

Township of Adjala-Tosorontio

**2016 Development Charges
Background Study**

Council Presentation

July 6, 2016

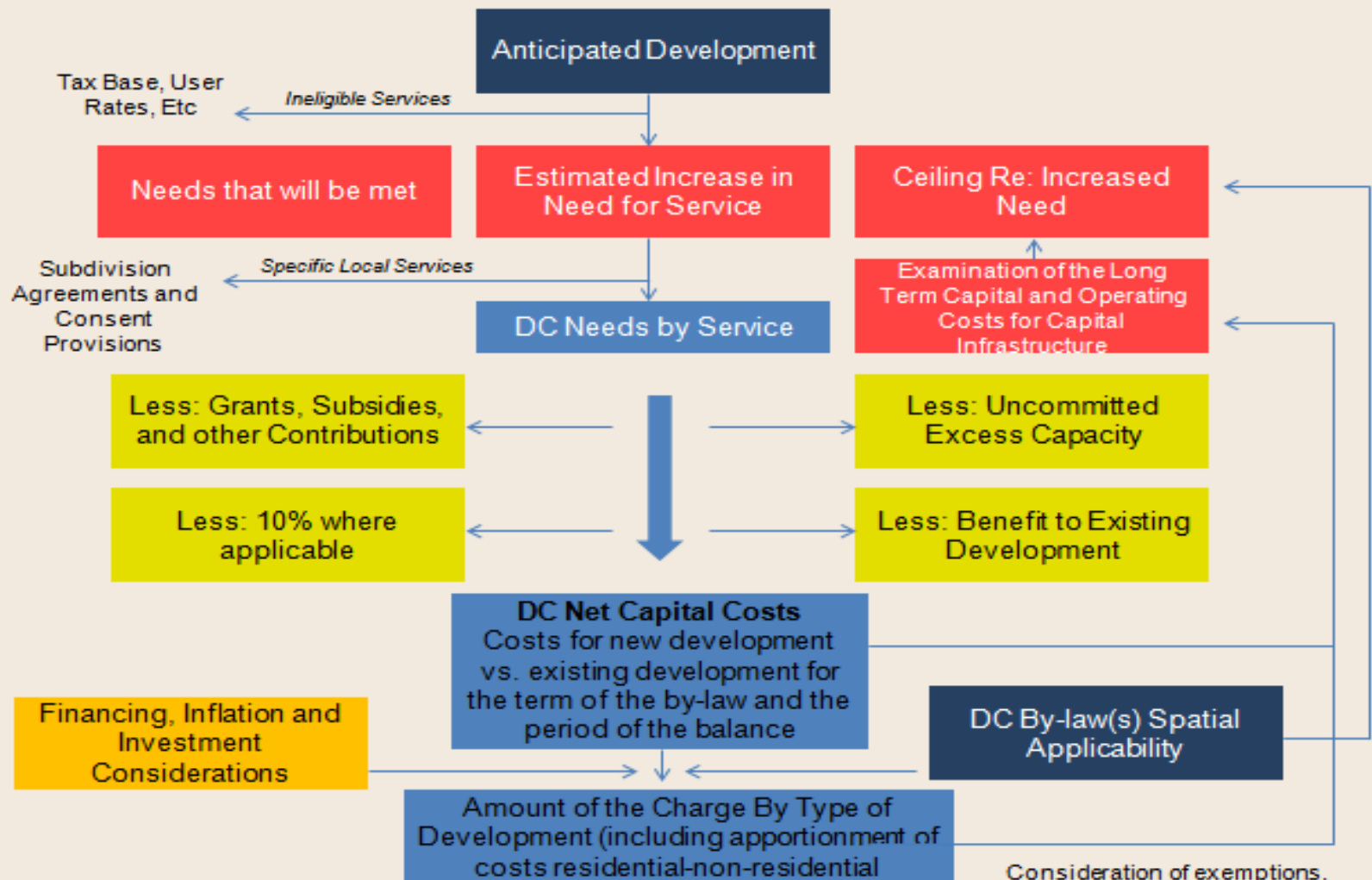
Development Charges

- ❑ Purpose of Development Charges (D.C.) is to recover the capital costs associated with residential and non-residential growth within the municipality
- ❑ The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, watermains, roads, sidewalks, streetlights, etc.)
- ❑ Municipalities are empowered to impose these charges via the *Development Charges Act* (DCA)

Study Process

- ❑ Growth forecast and detailed discussions with staff regarding future needs to service growth
- ❑ Council Presentation
- ❑ Release of D.C. Background Study
- ❑ Public Meeting (minimum 20 days notice and 2 weeks after release of background study)
- ❑ Council to consider by-law for adoption (no earlier than 60 days after the release of the background study)
- ❑ Township's D.C. By-Law set to expire October 1, 2016

Development Charges Methodology



Consideration of exemptions, phase-ins. etc.

Calculation Methodology

1. Identify amount, type and location of growth
 - Residential and non-residential development
 - DCA prescribed intervals
2. Identify servicing needs to accommodate growth; a D.C. may not provide for:
 - Parkland acquisition
 - General Administration Headquarters
 - Tourism, Arts/Culture Facilities, Museums
 - Landfill Sites and Services, Incineration of Waste
 - Hospitals
 - Vehicle & Equipment with a useful life of <7 yrs.
 - Computer Equipment

Calculation Methodology

(Cont'd)

3. D.C. capital needs assessment requires:
 - Consideration of 10-year average historical level of service
 - Council intention that needs will be met
 - Long-term capital and operating cost determination
4. Identify capital costs to provide services to meet the needs
 - Project specific determination

Calculation Methodology

(Cont'd)

5. Capital costs may include
 - Land acquisition (excluding parkland)
 - Capital improvements, acquisitions, leases and construction projects
 - Rolling stock with a useful life of 7 years or more
 - Furniture and equipment for eligible services
 - Library circulation materials
 - Interest costs
 - Studies in connection to the above

Calculation Methodology

(Cont'd)

6. D.C. capital cost assessment must have regard for:
 - Uncommitted excess capacity
 - Grants, subsidies and other contributions
 - Benefit to existing development
 - Statutory 10% deduction (soft services)
 - Amounts in excess of 10-year historical service standard calculation
 - Outstanding D.C. credits
 - D.C. reserve funds (where applicable)

Calculation Methodology

(Cont'd)

7. Net costs allocated by type of development
8. Calculate average cost charges
9. D.C. by-law policy considerations:
 - Collection timing (building permit issuance)
 - Statutory and non-statutory exemptions
 - Credit policies (s.38 credits and redevelopment credits)
 - Fee implementation (uniform by use, differentiated by use, exempt developments, phase-in policies)
 - Indexing policies (discretionary approach or mandatory approach)

Growth Forecast

- Following sources reviewed:
 - Places to Grow (Growth Plan for the Greater Golder Horseshoe), 2006. Office Consolidation June, 2013, Schedule 7: Distribution of population and employment of the County of Simcoe to 2013:
 - Simcoe County Land Budget, 2014 update; and
 - Discussion with Township staff regarding anticipated residential and non-residential development for the Township

- Growth forecast prepared for:
 - 10-year period – 2016-2026
 - 15-year period – 2016-2031

DC Growth Forecast

Time Horizon	Residential		Non-Residential	
	Net Population	Residential Units	Employment (excl. WAH & NFPOW)	Sq. ft. of Non-residential GFA
2016	10,712	3,682	643	
2026	13,085	4,592	840	
2031	14,360	5,180	930	
Incremental Change				
<u>Township</u>				
10-year (2016-2026)	2,373	913	197	145,300
15-year (2016-2031)	3,467	1,498	287	209,700
<u>Everett Settlement Boundary</u>				
10-year (2016-2026)	712	287	97	57,300
15-year (2016-2031)	2,206	862	167	99,400

Increase in Need for Service

- Township-wide
 - Transportation Services
 - Fire Protection Services
 - Police Services
 - Parks and Recreation Services
 - Administration Studies

- Area Specific – Everett Settlement Boundary
 - Roads Services

Anticipated Capital Needs (Transportation Services)

Prj .No	Increased Service Needs Attributable to Anticipated Development 2016-2031	Gross Capital Cost Estimate (2016\$)	Post Period Benefit	Net Capital Cost	Less: Potential DC Recoverable Cost			
					Benefit to Existing Development	Total	Residential Share 93%	Non-Residential Share 7%
	Roads	-	-	-	-	-	-	-
1	Replacement of Bridge #14 north of 5 Sideroad on the 3rd Concession/widened to two full lanes	110,000	-	110,000	103,783	6,217	5,764	454
2	Replacement of Bridge #19 on the 6th Concession north of 89 Highway/ widened to two full lanes	608,300	-	608,300	330,664	277,636	257,382	20,255
3	Road construction south of Colgan on the 8th Concession to remove hills for sightlines and paving	708,000	-	708,000	425,365	282,635	262,016	20,619
4	Road construction 7th concession south of County Rd. #14 to #9 Highway to remove hills for better sightlines and paving	885,000	-	885,000	450,811	434,189	402,514	31,676
5	Replacement of Bridge #34 north of County Rd #14 on the 7th Concession/widen to two full lanes for additional traffic volume	893,900	-	893,900	368,612	525,288	486,966	38,322
6	Replacement of Bridge #18 on the 6th Concession north of 89 Highway/ widened to two full lanes	1,283,500	-	1,283,500	715,502	567,998	526,561	41,438
7	Everett Sidewalks	975,900	150,988	824,912	360,367	464,545	430,655	33,890
	Facilities	-	-	-	-	-	-	-
8	Depot Replacement in Everett	2,932,000	391,492	2,540,508	1,336,000	1,204,508	1,116,634	87,873
9	Depot Expansion in Loretto (2 Bays)	800,000	-	800,000	-	800,000	741,637	58,363
	Vehicles and Equipment	-	-	-	-	-	-	-
10	Additional Tandem Truck - Everett	220,000	53,965	166,035	-	166,035	153,922	12,113
11	Additional Tandem Truck - Loretto	220,000	-	220,000	-	220,000	203,950	16,050
12	Trackless Sidewalk Plow - Everett	96,300	23,622	72,678	-	72,678	67,376	5,302
13	1 Ton Dump Truck - Everett	45,000	11,038	33,962	-	33,962	31,484	2,478
14	Trackless Sidewalk Plow - Loretto	96,300	-	96,300	-	96,300	89,275	7,025
15	1 Ton Dump Truck - Loretto	45,000	-	45,000	-	45,000	41,717	3,283
16	Additional Pickup Truck - Everett	35,000	8,585	26,415	-	26,415	24,488	1,927
17	Trailer - Everett	10,000	2,453	7,547	-	7,547	6,996	551
18	Front Mount Mowers - Everett (2)	35,000	8,585	26,415	-	26,415	24,488	1,927
	Reserve Fund Adjustment					(201,141)	(186,467)	(14,674)
	Total	9,999,200	650,729	9,348,471	4,091,102	5,056,228	4,687,357	368,871

Anticipated Capital Needs (Fire Protection Services)

Prj .No	Increased Service Needs Attributable to Anticipated Development 2016-2031	Gross Capital Cost Estimate (2016\$)	Post Period Benefit	Net Capital Cost	Less: Potential DC Recoverable Cost			
					Benefit to Existing Development	Total	Residential Share 93%	Non-Residential Share 7%
	Facilities	-	-	-	-	-	-	-
1	New Fire Station (Everett)	3,300,000	229,290	3,070,710	2,365,250	705,460	653,994	51,466
2	Addition Facility Space - 1 Bay (Loretto)	500,000	-	500,000	-	500,000	463,523	36,477
	Vehicles	-	-	-	-	-	-	-
3	75' Ladder Truck (Everett)	950,000	233,031	716,969	-	716,969	664,663	52,306
4	Fire Truck (Loretto)	610,000	-	610,000	-	610,000	565,498	44,502
	Equipment	-	-	-	-	-	-	-
5	8 Additional Firefighters	32,000	7,849	24,151	-	24,151	22,389	1,762
6	4 SCBA's	32,800	8,046	24,754	-	24,754	22,948	1,806
7	8 Breathing Air Cylinders	10,800	2,649	8,151	-	8,151	7,556	595
8	Water supply at Station 2 (Loretto)	60,000	-	60,000	44,736	15,264	14,150	1,114
		-	-	-	-	-	-	-
	Reserve Fund Adjustment	-	-	-	-	(102,520)	(95,041)	(7,479)
		-	-	-	-	-	-	-
	Total	5,495,600	480,866	5,014,734	2,409,986	2,502,228	2,319,681	182,547

Anticipated Capital Needs

(Police Services)

Prj .No	Increased Service Needs Attributable to Anticipated Development 2016-2025	Gross Capital Cost Estimate (2016\$)	Other Deductions	Net Capital Cost	Less: Potential DC Recoverable Cost			
					Benefit to Existing Development	Total	Residential Share 92%	Non-Residential Share 8%
1	Police Services	47,558	38,066	9,492	-	9,492	8,764	728
		-		-	-	-	-	-
	Total	47,558	38,066	9,492	-	9,492	8,764	728

Anticipated Capital Needs (Parks and Recreation Services)

Prj.No	Increased Service Needs Attributable to Anticipated Development	Gross Capital Cost Estimate (2016\$)	Post Period Benefit	Net Capital Cost	Less:	Subtotal	Less:	Potential DC Recoverable Cost		
					Benefit to Existing Development		Other (e.g. 10% Statutory Deduction)	Total	Residential Share	Non-Residential Share
	2016-2025								95%	5%
	Parkland Development		-	-	-	-	-	-	-	-
1	Adjala-Tosorontio Wardens Park Develop	211,600	-	211,600	-	211,600	21,160	190,440	180,918	9,522
2	Loretto (0.9 ac.)	94,648	-	94,648	-	94,648	9,465	85,183	80,924	4,259
3	Everett (4.7 ac.)	494,273	373,875	120,398	-	120,398	12,040	108,358	102,940	5,418
4	Colgan (4.5ac.)	473,240	-	473,240	-	473,240	47,324	425,916	404,620	21,296
	Reserve Fund Adjustmnet	-	-	-	-	-	-	(86,088)	(81,784)	(4,304)
		-	-	-	-	-	-	-	-	-
	Total	1,273,761	373,875	899,885	-	899,885	89,989	723,809	687,618	36,190

Anticipated Capital Needs (Administration Studies)

Prj.No	Increased Service Needs Attributable to Anticipated Development 2016-2025	Gross Capital Cost Estimate (2016\$)	Post Period Benefit	Net Capital Cost	Less:		Subtotal	Less: Other (e.g. 10% Statutory Deduction)	Potential DC Recoverable Cost		
					Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development			Total	Residential Share 92%	Non-Residential Share 8%
1	Road Needs Study	15,000	-	15,000	12,275		2,725		2,725	2,516	209
2	Fire Master Plan	50,000	-	50,000	40,916		9,084		9,084	8,387	696
3	Recreation Master Plan Update	50,000	-	50,000	12,500		37,500	3,750	33,750	31,163	2,587
4	DC Background Study (2)	70,000	-	70,000	-		70,000	7,000	63,000	58,171	4,829
5	Bridge Inspection Study (5)	80,000	-	80,000	65,466		14,534		14,534	13,420	1,114
6	Infrastructure Design Criteria	60,000	-	60,000	49,100		10,900		10,900	10,065	836
7	OPA Review	100,000	-	100,000	50,000		50,000	5,000	45,000	41,551	3,449
8	Zoning By-law	100,000	-	100,000	50,000		50,000	5,000	45,000	41,551	3,449
9	Everett Master Servicing Plan	100,000	-	100,000	10,000		90,000		90,000	83,101	6,899
10	Sustainability Study	50,000	-	50,000	25,000		25,000	2,500	22,500	20,775	1,725
11	Economic Development Strategic Plan	50,000	-	50,000	25,000	25,000	-	-	-	-	-
	Reserve Fund Adjustment	-	-	-	-		-	-	(15,054)	(13,900)	(1,154)
	Total	725,000	-	725,000	340,257	25,000	359,743	23,250	321,439	296,799	24,639

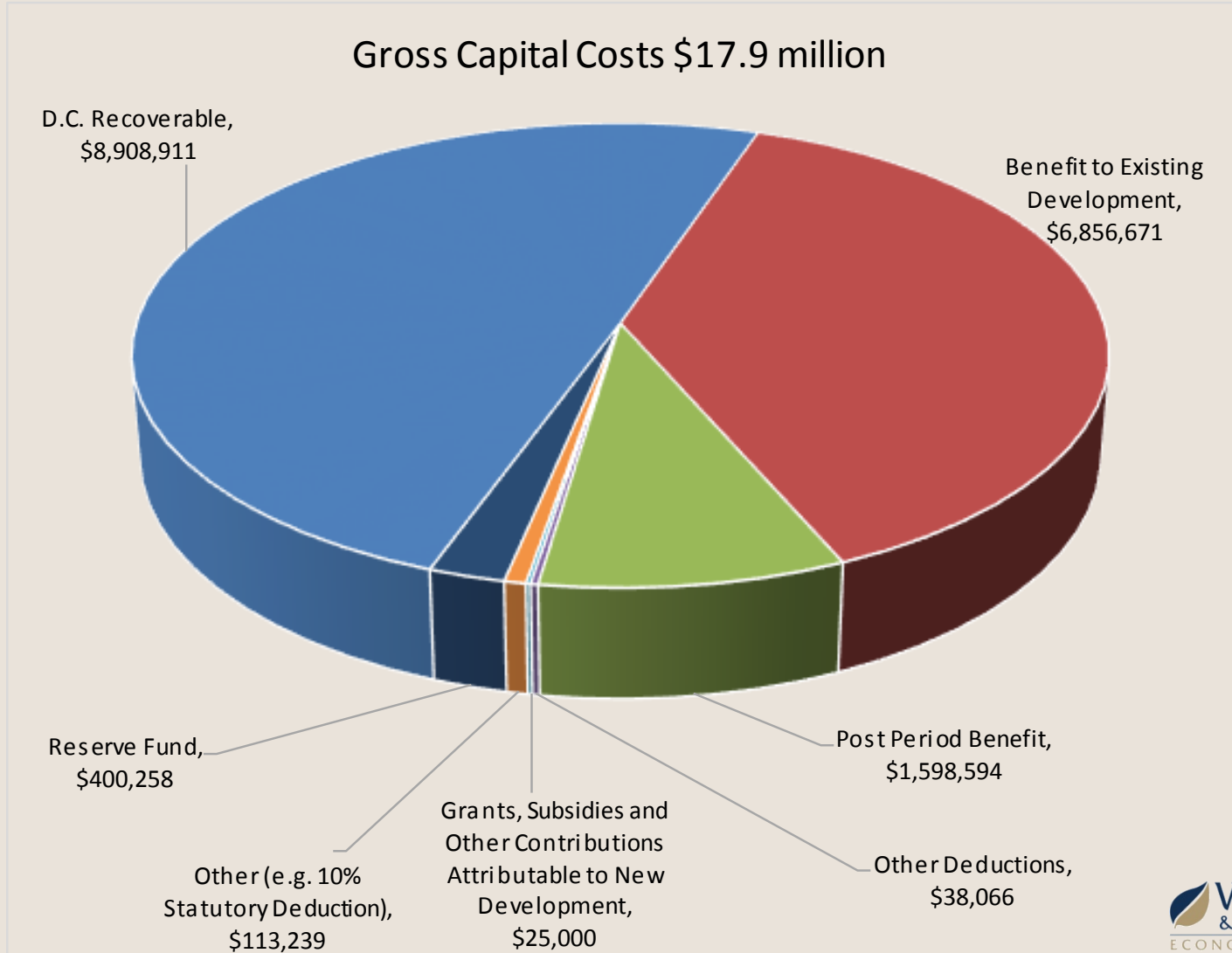
Anticipated Capital Needs

(Everett Settlement Boundary – Roads Services)

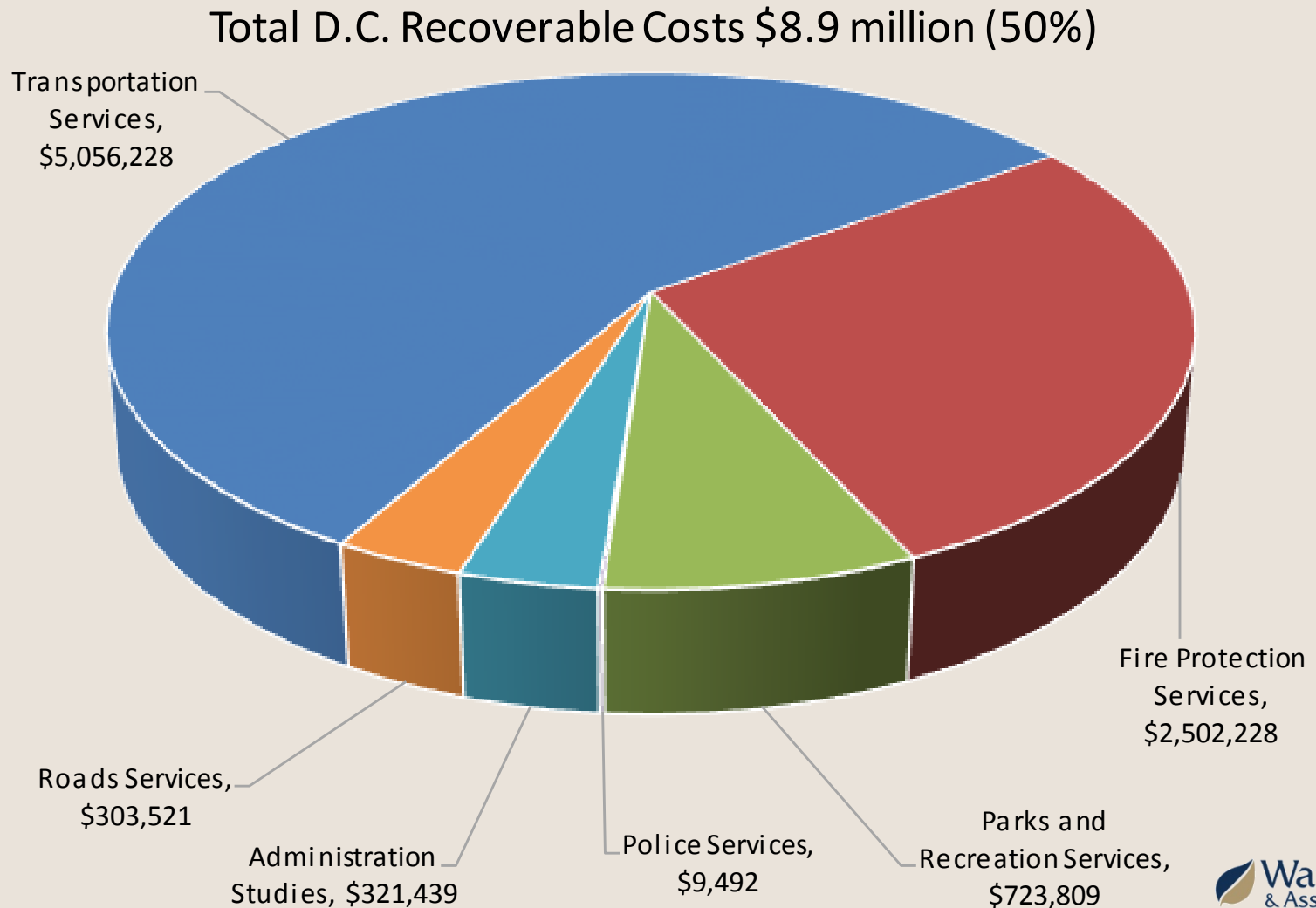
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					Benefit to Existing Development	Total	Residential Share 93%	Non-Residential Share 7%
	Roads	-	-	-	-	-	-	-
1	Anticipated Capital Needs - Roads (Con Rd 6)	399,620	93,124	306,496	15,325	291,171	270,680	20,491
	Reserve Fund Adjustment					12,350	11,480	869
	Total	399,620	93,124	306,496	15,325	303,521	282,161	21,360

Anticipated Capital Needs

(Total - \$17.9 Million)



D.C. Recoverable Capital Costs (Total - \$8.9 million)



Calculated Schedule of Development Charges

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	Special Care/Special Dwelling Units	(per ft ² of Gross Floor Area)
Municipal Wide Services:						
Transportation Services	3,139	1,894	1,522	2,618	1,064	1.76
Fire Protection Services	1,554	938	753	1,296	527	0.87
Police Services	10	6	5	8	3	0.00
Parks and Recreation Services	753	454	365	628	255	0.25
Library Services	-	-	-	-	-	0.00
Administration Studies	325	196	157	271	110	0.17
Total Municipal Wide Services	5,780	3,488	2,802	4,821	1,959	3.05
Area-Specific Services - Everett Settlement Area						
Roads Service	327	197	159	273	111	0.21
Total Area-Specific Services	327	197	159	273	111	0.21
GRAND TOTAL MUNICIPAL-WIDE	5,780	3,488	2,802	4,821	1,959	3.05
GRAND TOTAL EVERETT SETTLEMENT AREA	6,107	3,685	2,961	5,094	2,070	3.26

Current vs. Proposed Development Charges

Residential (Single Detached) Comparison

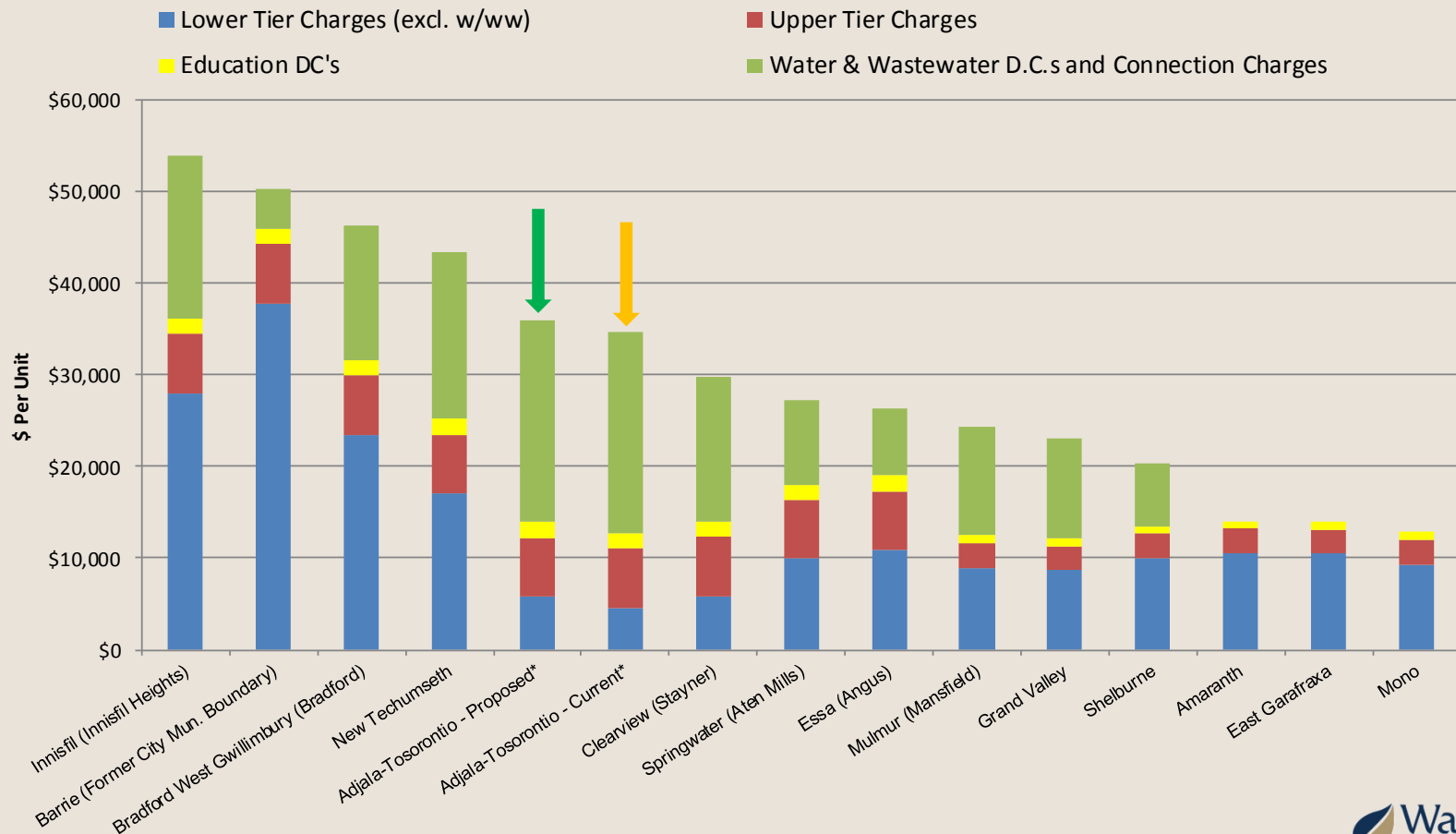
	Current	Calculated
Municipal Wide Services:		
Transportation Services	2,708	3,139
Fire Protection Services	940	1,554
Police Services	9	10
Parks and Recreation Services	538	753
Library Services	53	-
Administration Studies	352	325
Total Municipal Wide Services	4,600	5,780
	Previous	Calculated
Area Specific Services - Everett Settlement Area:		
Roads Service	1,203	327
Total Area Specific Services	1,203	327
Township Wide D.C. - Total	4,600	5,780
Everett Settlement Area D.C. - Total	5,803	6,107

Non-Residential (per ft².) Comparison

	Current	Calculated
Municipal Wide Services:		
Transportation Services	2.01	1.76
Fire Protection Services	0.28	0.87
Police Services	0.01	0.00
Parks and Recreation Services	0.27	0.25
Library Services	0.03	-
Administration Studies	0.28	0.17
Total Municipal Wide Services	2.88	3.05
	Previous	Calculated
Area Specific Services - Everett Settlement Area:		
Roads Service	0.94	0.21
Total Area Specific Services	0.94	0.21
Township Wide D.C. - Total	2.88	3.05
Everett Settlement Area D.C. - Total	3.82	3.26

Residential D.C. Comparison (\$/serviced single detached dwelling unit)

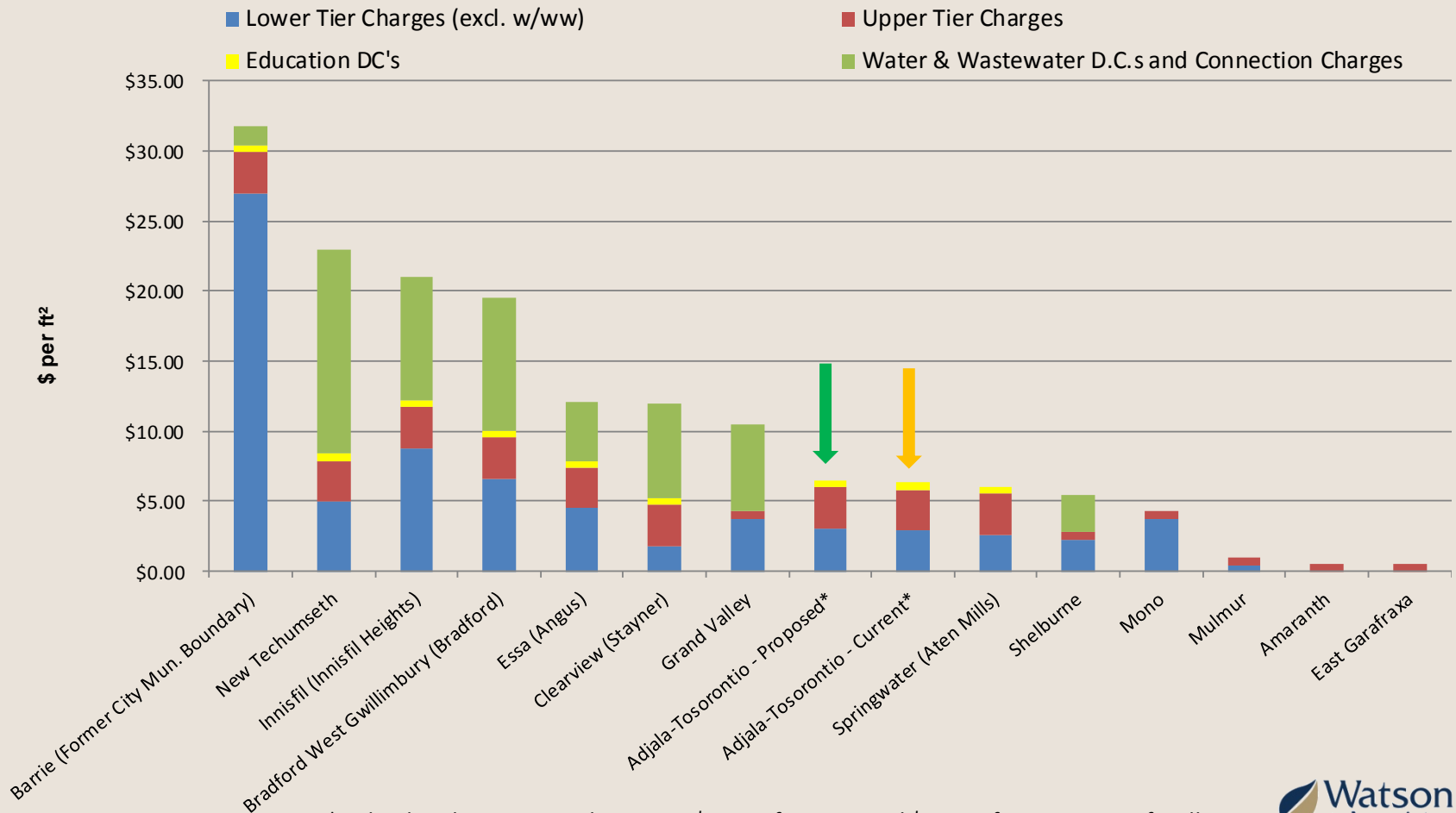
Development Charge Rates for Select Municipalities
Single Detached & Semi Detached Dwelling



*Water/Wastewater connections fees shown at fully calculated rates (\$10,000 for water and \$12,000 for wastewater)

Commercial D.C. Comparison (\$/serviced sq.ft. of gross floor area)

**Development Charge Rates for Select Municipalities
Commercial Development - per ft²**

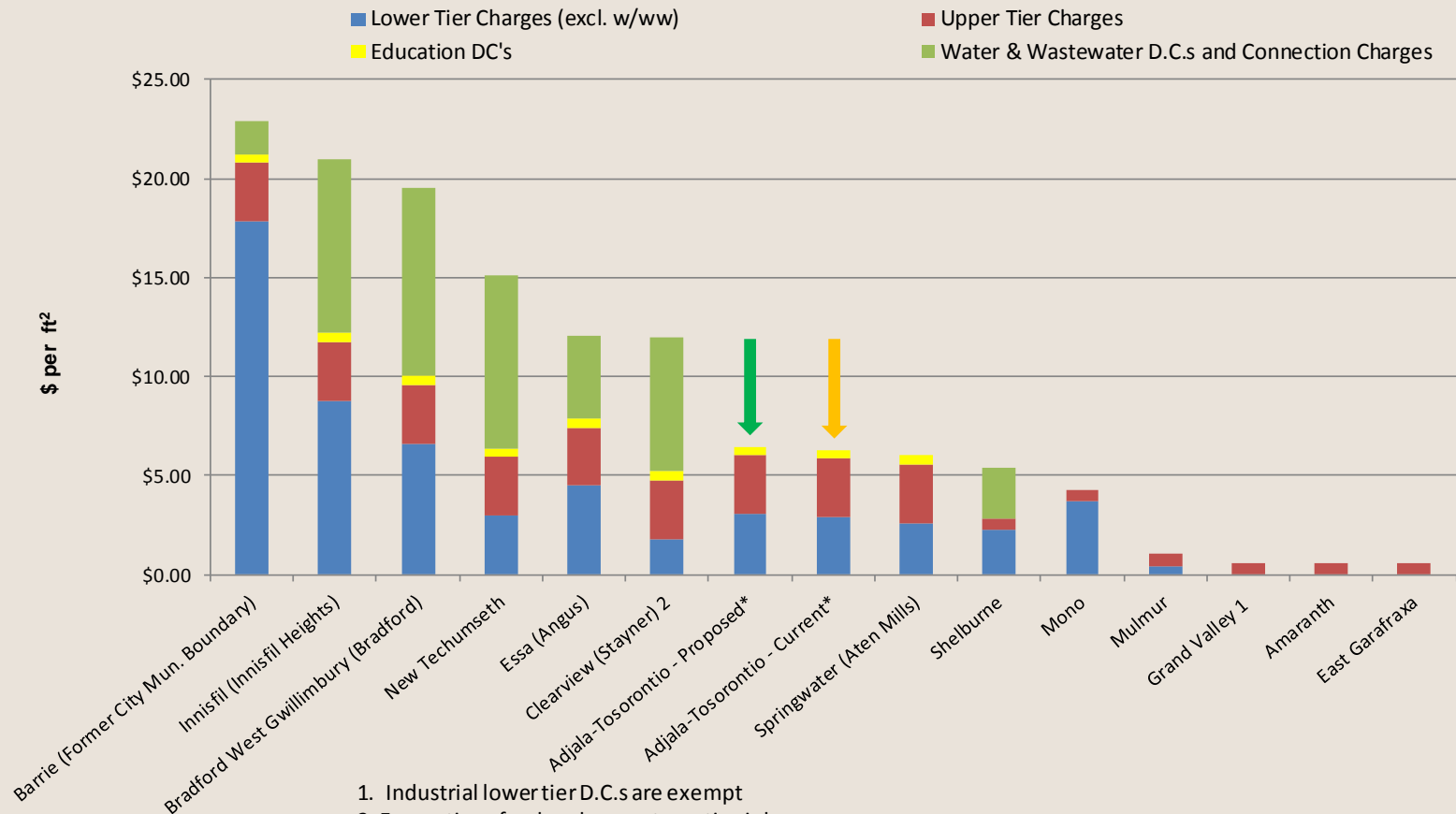


* Calculated connection charges are \$10,000 for water and \$12,000 for wastewater for all new connections. \$/sq.ft. connection charge has not been converted

Industrial D.C. Comparison

(\$/serviced sq.ft. of gross floor area)

Development Charge Rates for Select Municipalities
Industrial Development - per ft²



1. Industrial lower tier D.C.s are exempt
 2. Exemptions for development creating jobs
 * Calculated connection charges are \$10,000 for water and \$12,000 for wastewater for all new connections. \$/sq.ft. connection charge has not been converted

Policy Issues

- Charge Applicability, Timing and Deferral Agreements
 - The Township's current D.C. by-law provides for calculation and collection of the charges at the time of building permit issuance
 - The Township has ability to enter into deferral or accelerated payment agreements
 - Recommend that area-specific charges be maintained for the defined Everett Settlement Area Boundary for Roads Services, consistent with OMB decision

Policy Issues

□ Exemptions

- The DCA provides for some mandatory exemptions but also allows municipalities the ability to provide its own exemptions
- Exemptions provide that certain classes of development will not be required to pay the charge. May be determined by:
 - Use (e.g. places of worship, farm buildings)
 - Geographic area
 - Development type
 - Service exemption

Policy Issues

□ Exemptions (Cont'd)

- In effect, it is a loss of revenue to the municipality which will have to be funded via taxes, rates, reserves or other financial resources
- The Act is specific in identifying that these costs may not be made up by increases in the D.C. for other classes of development

Policy Issues

□ D.C. Statutory Exemptions

- Industrial additions of up to and including 50% of the existing gross floor area of the building - for industrial additions which exceed 50% of the existing gross floor area, only the portion of the addition in excess of 50% is subject to development charges
- Land used for Municipal or Board of Education purposes
- Residential development that results in only the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units

Policy Issues

- Non-Statutory Exemptions (D.C. By-law 11-29)
 - A place of worship exempt from taxation under the *Assessment Act*
 - The development of non-residential farm buildings on a bona-fide farm except for any building constructed to accommodate an On-Farm Business (industrial building)
 - Any vacant lot established prior to the effective date of November 22, 1991 of by-law 93-37 for the former Township of Tosorontio

Policy Issues

- Redevelopment Credits
 - Often provided for development involving the conversion of existing floor space from one use to another, or if an existing building on site is being demolished and replaced.
 - The Township's previous by-law provided for redevelopment and conversion credits against D.C.s (5-year time limit)

Policy Issues

□ Indexing

- Allows for adjustment of charges to reflect underlying cost increases and reduces municipal cash flow impact between statutory by-law reviews
- The Township's current D.C. by-law provides for manual indexing of the charge on October 1st each year

Next Steps

- ❑ Receive Council input on the study findings
- ❑ Prepare formal D.C. Background Study (DCBS) and draft By-Law
- ❑ Post DCBS to municipal website (July 13th) and provide notice of Public Meeting in newspaper (July 11th)
- ❑ Make DCBS and By-Law available for public distribution (July 25th)
- ❑ Undertake a DC Public Meeting of Council (August 8th)

Next Steps (Cont'd)

- ❑ Consider any amendments to the DCBS and By-law subsequent to the Public Meeting;
- ❑ Determine if a subsequent public meeting is required on the matter;
- ❑ Council to approve the D.C. Background Study and consider adoption of D.C. By-Law (September 12th)