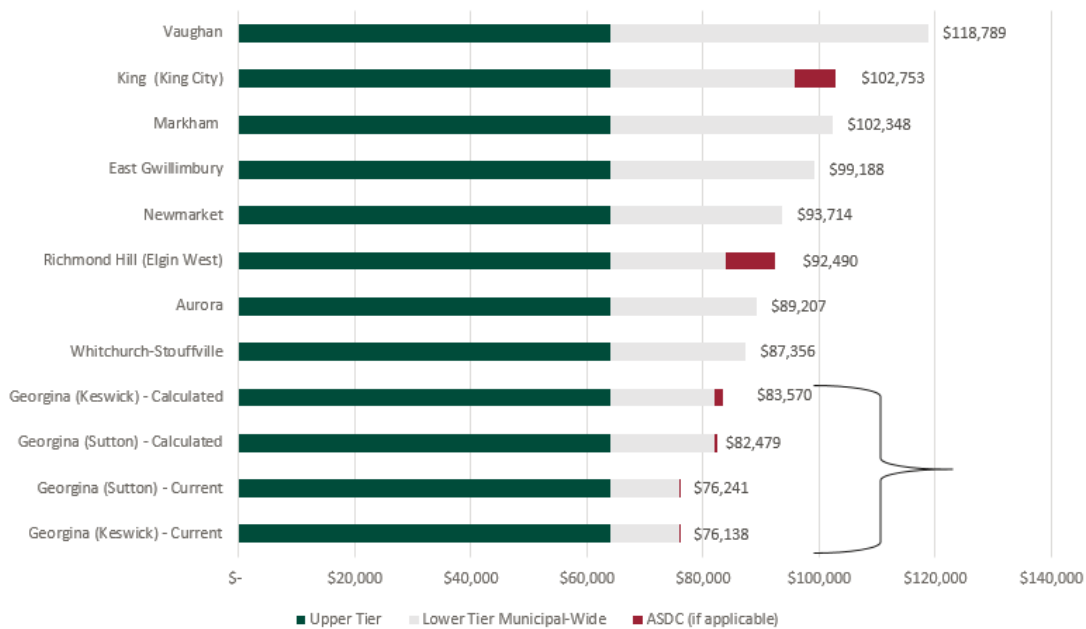
Table 4 - Draft Calculated Area-Specific Rates (Draft Development Charge Study):

Service	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	\$3,013	\$2,610	\$1,802	\$ 31.1

The increase in the development charge rates can be attributed to the capital program for Various Park projects and Recreation projects including the Multi-use Recreation Complex (MURC) along with an enhanced engineering related programs for the Keswick Service area.

As illustrated in Table 5 below, when comparing the calculated draft rates for a residential unit (single family detached unit) with other York Region municipalities, Georgina is still considered to be the lowest in the Region:

Table 5 - Development Charge Residential (SFD) Rate Comparison



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

5. RELATIONSHIP TO STRATEGIC PLAN:

Priority 1: Grow our economy

Priority 2: Promote a high quality of life

Priority 3: Engage our community & build partnerships

Priority 4: Deliver exceptional service

6. FINANCIAL AND BUDGETARY IMPACT:

There are no direct financial or budgetary impacts associated with the recommendations contained in this report.

7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:

No public consultation is required at this time.

The timeline for the Development Charges Background Study and By-law is outlined below:

- Release of the Development Charges Study
On or before March 19, 2021
- Council Meeting: Statutory Public Meeting
Wednesday, April 21, 2021
- Council Meeting: Proposed Passage of the Development Charges By-law
Wednesday, May 19, 2021

The Town is required to hold a Statutory Public Meeting and to provide sufficient notice of the meeting as mandated in the *Development Charges Act*.

In addition to these meetings, Town staff have organized and met with members of the development community on February 1, 2021, to introduce the study process, study approach and timelines. It is the Town of Georgina's intention to continue to engage with the development community through the remainder of this process. The next developer consultation sessions will be scheduled as follows:

- Development Consultation/Meeting: Presentation of Draft Rates
Week of March 8th
- Development Consultation/Meeting: Review of the Study
Week of April 5th

8. CONCLUSION:

This report provides information regarding the draft rates for the Development Charge Study 2021 and seeks direction from Council regarding any specific concerns.

The direction received from this report will feed into the preparation of the DC Background Study which will be made public in mid-late March 2021 and will be used to support a new DC by-law that will be presented to Council for passage on May 19, 2021.

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