

2019 DC Study Preliminary Presentation

Review of Development Charges (DCs) and
proposed direction of 2019 DC Study



What is a Development Charge

- ▶ A Development Charge (DC) is a fee charged to a person who is constructing certain new structures.
- ▶ The fee is intended to pay for the cost of increasing overall services in the community to service the new structures and maintain existing service standards
- ▶ Many new homes require new or widened roads, new or expanded water and sewer pipes, more water wells, larger sewage treatment plants, more space at the library, more parks or equipment, etc.



Philosophy of DCs

- ▶ “New Growth pays for Growth” is the basic concept. Existing residents have already bought in to the existing infrastructure and new residents should pay for the requirement to expand infrastructure.
- ▶ The increased property taxes or user fees collected go towards paying for the increased operating costs of the expanded infrastructure.
 - Eg: plowing the new sidewalks, maintaining the new roadway surface, purifying more water, treating more sewage



What about places that have no DCs?

- ▶ Charging DCs is an optional tool for paying for new infrastructure
- ▶ Some reasons for not charging DCs could be:
 - Philosophy that the existing taxpayers should pay as they benefit from increased growth and activity from new development
 - Community is experiencing low growth and low demand and is willing to pay to entice new growth



DC Background Study

- ▶ A comprehensive Background Study (usually several hundred pages) is required to charge DCs
- ▶ Methodology follows Provincial regulations and results of OMB and other rulings
- ▶ Factors include past service level standards, estimated growth, cost of infrastructure, who benefits from infrastructure, among others.
- ▶ DC studies that 'overreach' can be challenged and new DC charges retroactively reduced
- ▶ Must be updated every 5 years or DCs end



Some Factors in DC Calculations

- ▶ Municipalities do not have same services
 - Not all have transit or libraries or arenas or urbanized areas
- ▶ Some municipalities choose not to charge
- ▶ Geography affects services and costs
 - Water and Sewer facilities cheaper if on a river or lake
 - Land mass size influences fire services
- ▶ History and prior decisions
- ▶ Environmental and Federal/Provincial regulations
- ▶ Growth and desirability of an area
- ▶ Available workforce
- ▶ Cost of DCs is not the most important factor for a developer



Clearview's DC By-law

- ▶ Current DCs by-law 14-58
- ▶ Approved July 14, 2014
- ▶ Must be replaced on or before July 13, 2019 or DCs will not be permitted to be collected

- ▶ Watson and Associates Economists have been hired to do 2019 DC Study
- ▶ Same firm that did Clearview's 2009 and 2014 DC Background Studies



New DC Regulations

- ▶ The Province passed new updated regulations in 2016
- ▶ Requirements are more onerous
- ▶ Asset Management Plan required for new proposed infrastructure assets
- ▶ Longer public consultation period
- ▶ Longer overall period to complete process
- ▶ Consultant starts September 2018 and expected implementation date is May 2019 – 8 month process



2019 DC Study Timeline

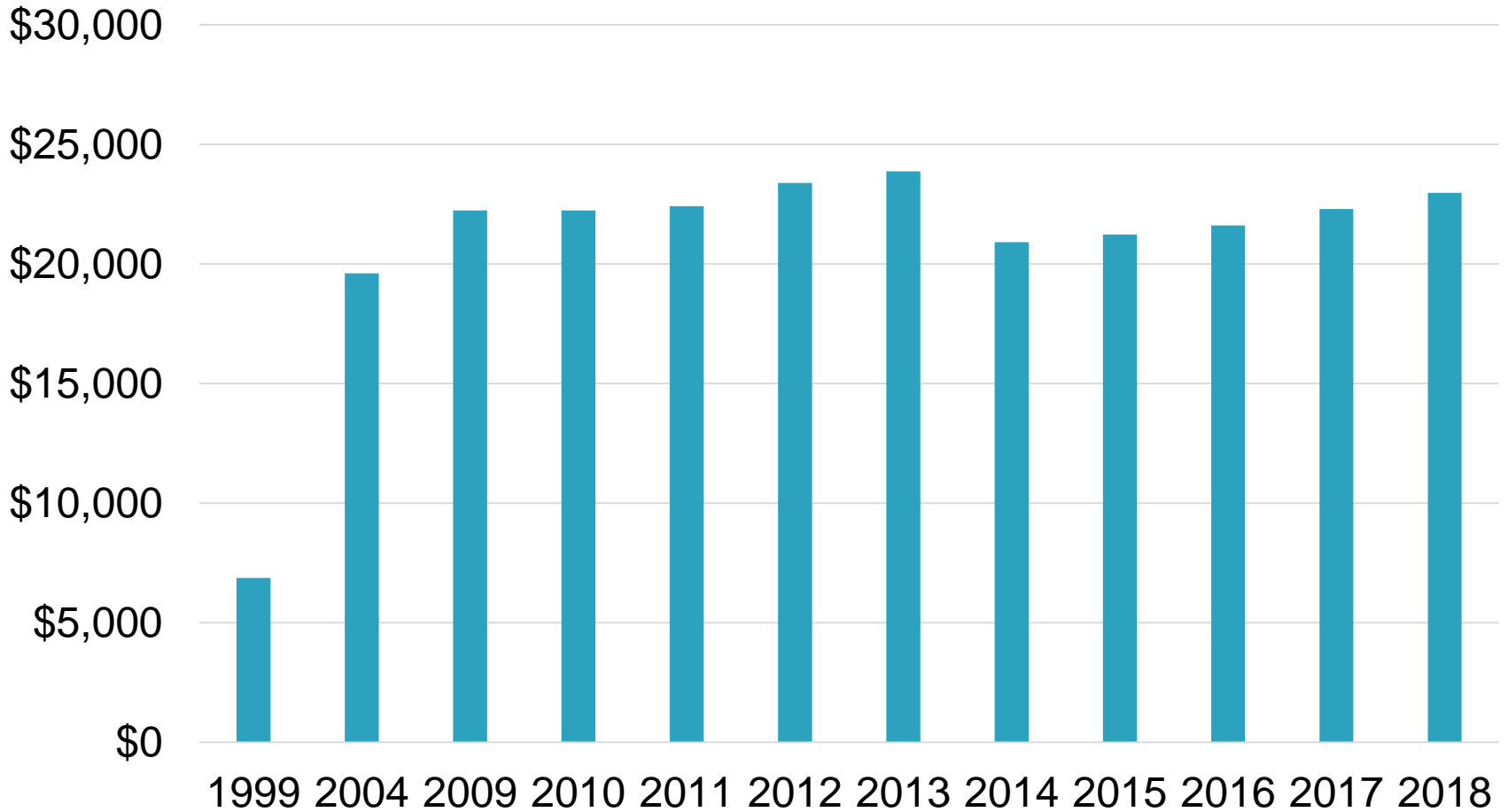
- ▶ Multi-year process
- ▶ Feb 2018 SMT meeting and Draft Timelines
- ▶ Apr 2018 Consultant hired – staff preparing data
- ▶ May 2018 Preliminary DC Study presentation & Growth numbers to be used
- ▶ Sep 2018 Consultant meets Staff to start
- ▶ Dec 2018 Draft Background Study for staff review
- ▶ Jan 2019 Separate Stakeholder and Council mtgs.
- ▶ Mar 2019 Public Meeting
- ▶ April 2019 Bylaw approval for May implementation



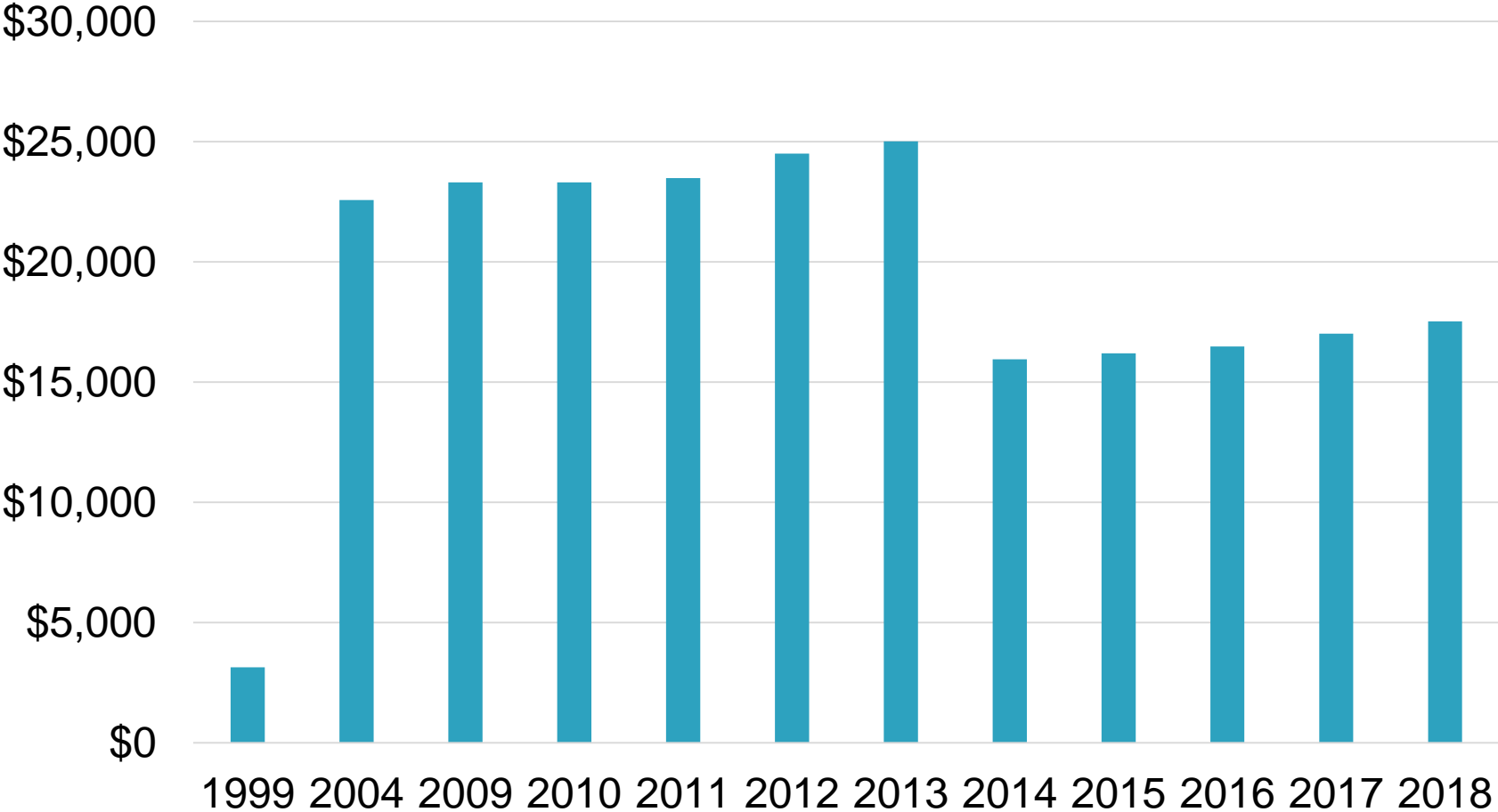
Clearview DC Historical Information



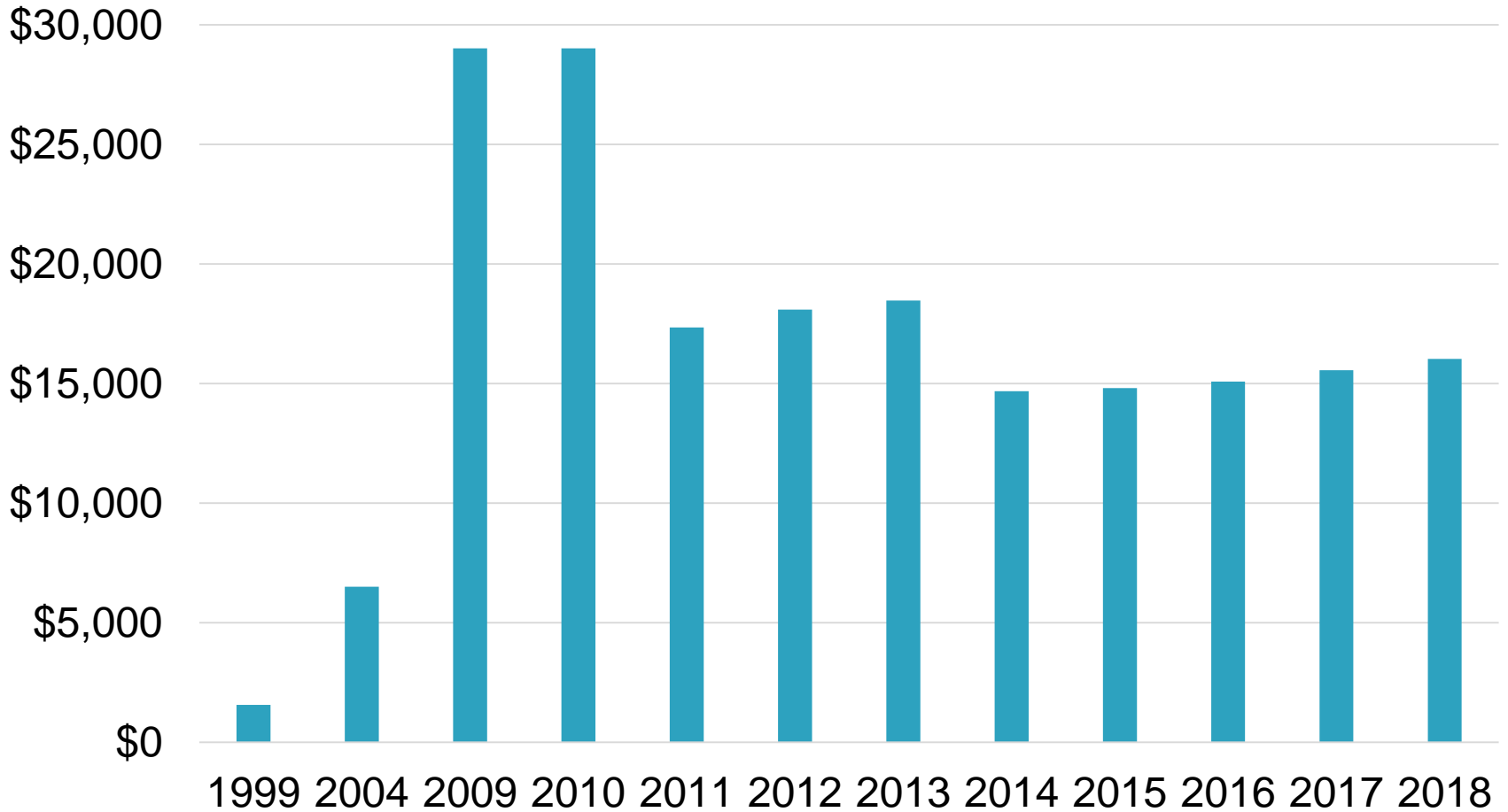
Stayner Residential



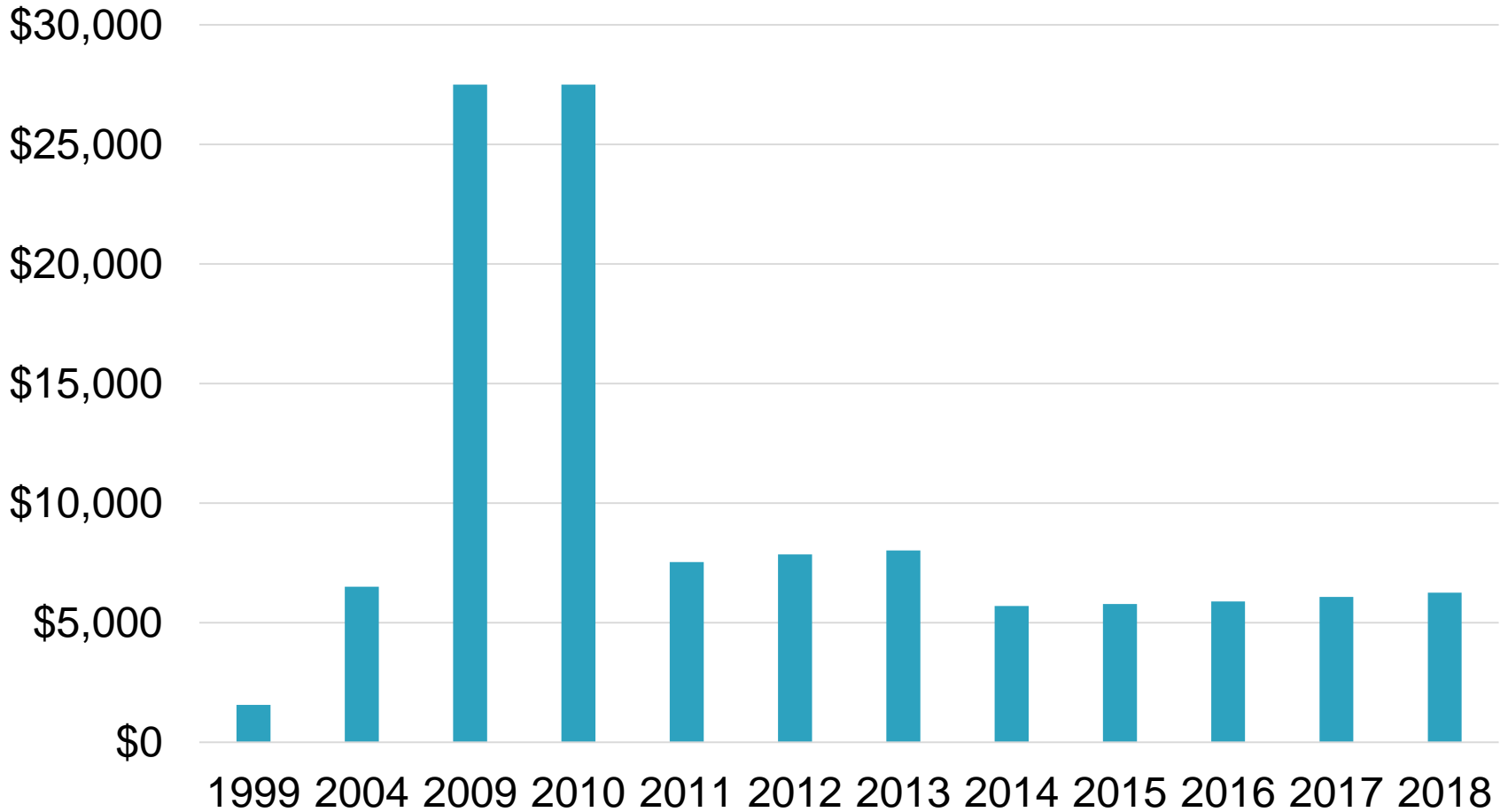
Creemore Residential



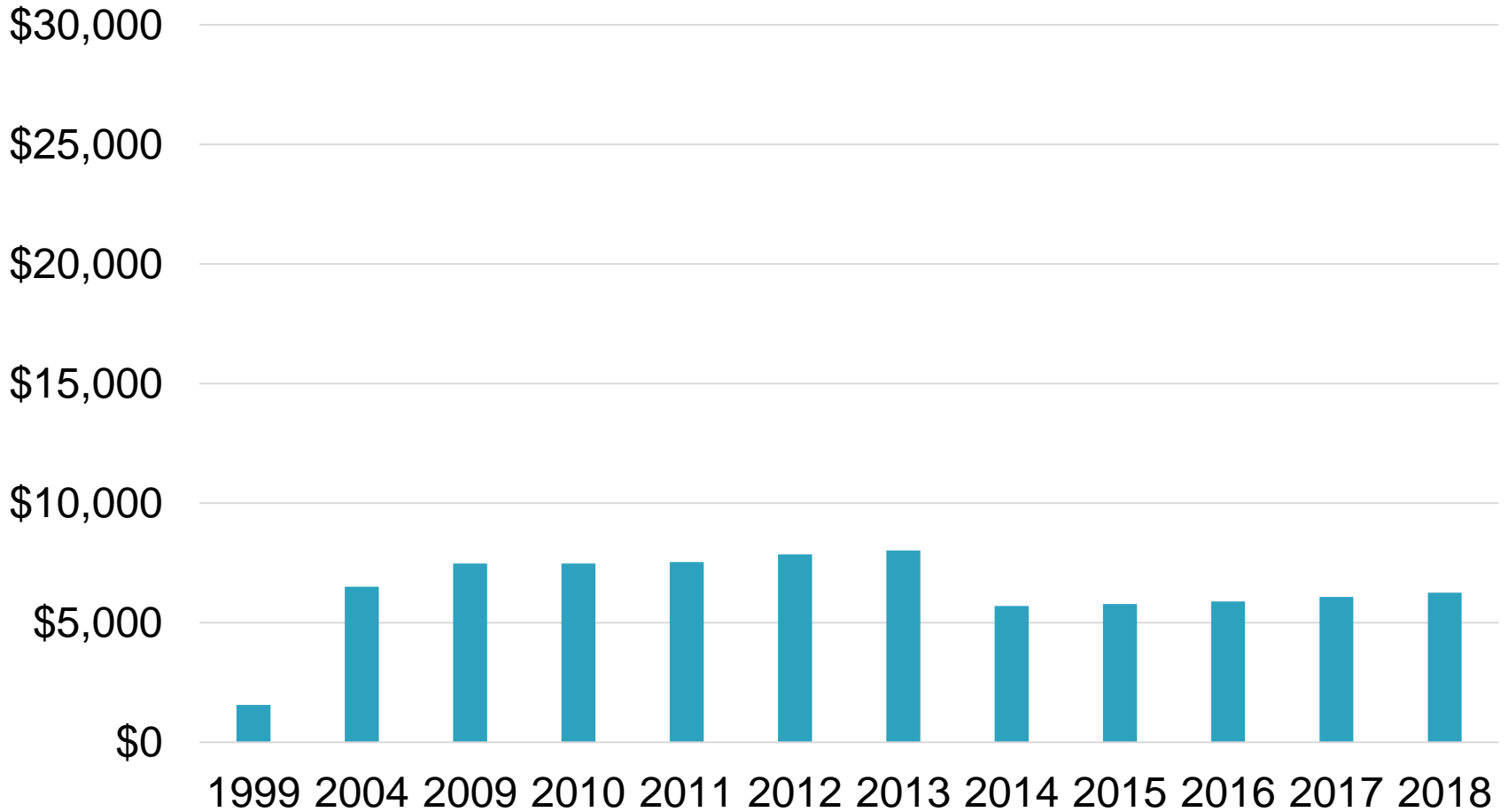
New Lowell Residential



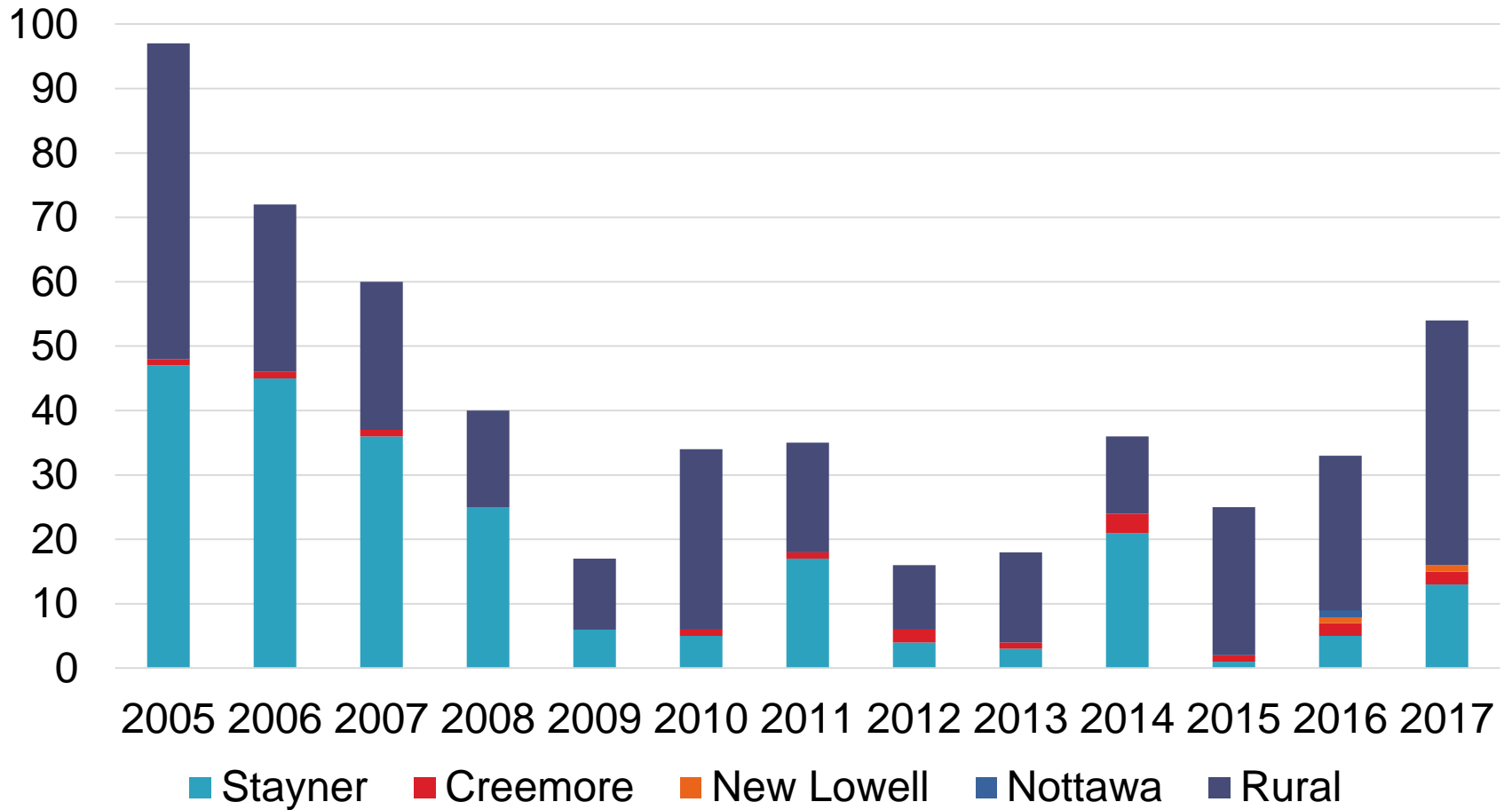
Nottawa Residential



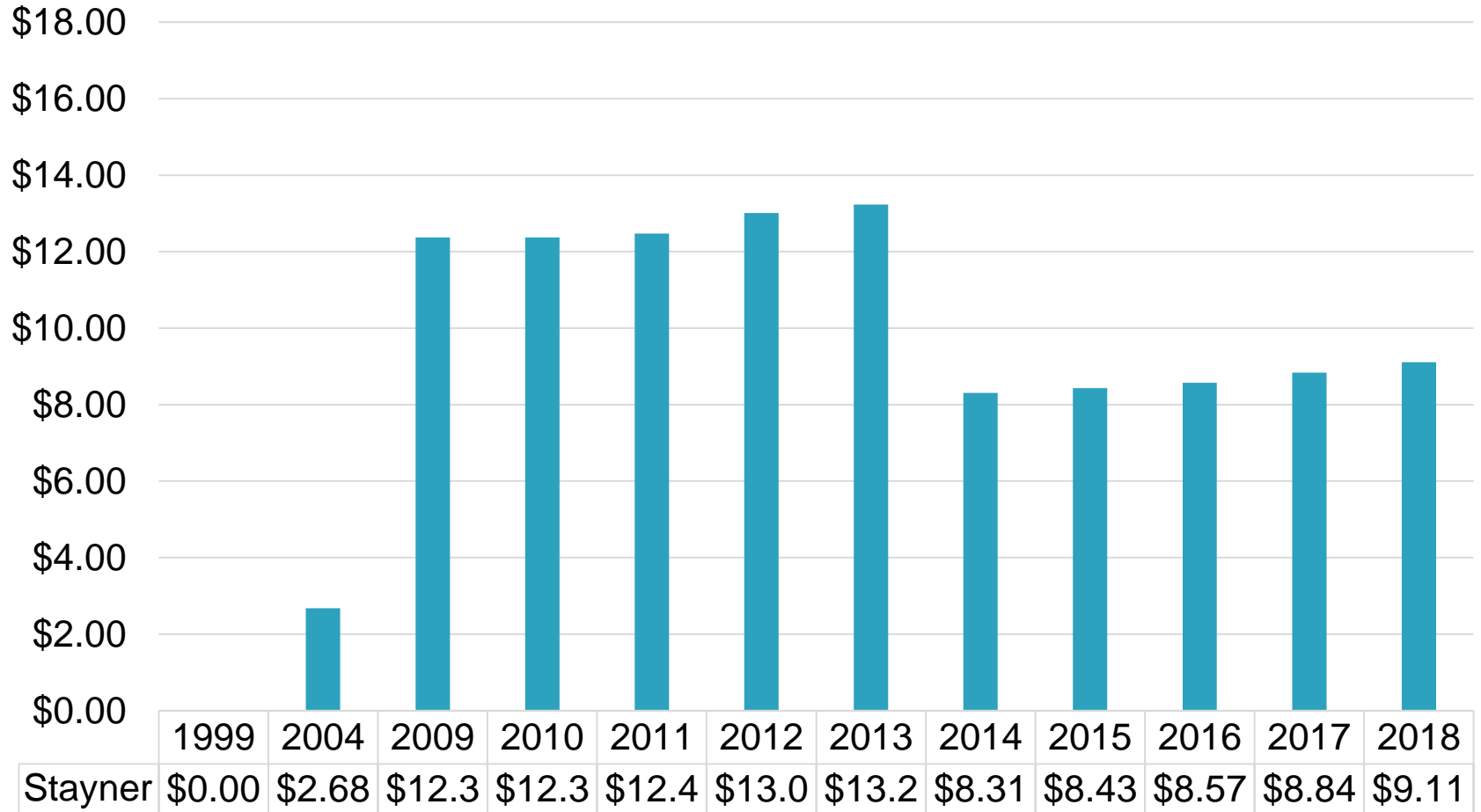
Rural Residential



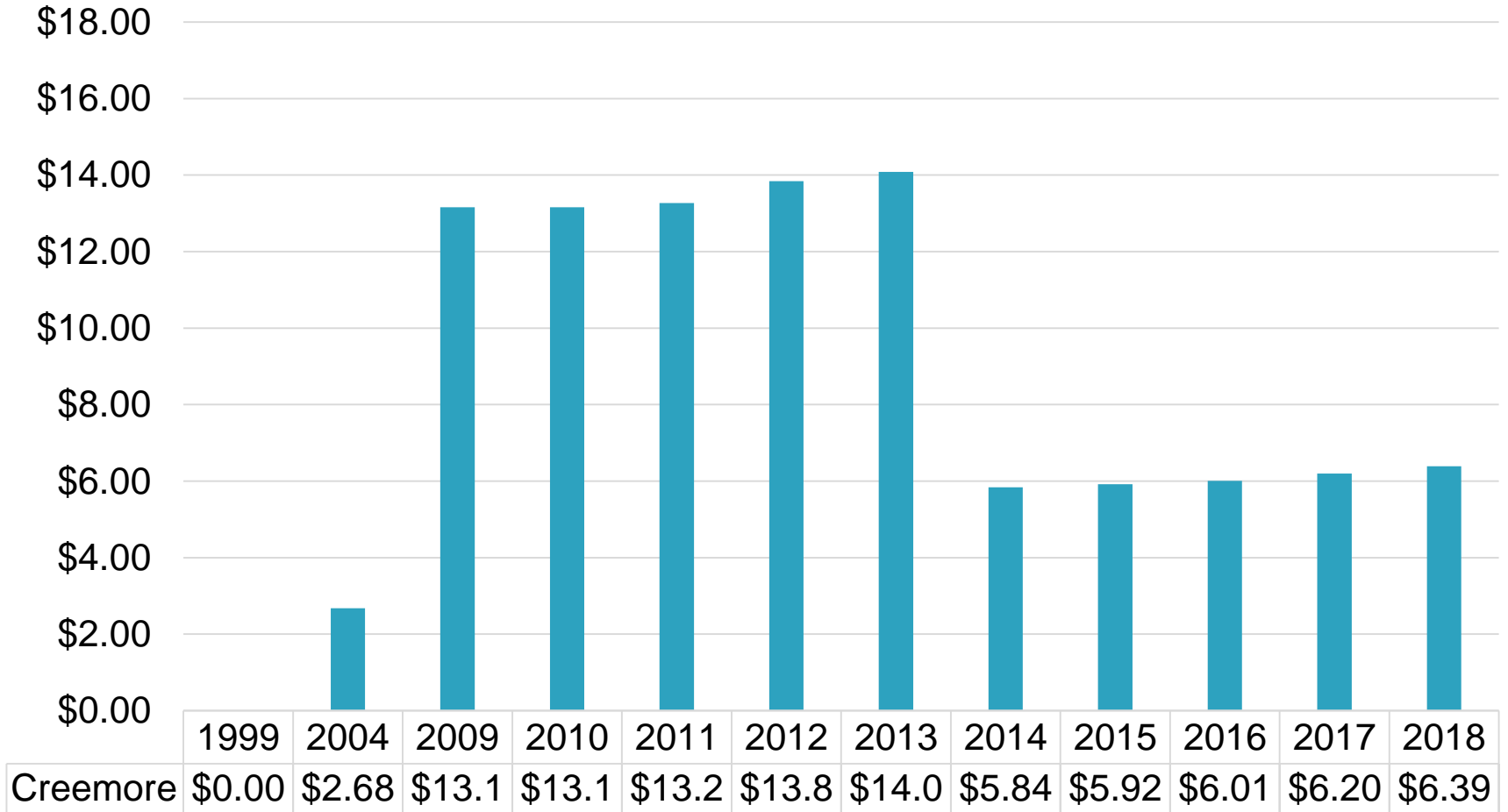
Residential DCs by Area



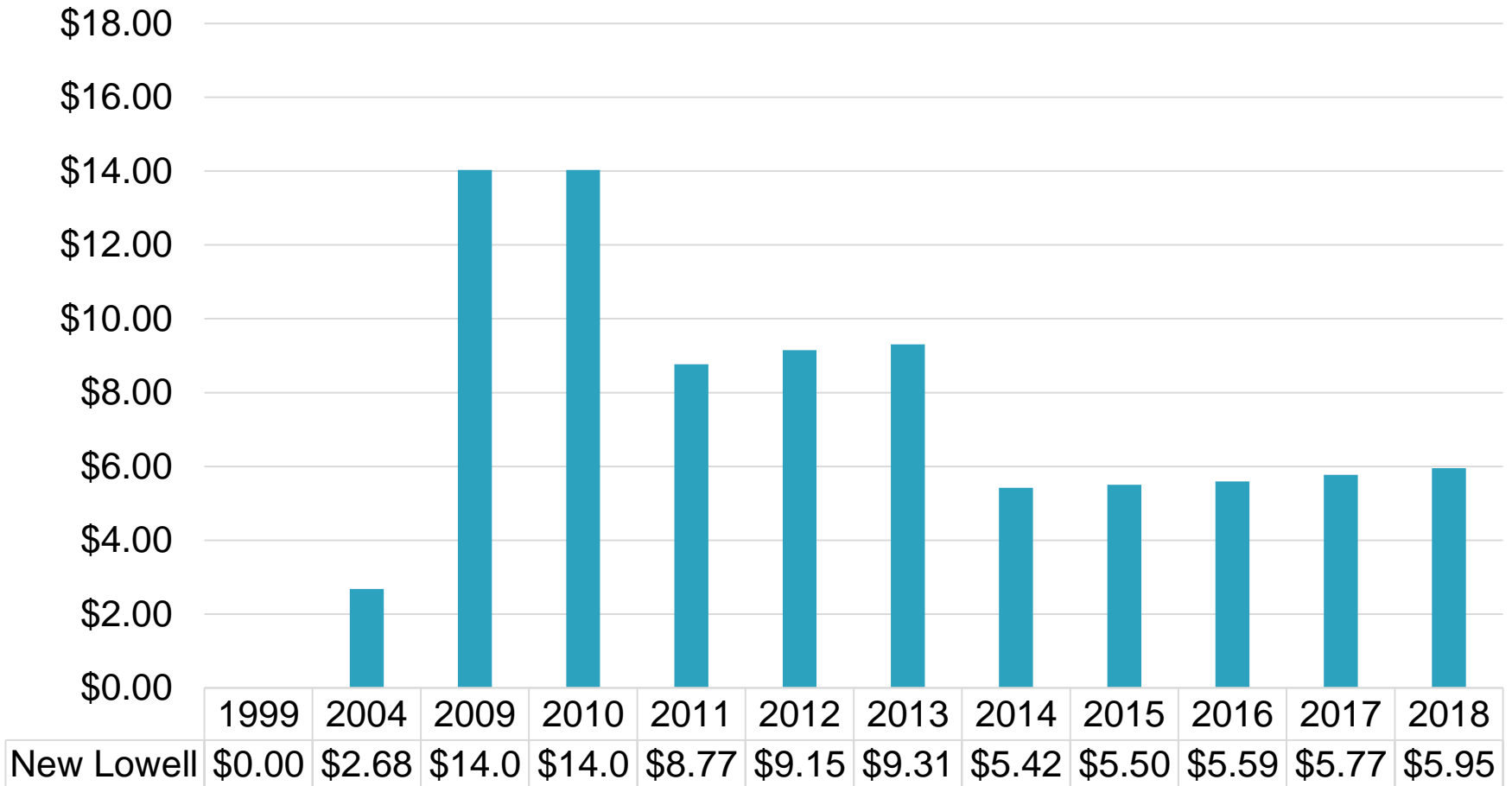
Stayner Non-Residential ft2



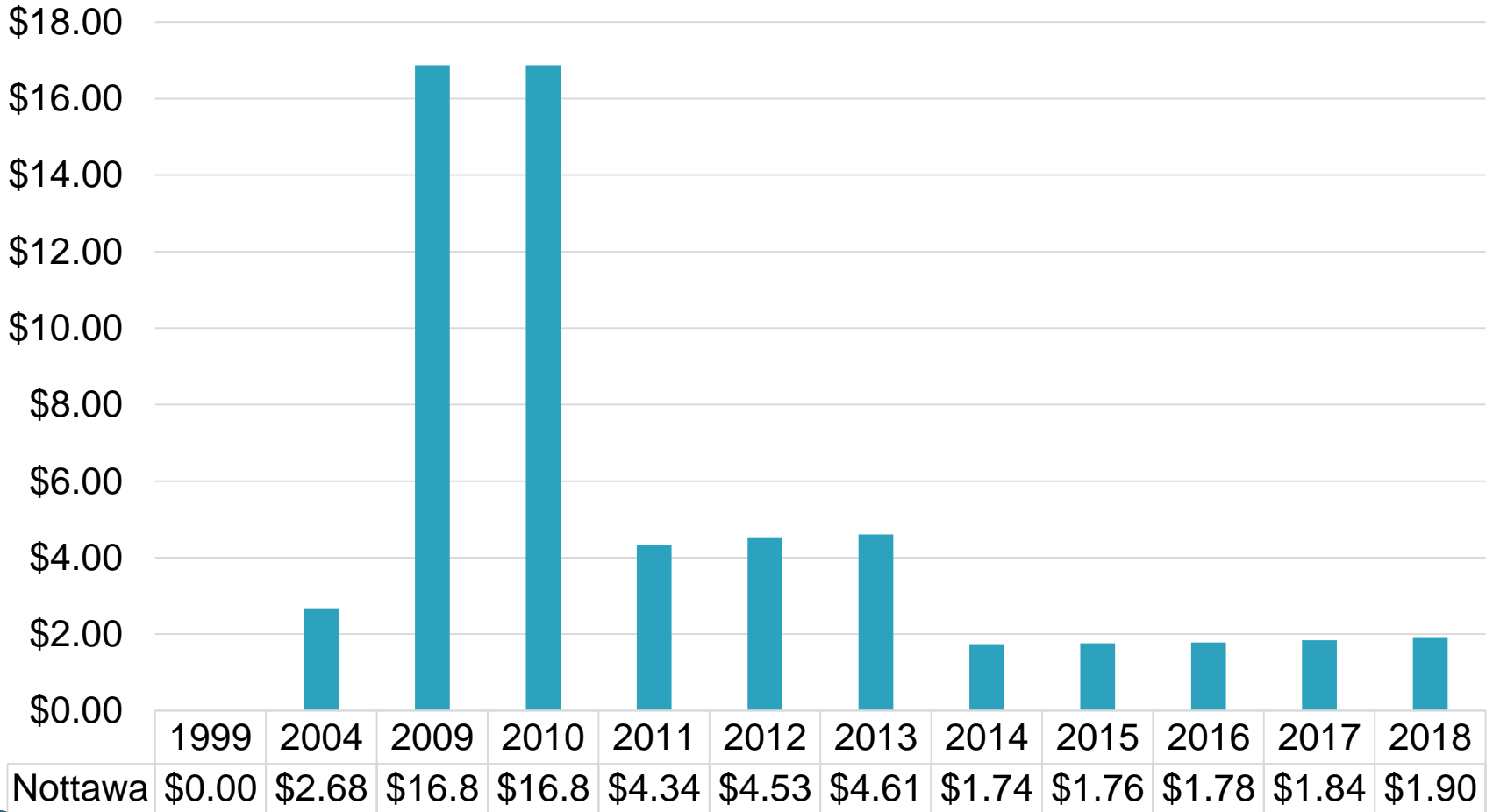
Creemore Non-Residential ft2



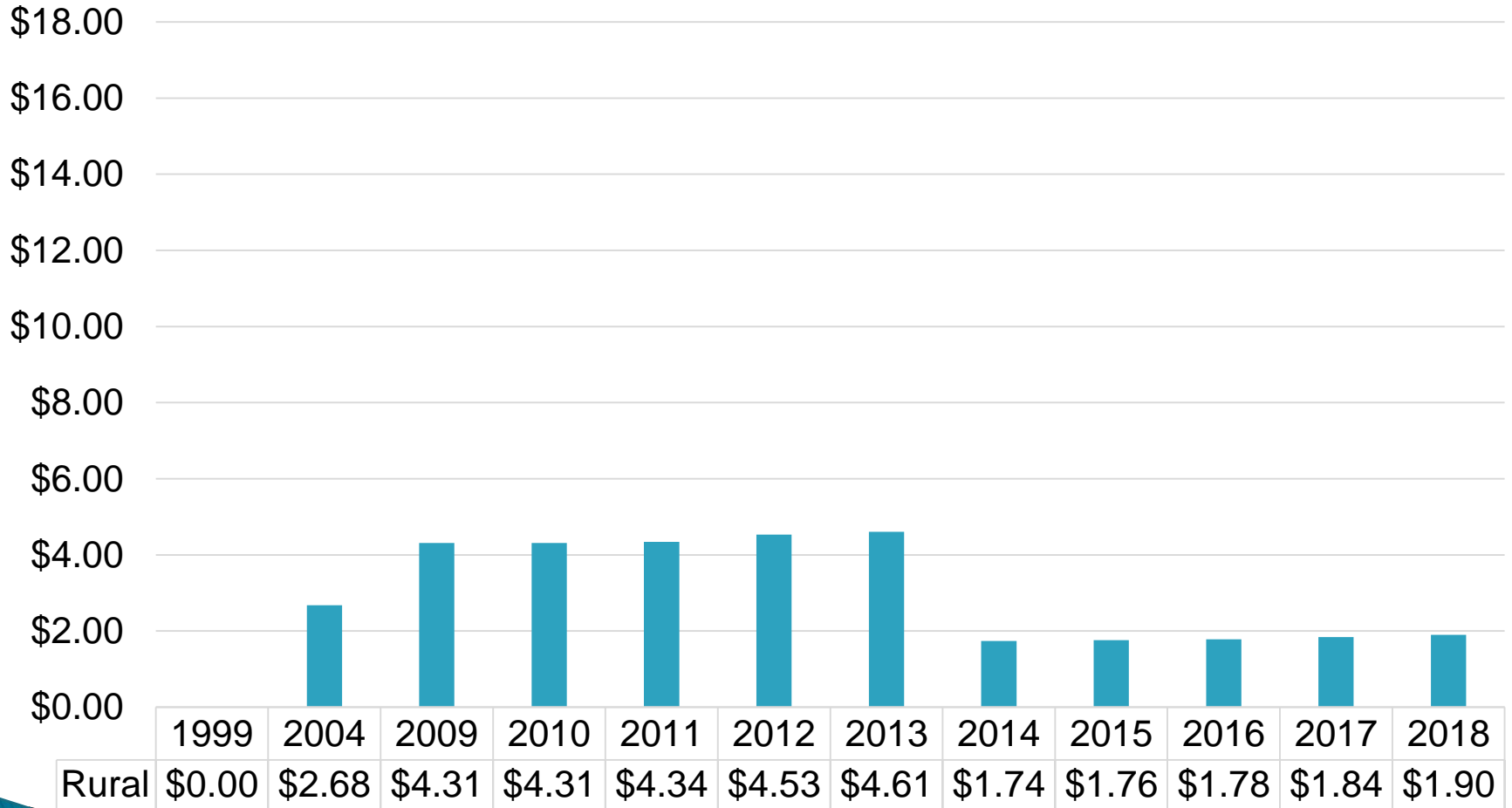
New Lowell Non-Residential ft2



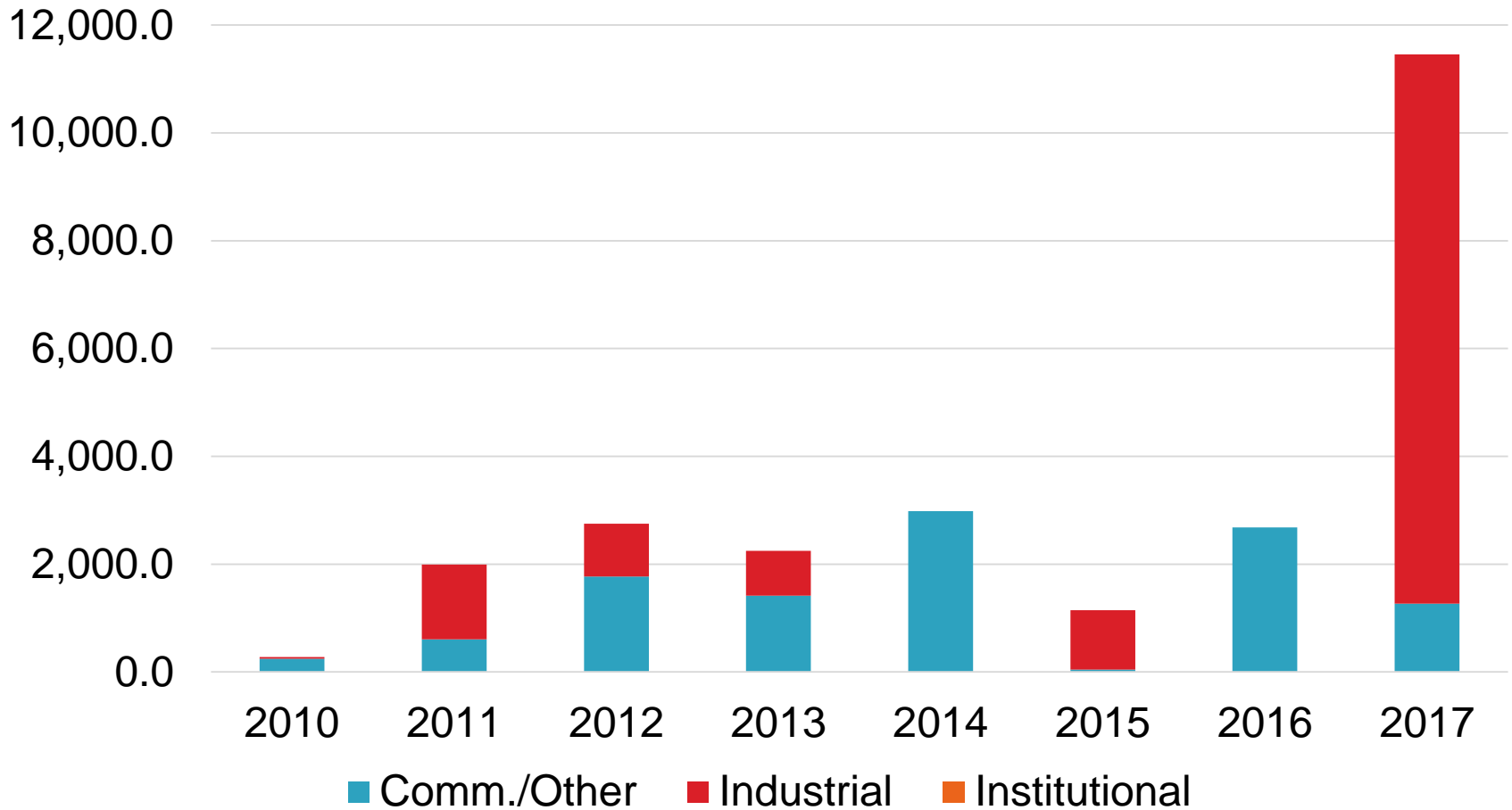
Nottawa Non-Residential ft2



Rural Non-Residential ft2



Non-Residential DCs by type (m2)

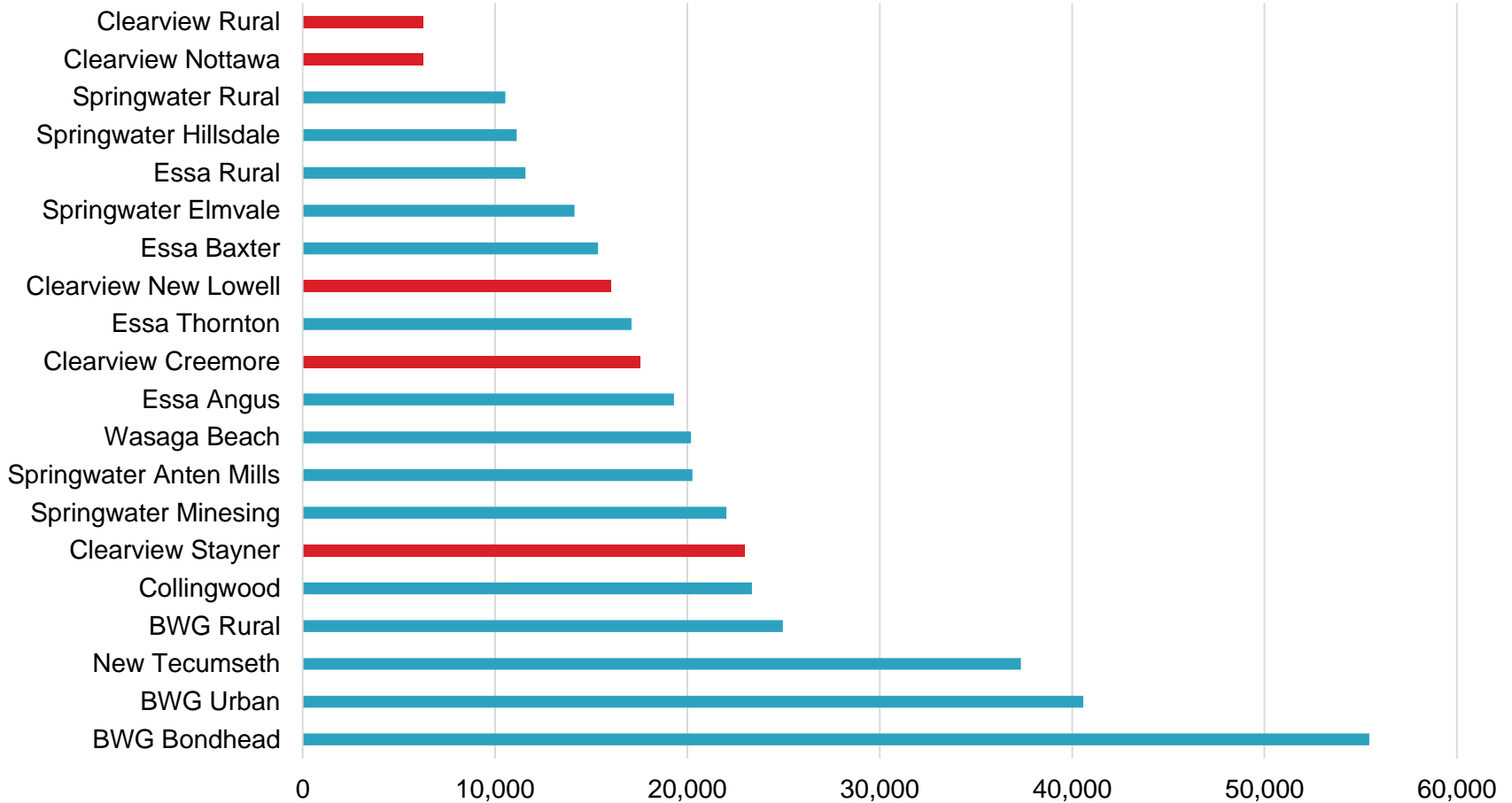


Clearview Comparators



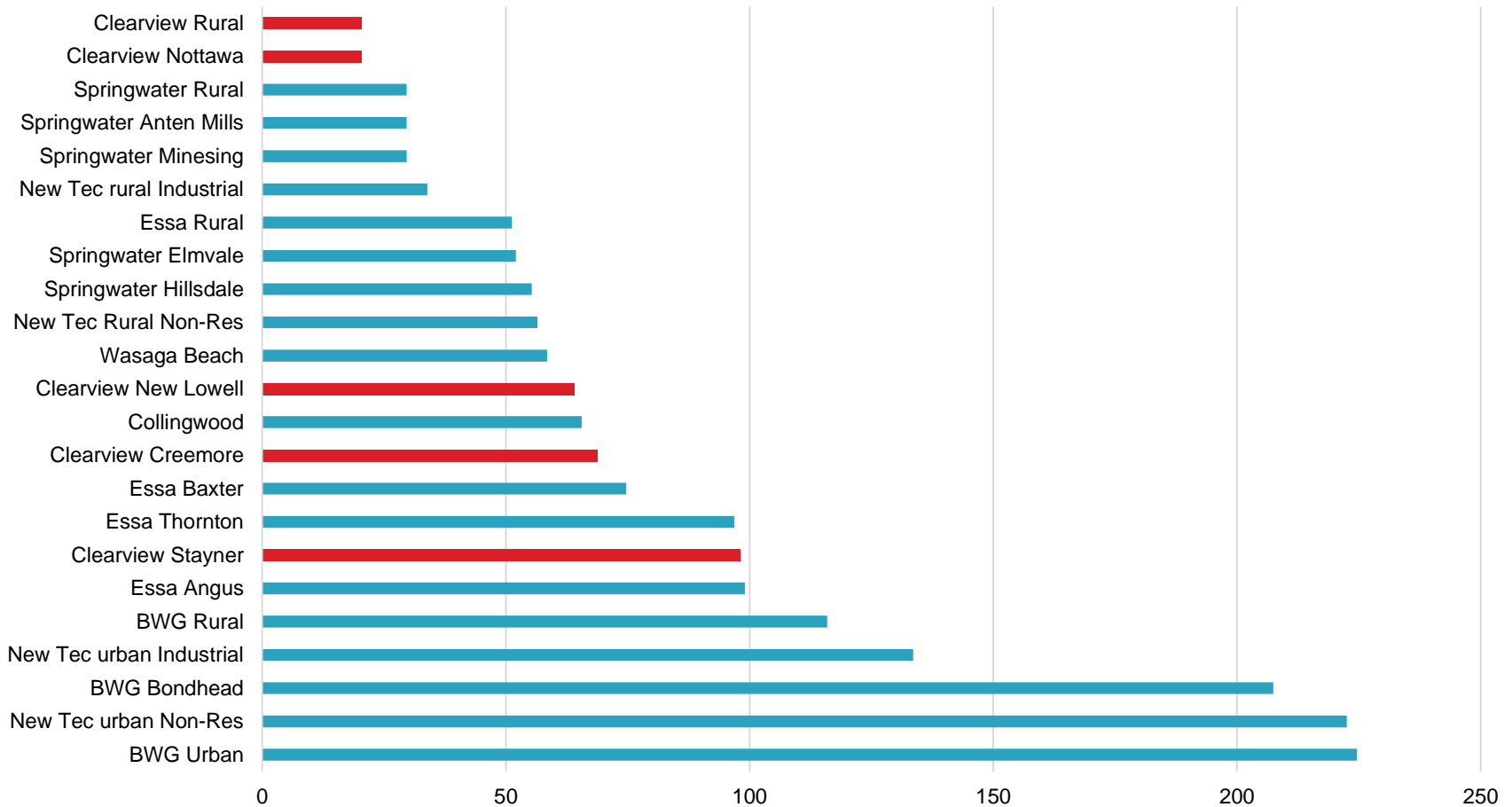
Clearview Comparators

Residential DCs

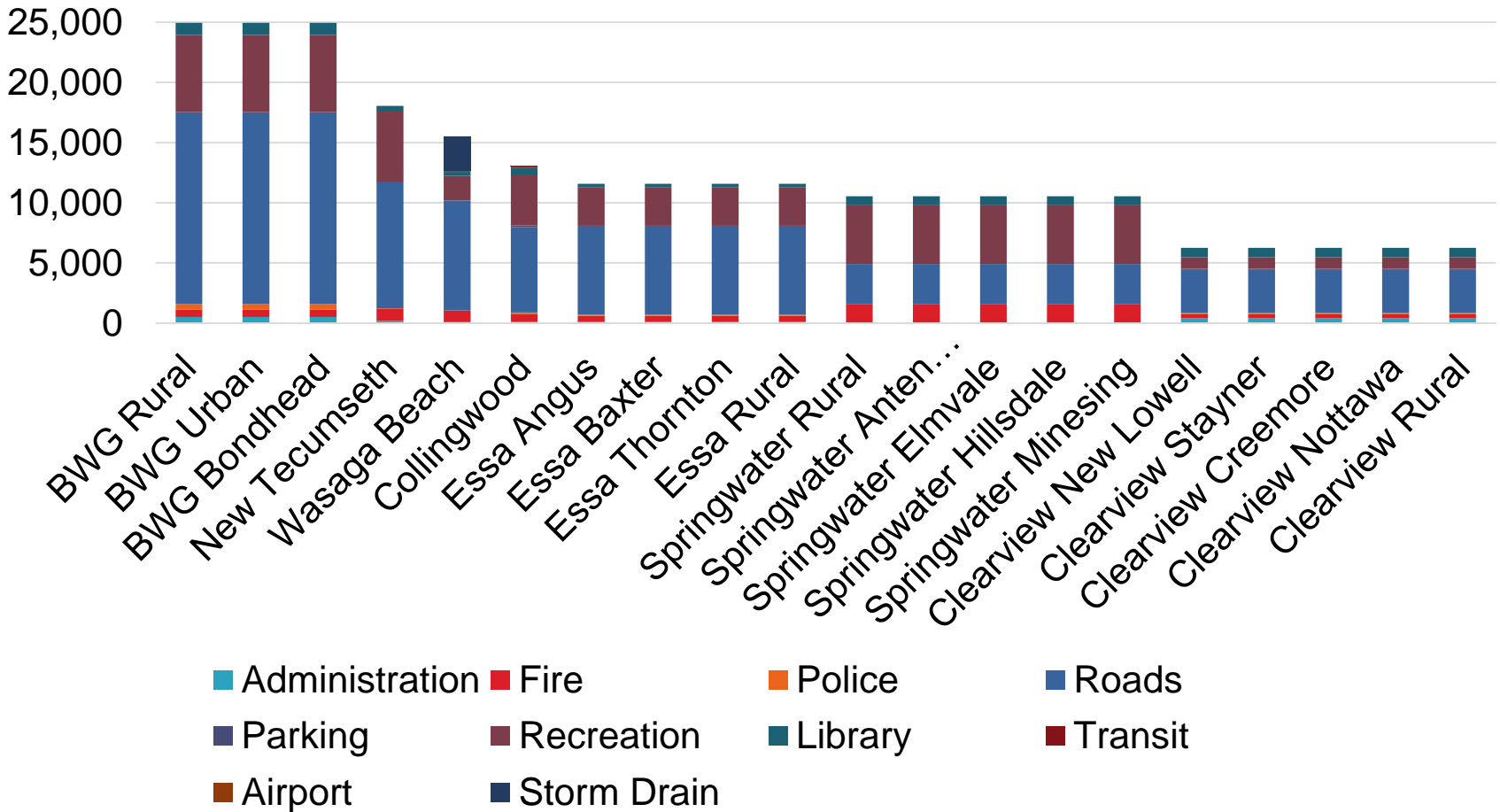


Clearview Comparators

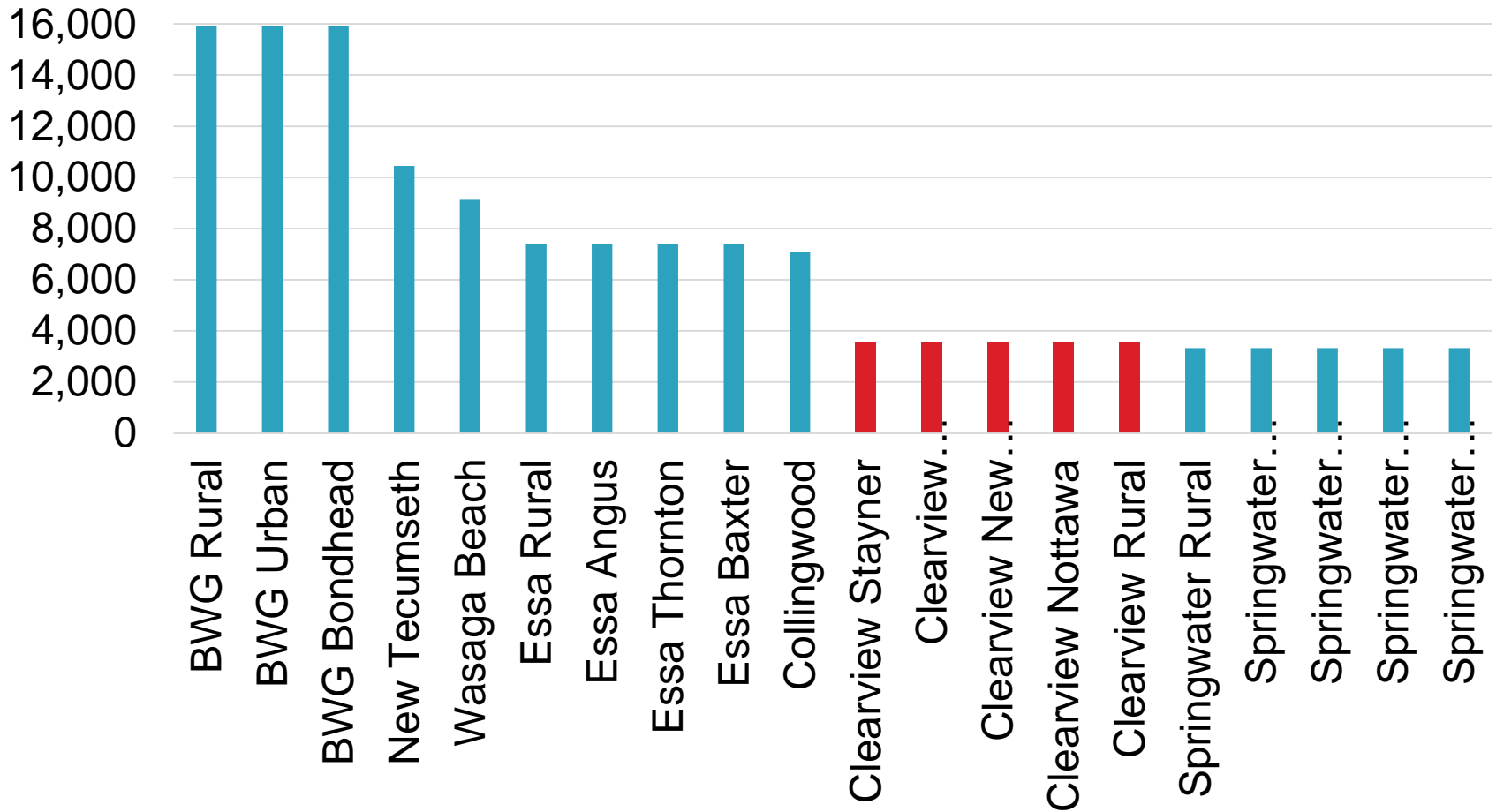
Non-Residential DCs (ft2)



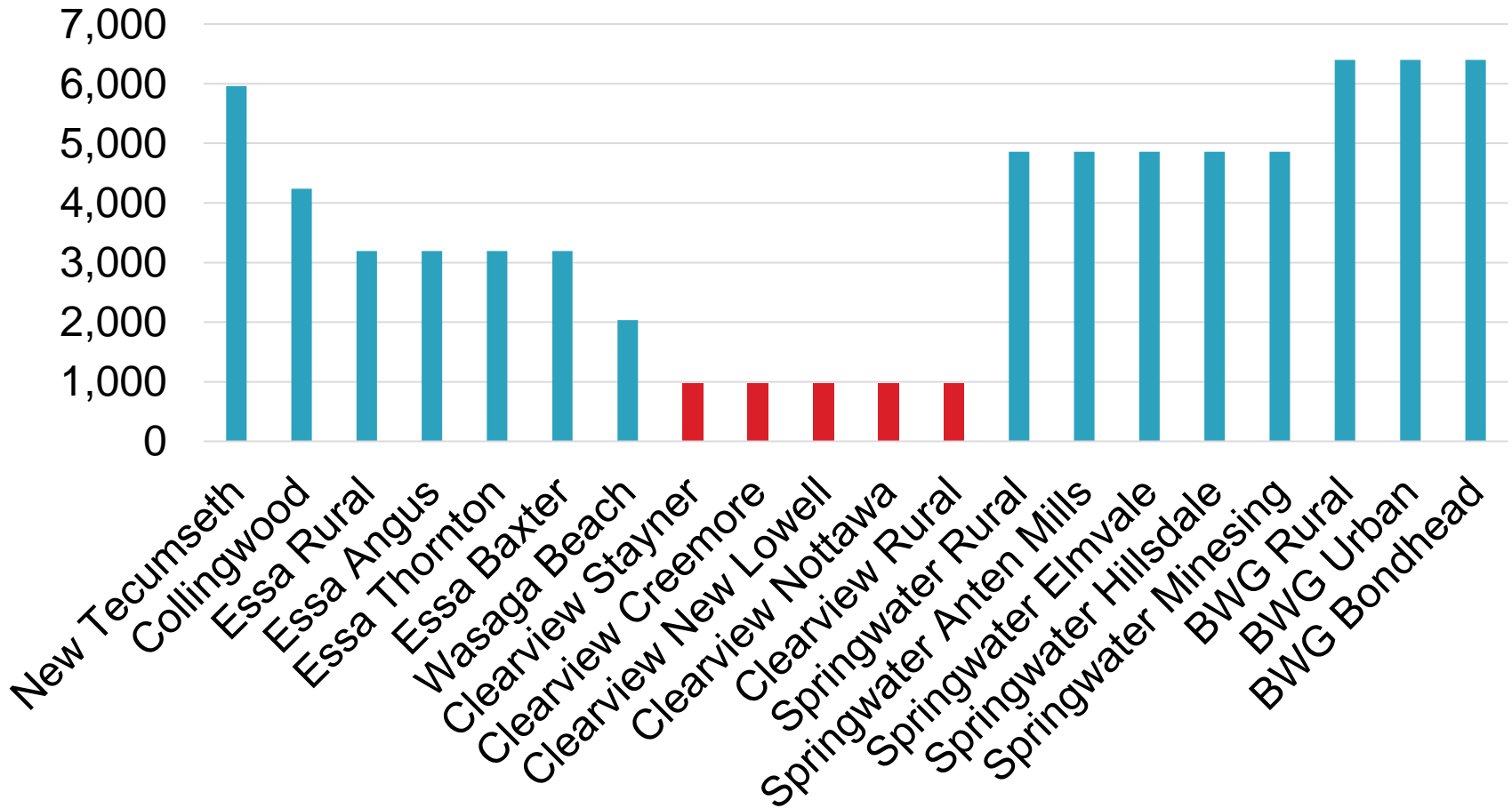
Roads and Recreation Largest Non-Utility DCs



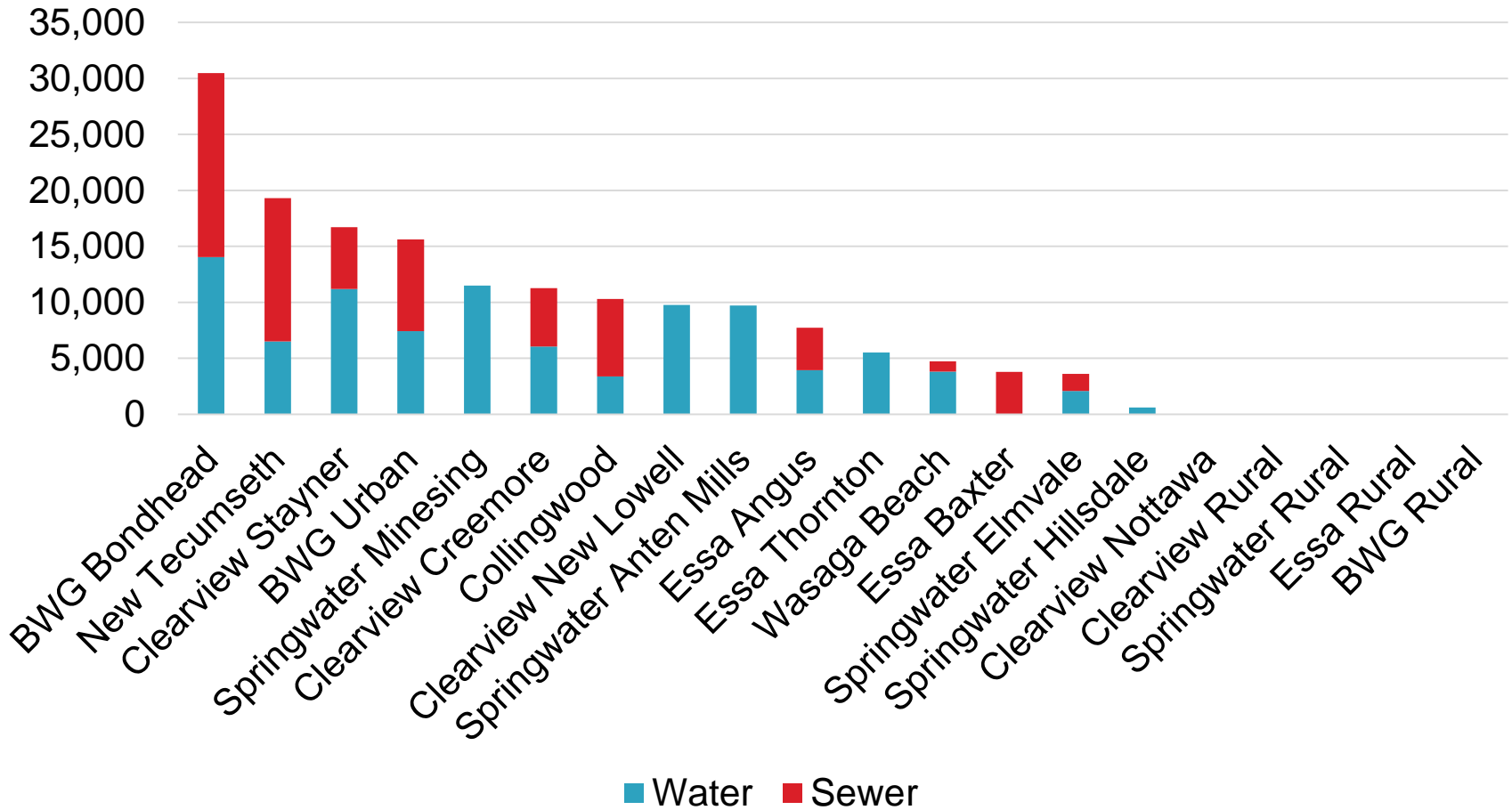
Roads DCs Comparators



Recreation DCs



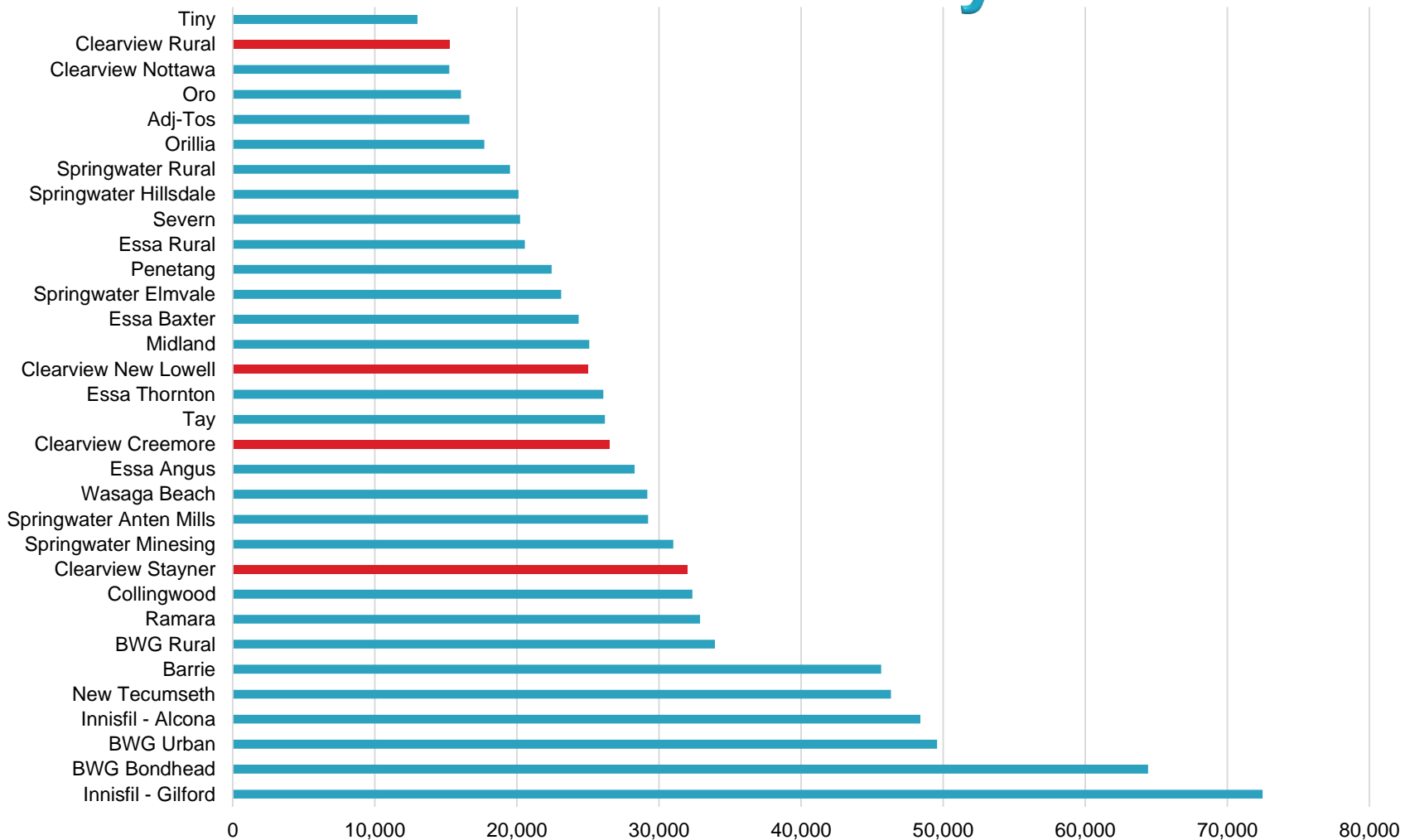
Water and Sewer are Biggest Variable Between Municipalities



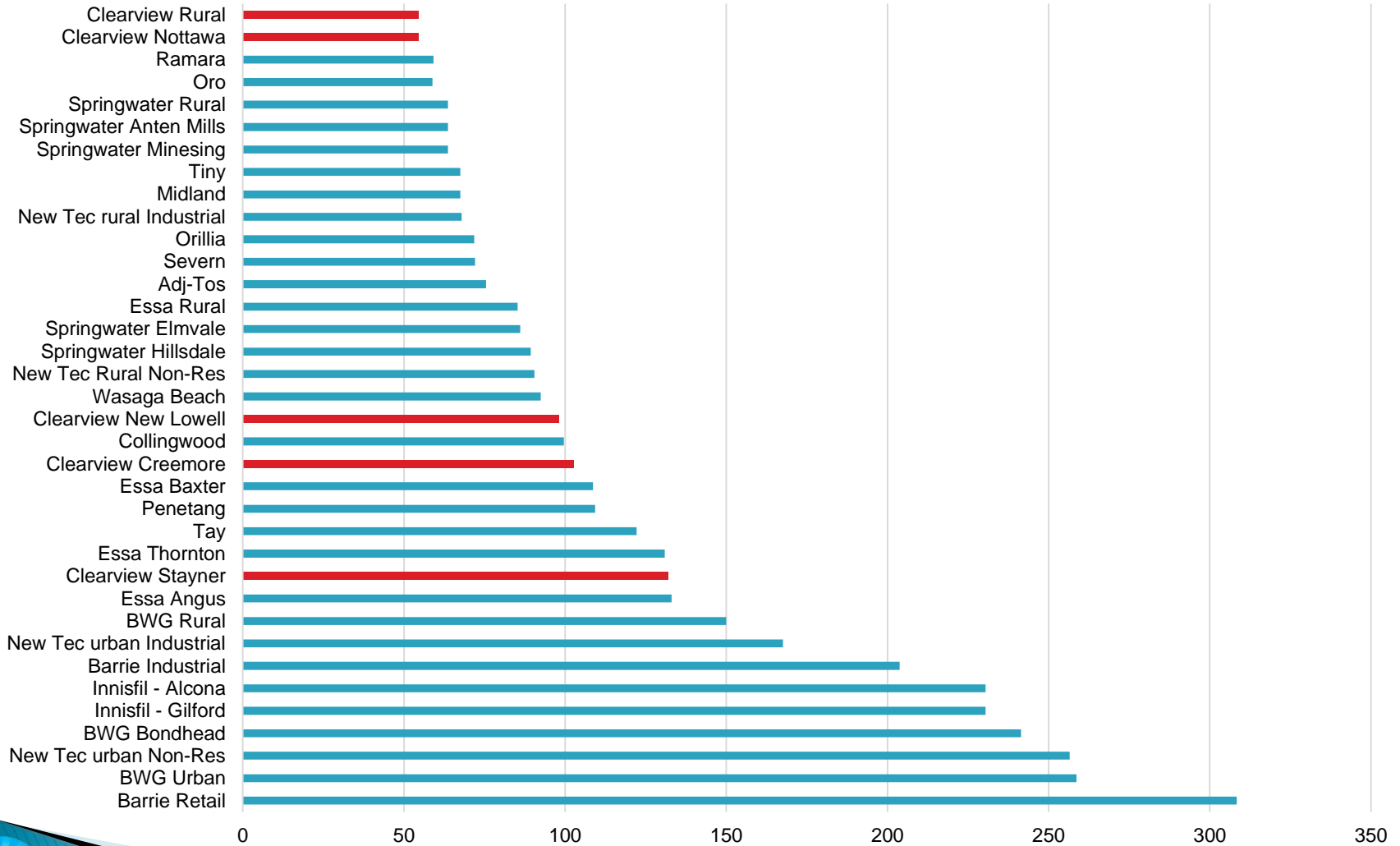
County and Municipal DCs Combined Comparison



Upper/Lower Residential DCs for Simcoe County



Upper/Lower Non-Residential DCs for Simcoe County (ft2)



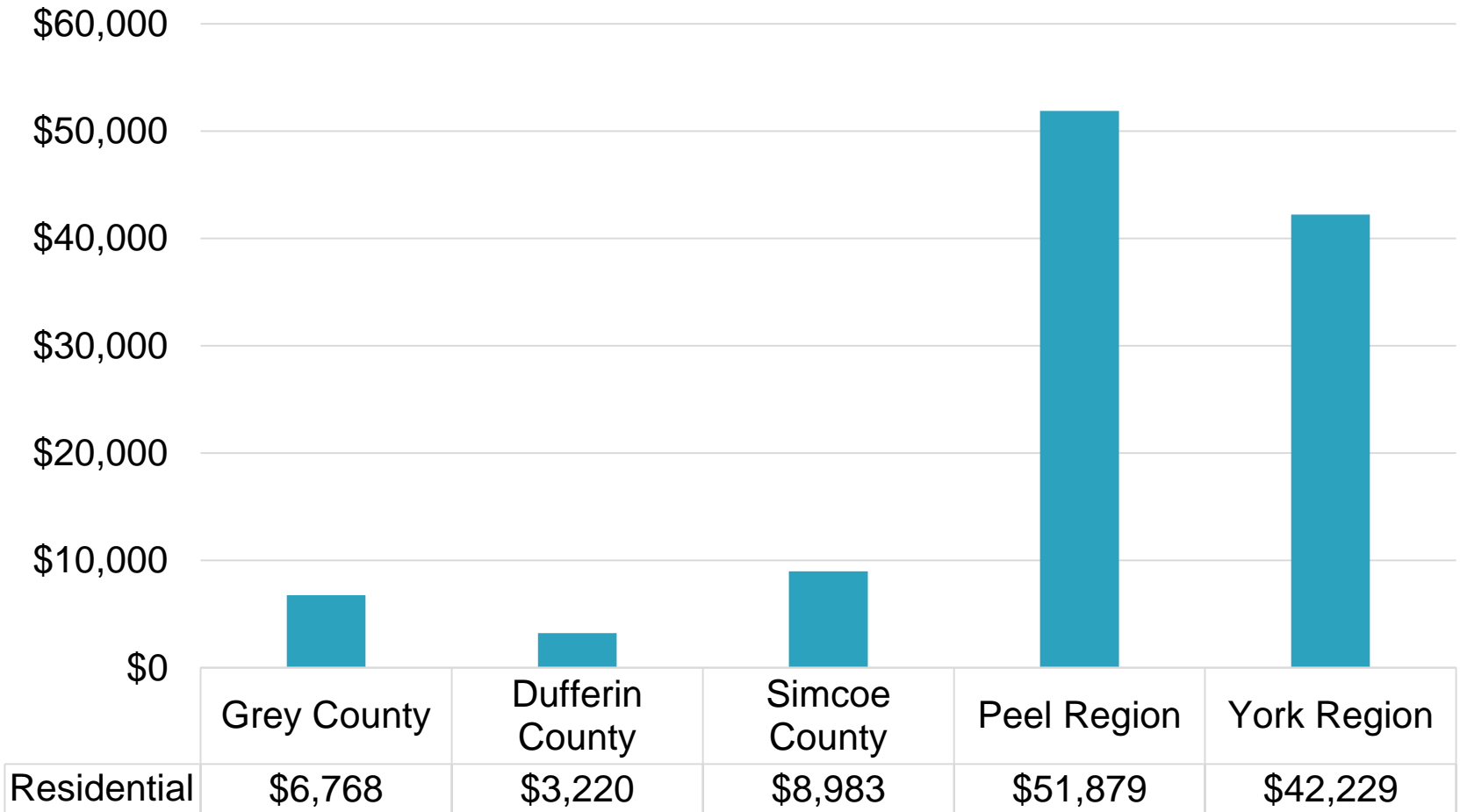
Industrial DCs waived for Ramara and Orillia



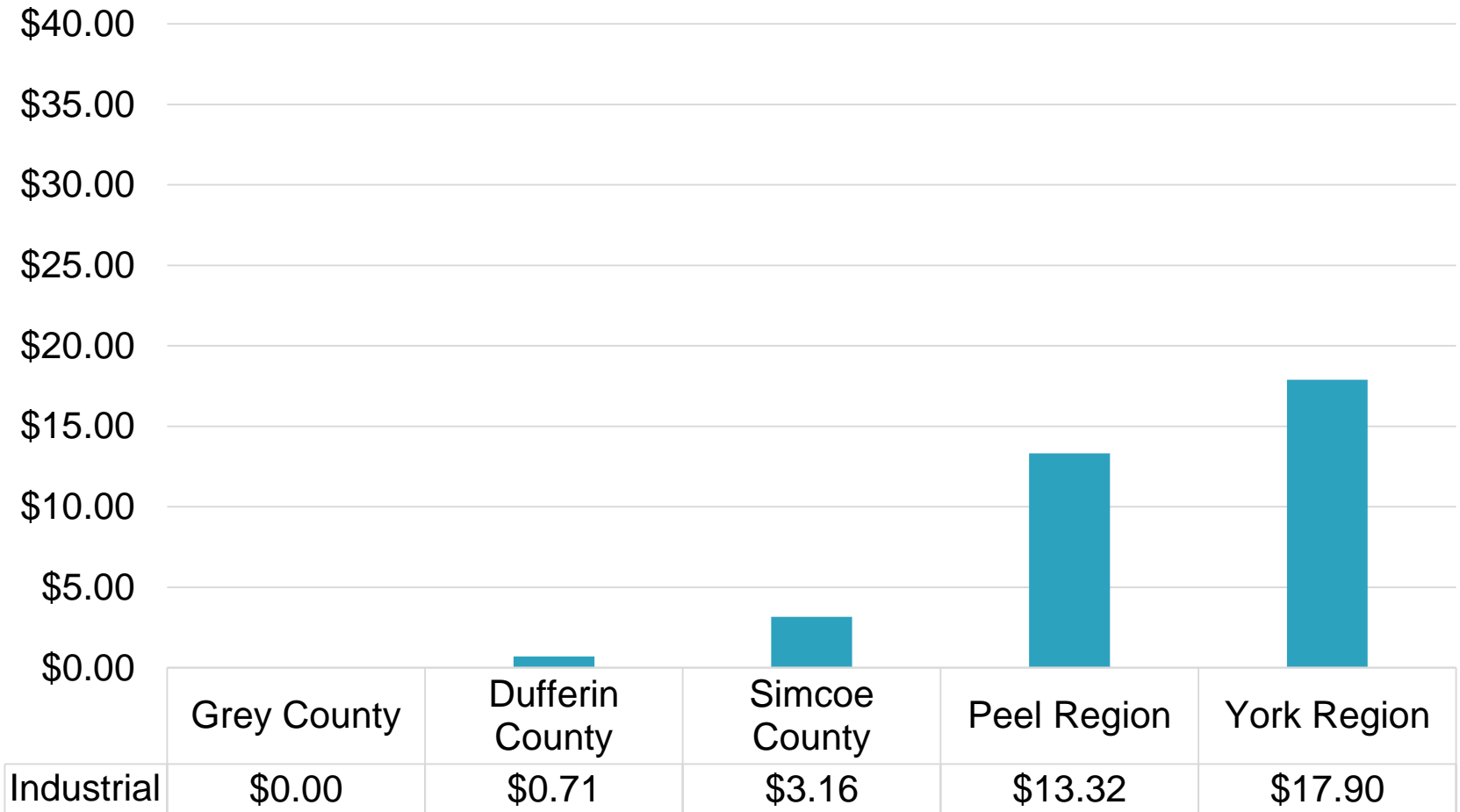
Simcoe County DC Comparisons



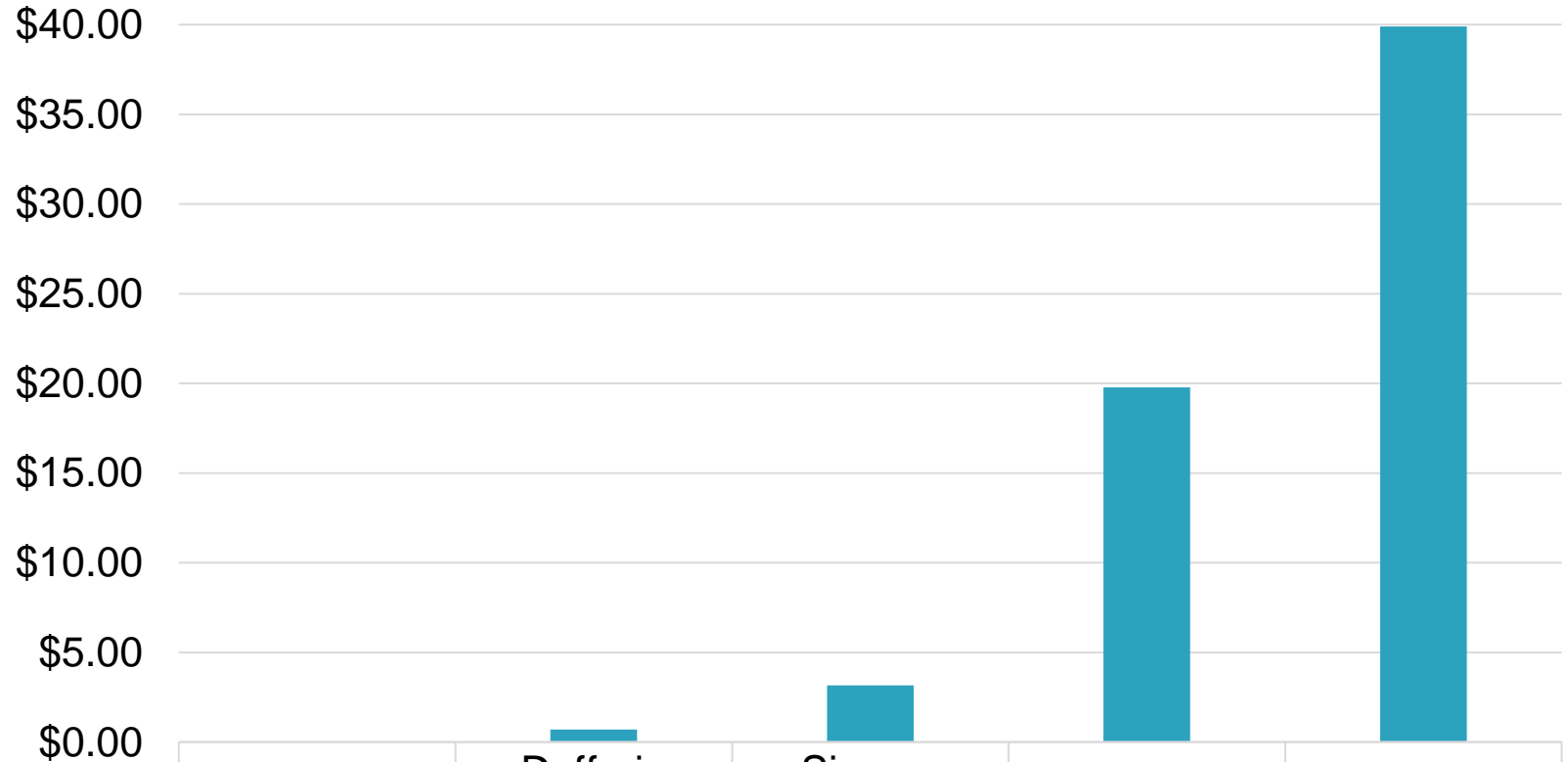
Residential



Industrial ft2



Commercial ft2



	Grey County	Dufferin County	Simcoe County	Peel Region	York Region
Commercial	\$0.00	\$0.71	\$3.16	\$19.79	\$39.89



2014 DC Study Council Changes



Council Resolution

- ▶ Move fire Station 3 and 6 replace/expand to 2025 (beyond DC study period)
- ▶ Move new (third) multi-use recreation facility to 2025 (beyond DC study period)
- ▶ Do not collect New Lowell sewer DC
- ▶ Do not collect parking, recreation or library DCs for non-residential
- ▶ Remove medical centre, storage areas, indoor sporting field from exemptions
 - (addressed with reduced DCs as above and 'significant community benefit' credit)



2019 Approach to DC Background Study



2019 DC Update Standards

- ▶ Date of last updates
- ▶ 5 years
- ▶ Longer public consultation time
- ▶ Adding Transit takes time
- ▶ Asset Management Plan needs to be included



No change to DC Area Charges

- ▶ Stayner – Water & Sewer
- ▶ Creemore – Water & Sewer
- ▶ New Lowell – Water Only
 - (Sewer removed in 2011)
- ▶ Nottawa – No Water, No Sewer
 - (Water & Sewer removed in 2011)
- ▶ Rural – No Water, No Sewer



DC Categories Being Levied

Charge	Residential	Non-Residential
Administration Studies	All areas	All areas
Fire	All areas	All areas
Policing	All areas	All areas
Roads and Related	All areas	All areas
Municipal Parking	All areas	Not charged
Recreation	All areas	Not charged
Library	All areas	Not charged
Water	Creemore, Stayner, New Lowell	Creemore, Stayner, New Lowell
Sewer	Creemore, Stayner	Creemore, Stayner



Continue DC Special Credits

- ▶ Change – Clarify areas they apply to
 - Some may be primarily intended for urbanized areas
- ▶ Green roof – 10% reduction
- ▶ Grey water recycling – 10% reduction
- ▶ Wastewater pre-treatment – 20% reduction
- ▶ Rainwater capture and re-use – 5% reduction
- ▶ New jobs – 0.5% to max of 30% reduction
- ▶ Significant community benefit – up to 50% reduction
- ▶ Charitable or non-profit – up to 100% reduction



DCs in Negative Balance no longer being charged

- ▶ Nottawa Water
- ▶ Nottawa Sewer
- ▶ New Lowell Sewer

- ▶ Not charged since 2011
- ▶ Consider repaying negative balance from taxation
- ▶ DCs cannot pay for future water or sewer expansion studies if not in DC study
- ▶ Cannot include water or sewer expansion studies in DC study if not collecting area charge



Non-residential Expansion Credits

- ▶ Currently 50% credit of building being expanded
- ▶ Consider extending 50% credit for any new construction, not just expansion of existing building



New Initiatives

- ▶ Conduct Transit Study to determine options for collecting Transit DCs
- ▶ 2014 included Perry Gideon land as Library DC
 - Stayner branch construction at Arena
 - Examine ability to transfer DCs spent to new library
 - Removing land from Library DC requires repayment of DCs spent on loan
 - Library DC repayment comes from taxation or if reassigned to another eligible DC segment then from that segment



2019 DC Study Timeline

- ▶ Multi-year process
- ▶ Feb 2018 SMT meeting and Draft Timelines
- ▶ Apr 2018 Consultant hired – staff preparing data
- ▶ May 2018 Preliminary DC Study presentation & Growth numbers to be used
- ▶ Sep 2018 Consultant meets Staff to start
- ▶ Dec 2018 Draft Background Study for staff review
- ▶ Jan 2019 Separate Stakeholder and Council mtgs.
- ▶ Mar 2019 Public Meeting
- ▶ April 2019 Bylaw approval for May implementation

