

# Council Information Session

# Development Charges DRAFT Rates



THE TOWN OF THE BLUE MOUNTAINS

Tuesday, January 16<sup>th</sup>, 2024



# Today We Will Discuss...

- Background
- Legislation Update
- Summary Draft Development Forecast & Level of Service Analysis
- Summary of Capital Program
- Draft Development Charge Rates
- DC Policy Considerations
- DC Study Update Process
- Timeline / Next Steps

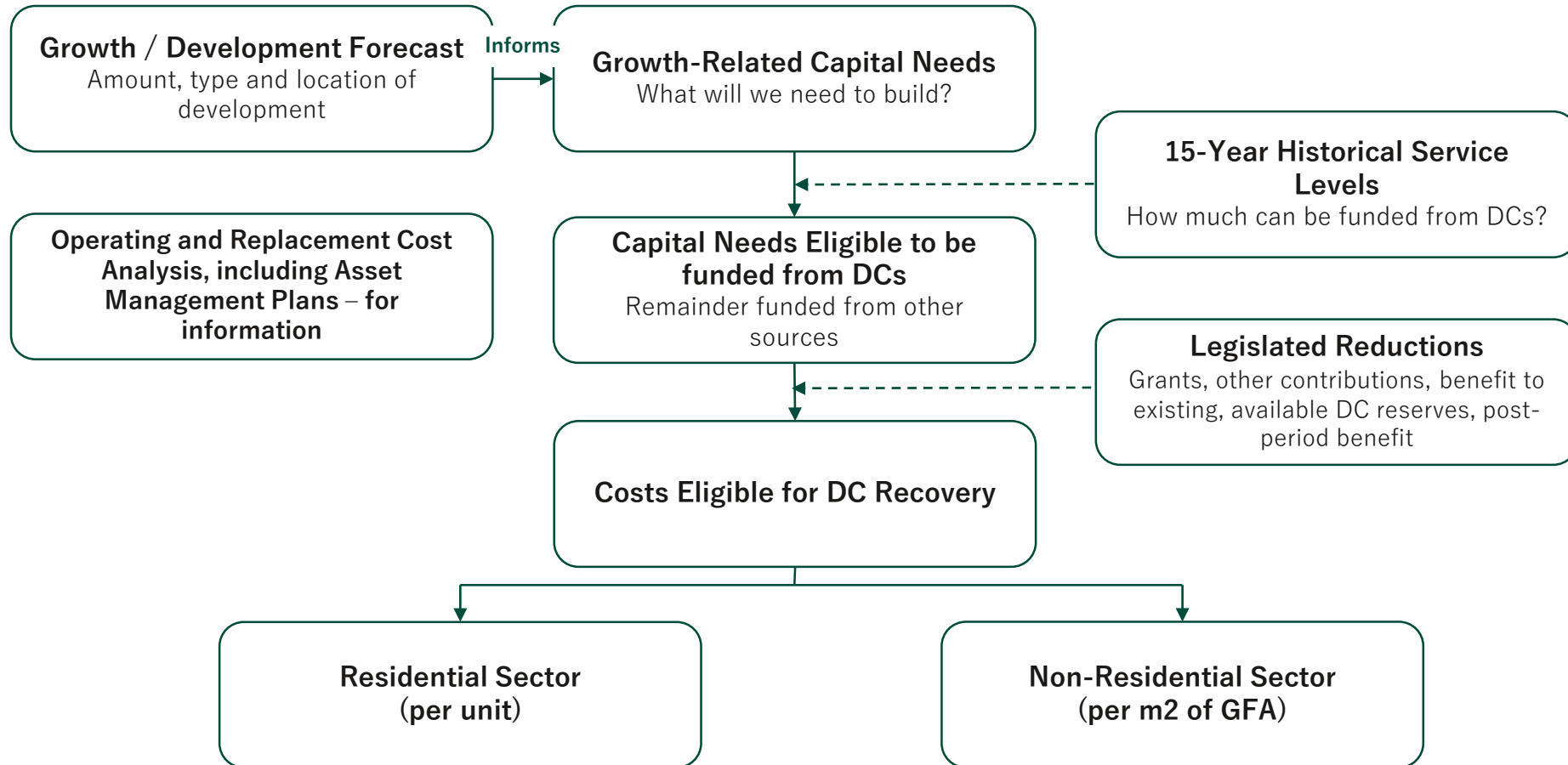
# Background

- Council passed Development Charges By-law Number 2019-17 on April 24, 2019 that imposed rates for the following services:
  - General Government
  - Public Library
  - Fire Services
  - Police Department
  - Parks & Recreation
  - Public Works
  - Parking & By-law
  - Solid Waste
  - Town-wide Roads and Related Services
  - Castle Glen Roads and Related Services
  - Waterworks Systems
  - Sanitary Sewage System
- By-law Number 2019-17 will expire on **April 23, 2024.**

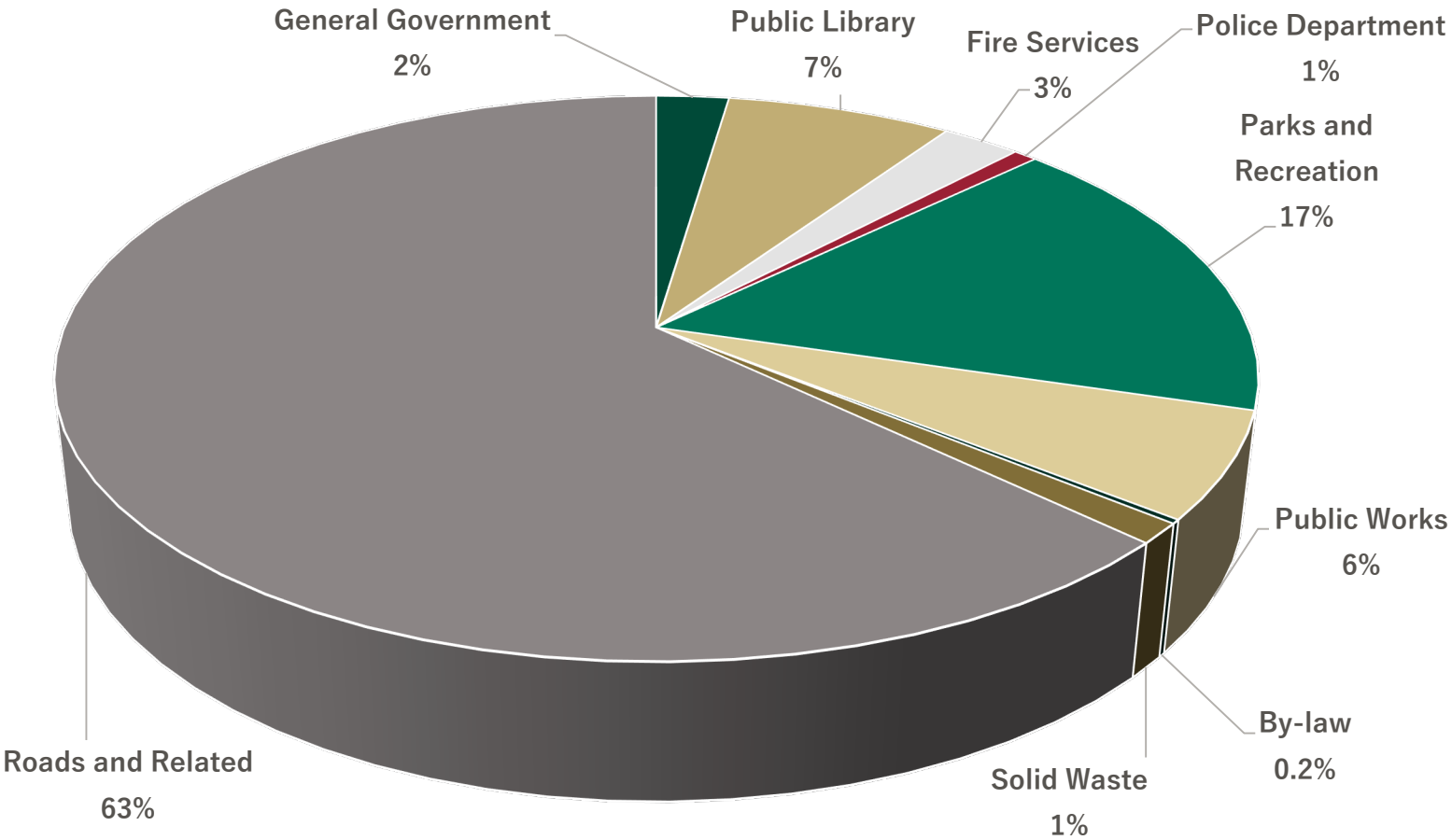
# Development Charges and Legislative Requirements

- What are development charges?
  - Charges imposed on development to pay for “growth-related” capital costs
  - Pays for new infrastructure and facilities to maintain service levels
  - Principle is “growth pays for growth”
- Requirements of the *Development Charges Act*
  - DCs imposed by by-law
  - Prior to passing a by-law municipality must
    - undertake a background study
    - hold at least one public meeting
  - Appeals adjudicated at Ontario Land Tribunal (OLT)

# Development Charges Study Process



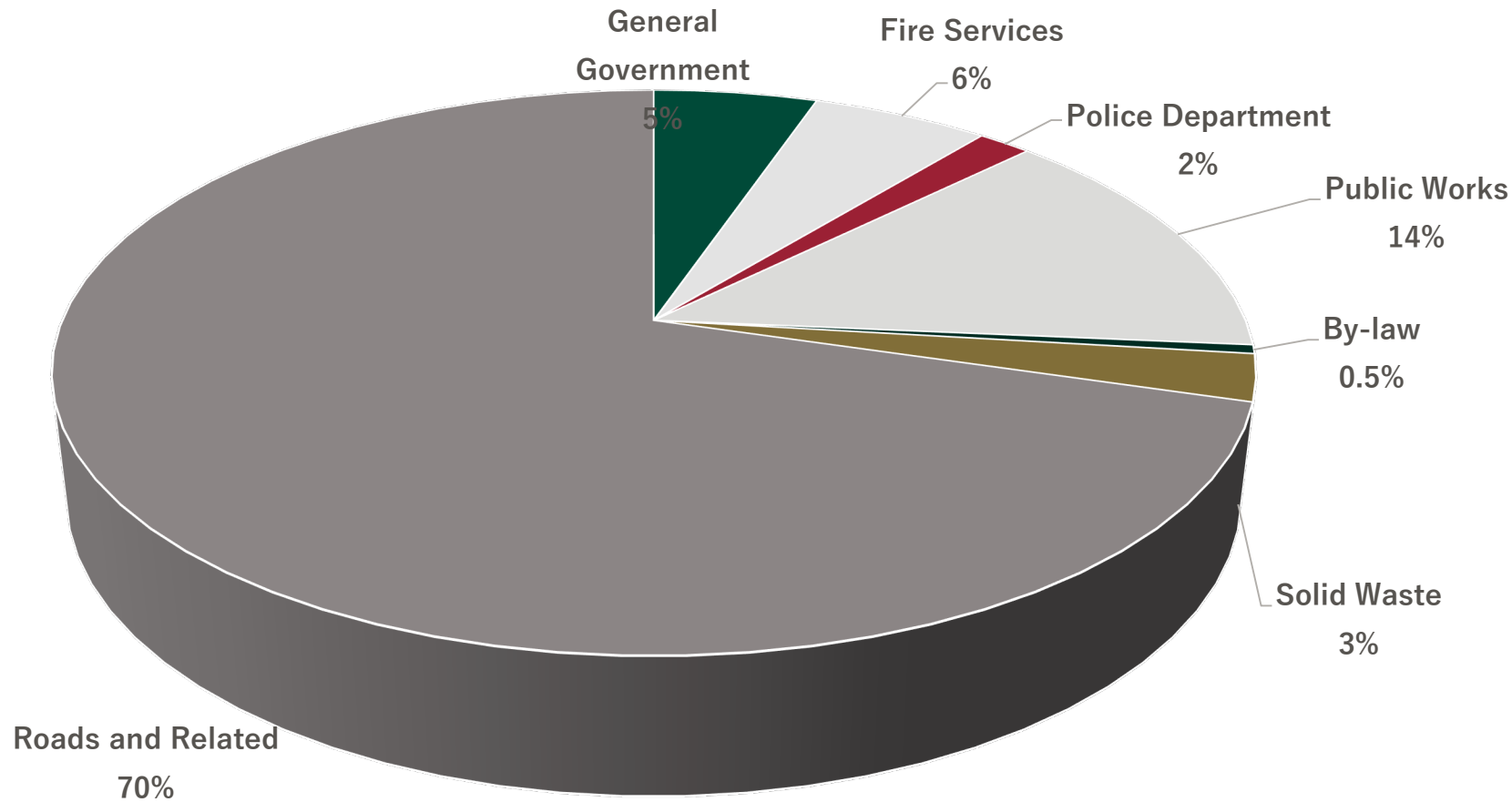
# What do residential DCs fund in Blue Mountains (Town-wide)?



Type of Residence	Charge per Unit*
Single & Semi-Detached	\$24,047
Rows and Other Multiples / Hotels	\$19,236
Apartments	\$14,428

\*Town-wide uniform charge as of January 1, 2024, excluding Castle Glen

# What do non-residential DCs fund in Blue Mountains (Town-wide)?



<b>Non-Residential Development Charge*</b>
Per square meter <b>\$85.70</b>
Per square foot <b>\$7.96</b>

\*Town-wide uniform charge as of January 1, 2024, excluding Castle Glen

# Development Charge Service Areas





# Total Current DCs by Service Area

Service Area	Single & Semi-Detached	Rows and Other Multiples/ Hotels	Apartment	Non-Residential Total Charge (per m <sup>2</sup> )
Craigleith	\$39,462	\$31,569	\$23,677	\$150.19
Camperdown	\$46,525	\$39,543	\$32,211	\$261.73
Castle Glen	\$51,753	\$41,401	\$31,053	\$228.89
Swiss Meadows	\$24,047	\$19,236	\$14,428	\$85.70
Lora Bay Service Area #1	\$63,316	\$50,655	\$37,993	\$270.75
Lora Bay Service Area #2	\$45,087	\$36,071	\$27,056	\$240.23
Lora Bay Service Area #3	\$44,514	\$35,614	\$26,712	\$202.57
Clarksburg	\$65,828	\$52,664	\$39,500	\$444.26
Osler	\$86,934	\$69,547	\$52,160	\$654.75
Thornbury – East	\$41,872	\$33,499	\$25,125	\$177.51
Thornbury – West	\$73,585	\$58,869	\$44,153	\$266.55

# DC Legislation has Changed in Recent Years

- Housing Supply Action Plan and subsequent legislation:
  - Bill 108, the *More Homes, More Choice Act*
  - Bill 197, the *COVID-19 Economic Recovery Act*
  - Bill 23, the *More Homes Built Faster Act*
- June 2022 election mandate:
  - Affordability (house sales/rents are outpacing incomes)
  - Goal of 1.5 million new homes constructed by 2031
- Legislative changes are ongoing with some being repealed or removed

# DC Policy Changes From Bill 23

- **New statutory discounts/exemptions**
  - Fully calculated rates must be phased-in over 5-year period
  - Exemption for Non-Profit/Affordable/Attainable housing<sup>1</sup>
  - Discount for rental housing (based on number of units)
- **New methodological changes**
  - Change to 15-year service levels for funding envelopes
  - Housing and Studies are no longer eligible services
- **Administrative changes**
  - Interest rate for DC freezes and payment plans
  - DC By-law expiry extended to 10-years
  - 60% of reserve fund balances each year for Water, Wastewater, and Roads

*Note 1: specific criteria to define affordable and attainable units have yet to be released and this part of regulation not yet in force.*

# Potential Future Legislative Changes

- Province announced late December 2023 to review the following DC legislation:
  - Phase-in of DC Rates
  - Inclusion of Development-Related Studies (General Government)
- Timing and scope of changes unknown
- Final By-law to reflect most up to date legislation

# Summary of Development Forecast

Development Forecast	2023 Estimate	General Services 2024-2033		Engineering Services 2024-Build-out	
		Growth	Total at 2033	Growth	Total at Build-Out
<b>Residential</b>					
<b>Total Occupied Units</b>					
Total Census Dwellings	7,800	3,100	10,900	7,400	15,200
<b>Total Population</b>					
Census Population	17,900	4,000	21,900	6,000	23,900
Population in New Dwellings (1)		5,600		14,500	
<b>Non-Residential</b>					
Employment	4,900	300	5,200	1,500	6,300
<i>Non-Residential Building Space (m2)</i>		13,800		72,700	

(1) Includes seasonal population

# Summary of Historical Level of Service and Maximum Funding Envelopes

Service	\$/pop or \$/pop & emp	Maximum Permissible Funding Envelope	10-Year or Build-out Timeframe	Maximum Funding Envelope Exceeded?
Public Library	\$682.10 per capita	\$2.71 million	10-year	Yes
Fire Services	\$1,043.26 per capita and emp.	\$4.44 million	10-year	Yes
Police Department	\$228.13 per capita and emp.	\$0.97 million	10-year	No
Parks and Recreation	\$7,147.60 per capita	\$28.43 million	10-year	Yes
By-Law Enforcement	\$18.83 per capita and emp.	\$80.09 million	10-year	Yes
Solid Waste	\$254.57 per capita and emp.	\$1.08 million	10-year	No
Public Works	\$787.32 per capita and emp.	\$ 3.35 million	10-year	Yes
Roads and Related	\$23,537.03 per capita and emp.	\$351.48 million	Build-out	No

# Development-Related Capital Programs

- Capital programs have been compiled in consultation with Town staff
- Capital costs have been adjusted in accordance with DC legislation:
  - Capital grants & subsidies
  - Replacement/benefit to existing shares
  - Available DC reserve funds
  - Post period benefit shares

# Summary of DC Capital Programs (\$millions)

Town-wide Services	Net Costs	Ineligible Shares	DC Reserves	2024-2033	Post-2033
Library	\$9.1	\$0.0	\$3.1	\$2.7	\$3.3
Fire	\$13.7	\$4.6	\$0.8	\$4.4	\$3.8
Police	\$0.3	\$0.0	\$0.0	\$0.2	\$0.0
Parks & Rec	\$35.0	\$0.7	\$3.5	\$28.4	\$2.4
By-Law Enforcement	\$0.2	\$0.0	\$0.0	\$0.1	\$0.2
Solid Waste Management	\$1.1	\$0.4	\$0.3	\$0.4	\$0.0
Development Related Studies*	\$1.6	\$0.6	\$0.0	\$1.0	\$0.0
Public Works	\$12.4	\$2.1	\$0.3	\$3.3	\$6.6
<b>Total</b>	<b>\$73.4</b>	<b>\$8.4</b>	<b>\$8.1</b>	<b>\$40.6</b>	<b>\$16.3</b>



# Area-Specific Capital Programs: Water and Wastewater

- List of development-related capital works has been compiled by Town staff
- Water supply and treatment have been calculated on a Town-wide uniform basis
- Wastewater treatment costs allocated between two service areas – Thornbury STP and Craigleith STP
- All other works (distribution, collection, pumping) have been calculated on an area-specific basis
- Existing unserviced lots that will connect into the system in the future will pay a capital connection fee, equivalent to that of the DC rate

# Water and Wastewater

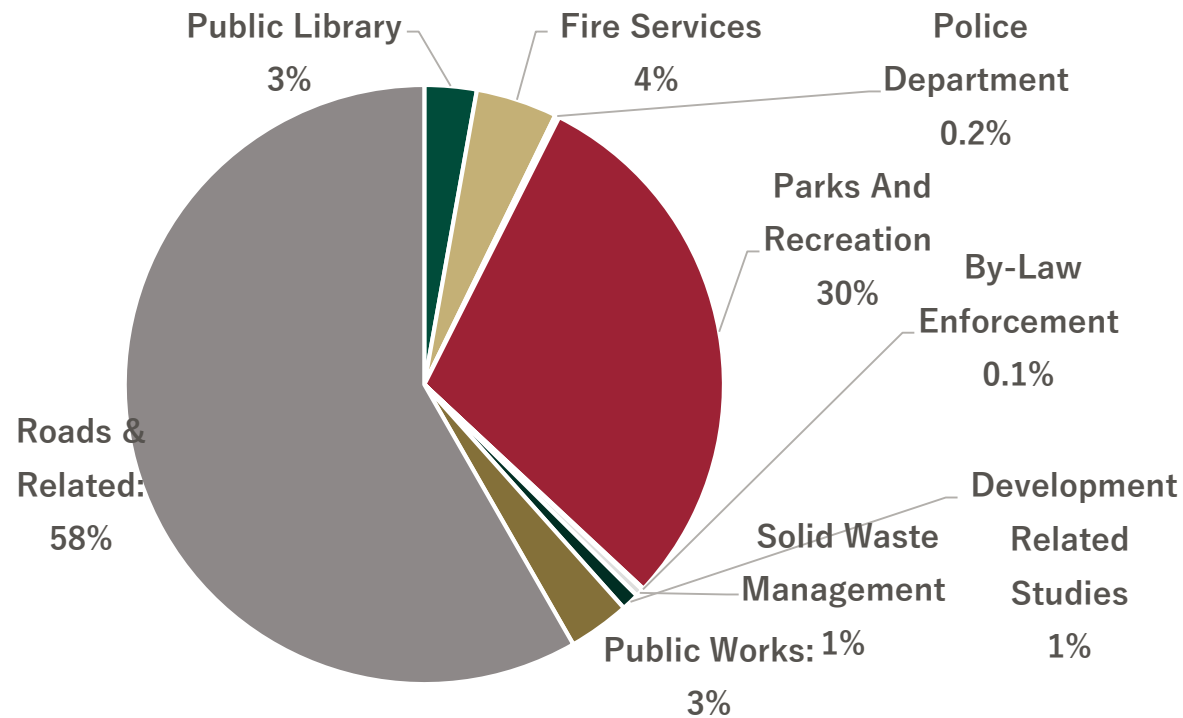
Service	Development-Related Capital Forecast						
	Total Cost (\$000)	Grants and Subsidies (\$000)	Benefit to Other Service Areas (\$000)	Benefit to Existing Share (\$000)	Prior Growth (Available DC Reserves) (\$000)	Post-Period Benefit (\$000)	Total Net Capital Costs After Discount (\$000)
Total Town-Wide Engineered Services	\$343,265.1	\$15,198.3	\$0.0	\$20,480.7	\$3,528.6	\$21,613.4	\$282,444.1
Total Area Specific Engineered Services	\$246,554.9	\$0.0	\$22,278.4	\$4,867.1	(\$7,584.9)	\$0.0	\$226,994.3
<b>TOTAL ROADS, WATER AND SEWER</b>	<b>\$589,820.0</b>	<b>\$15,198.3</b>	<b>\$22,278.4</b>	<b>\$25,347.8</b>	<b>(\$4,056.3)</b>	<b>\$21,613.4</b>	<b>\$509,438.5</b>

- Maximum Funding Envelope = N/A
- Capital Program (2024-Buildout)
  - Includes Town-wide water supply and treatment costs and area specific water and wastewater costs

# Rate Structure

- **Residential** – differentiated based on occupancy (persons per unit)
  - Single & Semi Detached
  - Other Multiples / Hotels
  - Apartments
- **Non-Residential**
  - Uniform Gross Floor Area (GFA) charge

# Proposed Town-Wide Residential DC Rate



Total DC Percent Breakdown*	
Engineered Services	General Services
58%	42%

\*Excludes water and wastewater services

Single & Semi-Detached*	<b>\$37,735</b>
Other Multiples / Hotels*	<b>\$33,867</b>
Apartments*	<b>\$25,399</b>

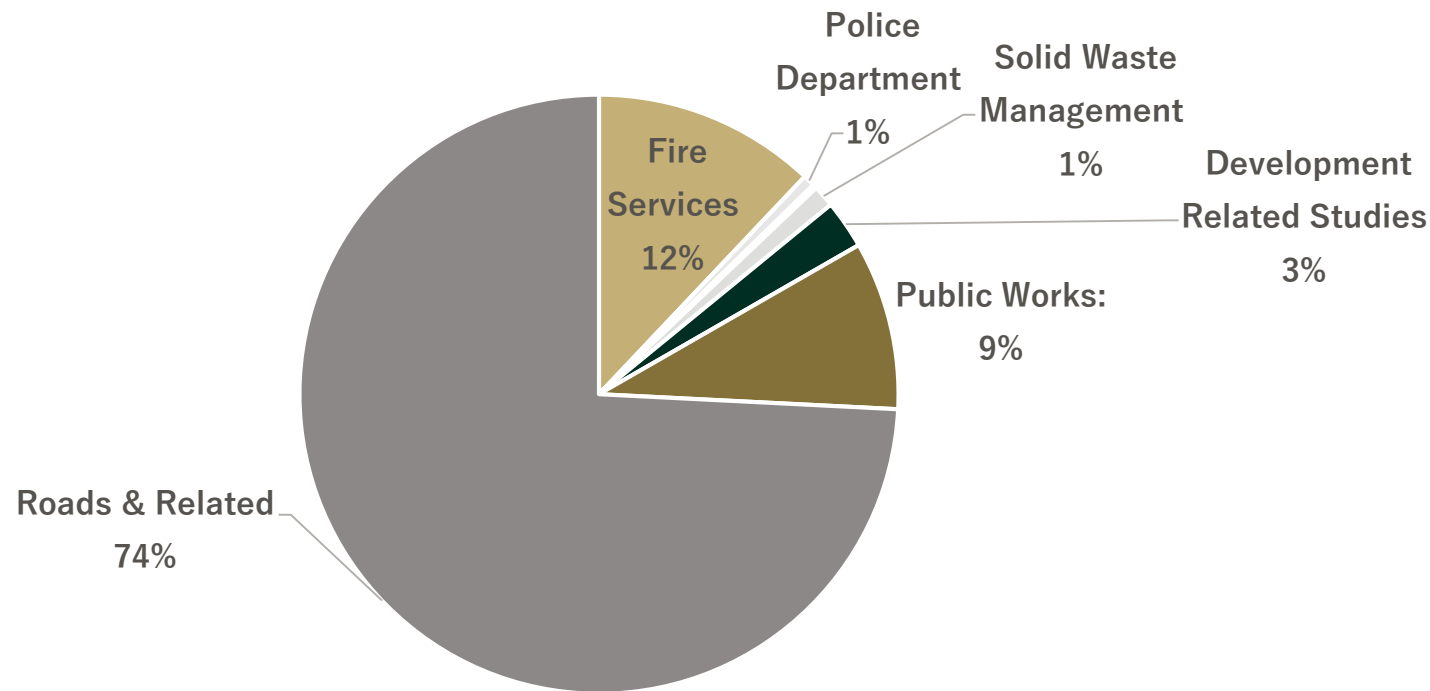
# Comparison of Current vs. Updated Calculated Town-wide Residential Rates

Service	Current Residential Charge / Res B	Calculated Single & Semi-Detached	Difference in Charge	
Public Library	\$1,734	\$1,082	-\$652	-37.6%
Fire Services	\$605	\$1,687	\$1,082	178.8%
Police Department	\$183	\$89	-\$94	-51.4%
Parks And Recreation	\$4,050	\$11,341	\$7,291	180.0%
By-Law Enforcement	\$54	\$30	-\$24	-44.4%
Solid Waste Management	\$282	\$165	-\$117	-41.5%
Development Related Studies	\$558	\$366	-\$192	-34.4%
Services Related To A Highway: Public Works	\$1,459	\$1,273	-\$186	-12.7%
Services Related To A Highway: Roads & Related	\$15,122	\$21,702	\$6,580	43.5%
<b>Total Uniform Charge</b>	<b>\$24,047</b>	<b>\$37,735</b>	<b>\$13,688</b>	<b>56.9%</b>

*Reflects rates as of January 1, 2024*

*\* General Government not an eligible service as a result of Bill 23.*

# Proposed Town-Wide Non-Residential DC Rate



**Charge per Square Metre**  
\$134.92

Total DC Percent Breakdown*	
Engineered Services	General Services
74%	26%

\*Excludes water and wastewater services

# Comparison of Current vs. Updated Calculated Town-wide Non-Residential Rates

Service	Non-Residential (\$/Square Metre)			
	Current Non-Residential Charge	Calculated Non-Residential Charge	Difference in Charge	
Public Library	\$0.00	\$0.00	\$0.00	0.0%
Fire Services	\$4.57	\$15.14	\$10.57	231.3%
Police Department	\$1.38	\$0.80	-\$0.58	-41.8%
Parks And Recreation	\$0.00	\$0.00	\$0.00	0.0%
By-Law Enforcement	\$0.40	\$0.27	-\$0.13	N/A
Solid Waste Management	\$2.15	\$1.48	-\$0.67	N/A
Development Related Studies	\$4.22	\$3.28	-\$0.94	-22.2%
Services Related To A Highway: Public Works	\$11.06	\$11.42	\$0.36	3.3%
Services Related To A Highway: Roads & Related	\$56.61	\$102.52	\$45.91	81.1%
<b>Total Uniform Charge</b>	<b>\$80.39</b>	<b>\$134.92</b>	<b>\$54.53</b>	<b>67.8%</b>

*Reflects rates as of January 1, 2024*

*\* General Government not an eligible service as a result of Bill 23.*

# Calculated vs. Current Area-Specific: Single & Semi Detached Total Rates





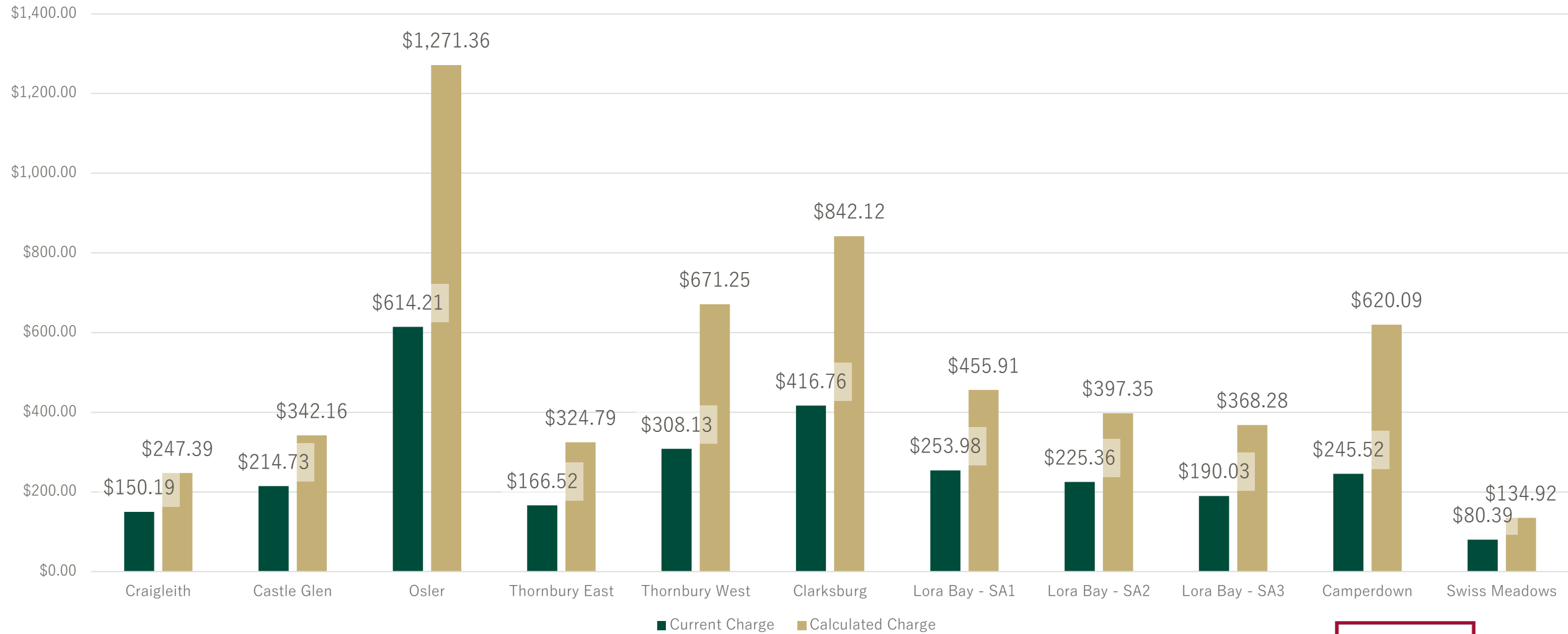
# ASDC Water & Wastewater Only Comparison – Single & Semi Detached

Service Area	Current Charge	Calculated Charge	Difference (\$)	Difference (%)
Craigeith	\$15,415	\$24,583	\$9,168	59%
Castle Glen	\$24,783	\$35,367	\$10,584	43%
Osler	\$62,887	\$99,247	\$36,360	58%
Thornbury East	\$17,825	\$32,418	\$14,593	82%
Thornbury West	\$49,538	\$90,553	\$41,015	83%
Clarksburg	\$41,781	\$73,352	\$31,571	76%
Lora Bay - SA1	\$39,269	\$58,215	\$18,946	48%
Lora Bay - SA2	\$21,040	\$37,662	\$16,622	79%
Lora Bay - SA3	\$20,467	\$37,797	\$17,330	85%
Camperdown	\$22,478	\$57,491	\$35,013	156%

# ASDC Water & Wastewater Only Comparison – Non-Residential

<b>Service Area</b>	<b>Current Charge</b>	<b>Calculated Charge</b>	<b>Difference (\$)</b>	<b>Difference (%)</b>
Craighleith	\$64.49	\$112.47	\$47.98	74%
Castle Glen	\$113.10	\$207.24	\$94.14	83%
Osler	\$569.05	\$1,136.44	\$567.39	100%
Thornbury East	\$91.81	\$189.87	\$98.06	107%
Thornbury West	\$242.76	\$536.33	\$293.57	121%
Clarksburg	\$358.56	\$707.20	\$348.64	97%
Lora Bay - SA1	\$185.05	\$320.99	\$135.94	73%
Lora Bay - SA2	\$154.53	\$262.43	\$107.90	70%
Lora Bay - SA3	\$116.87	\$233.36	\$116.49	100%
Camperdown	\$176.03	\$485.17	\$309.14	176%

# Calculated vs. Current Area-Specific: Non-Residential Total Rates



# Calculated Residential and Non-Residential Rates: 5-Year Statutory Phase-in Examples

## Town-Wide Rates

Charge Type	Current Charge	Year 1	Year 2	Year 3	Year 4	Year 5
Single & Semi Detached	\$24,047	\$30,188	\$32,075	\$33,962	\$35,848	\$37,735
Other Multiples / Hotels	\$19,236	\$27,094	\$28,787	\$30,480	\$32,174	\$33,867
Apartments	\$14,428	\$20,319	\$21,589	\$22,859	\$24,129	\$25,399
Non-Residential Rate	\$85.70	\$107.94	\$114.69	\$121.43	\$128.18	\$134.92
<i>Phase-in</i>	<i>N/A</i>	<i>80%</i>	<i>85%</i>	<i>90%</i>	<i>95%</i>	<i>100%</i>

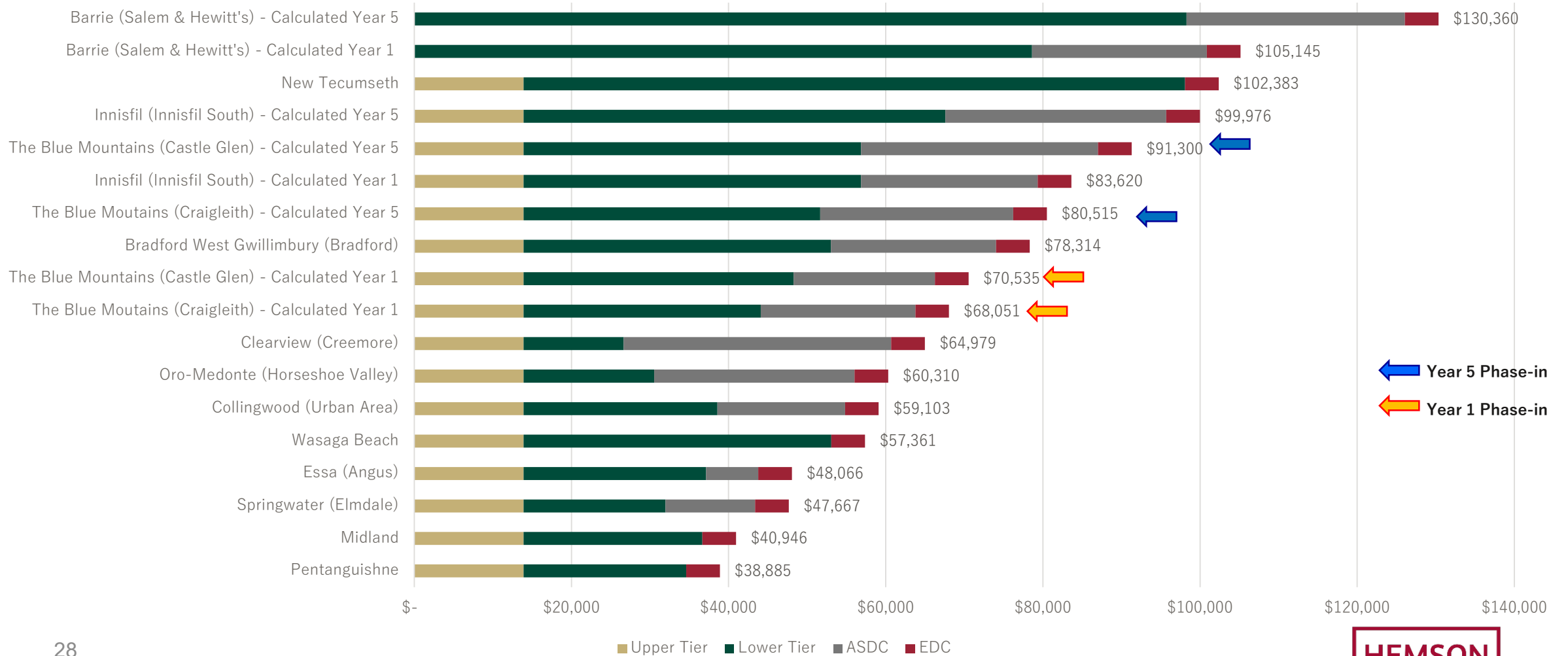


## Servicing Area: Craigleith\*

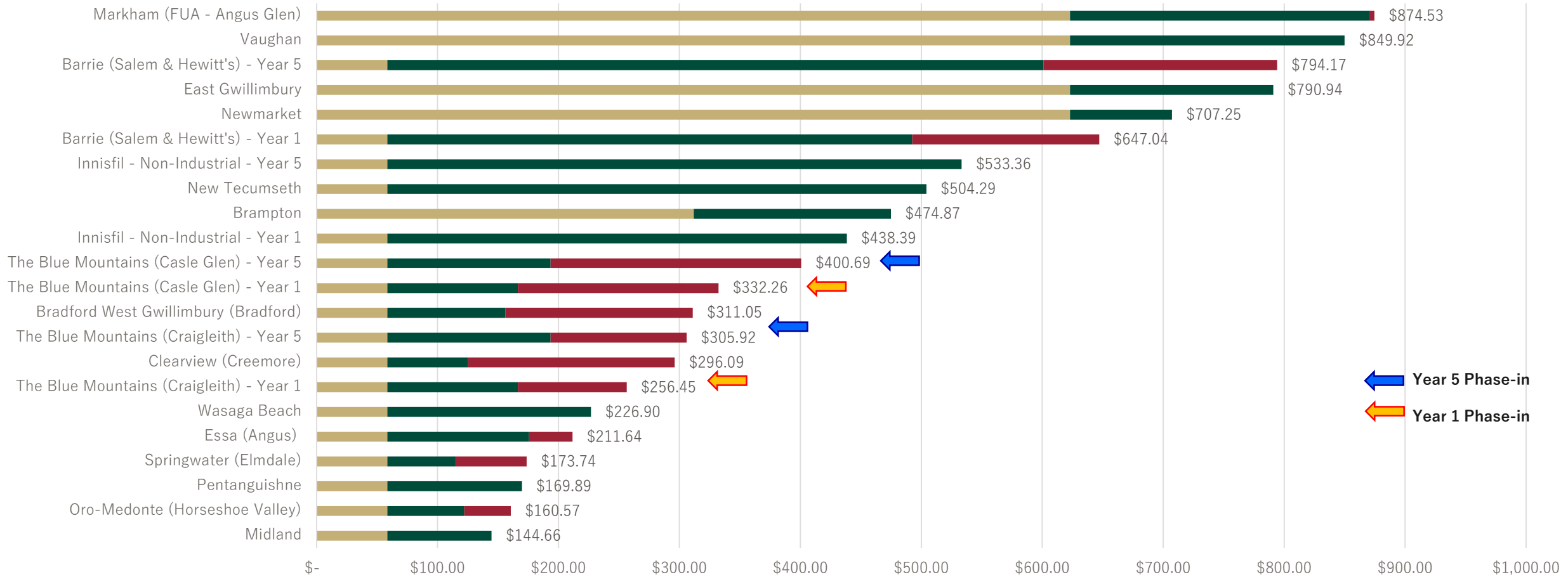
Charge Type	Current Charge	Year 1	Year 2	Year 3	Year 4	Year 5
Single & Semi Detached	\$39,462	\$49,855	\$52,971	\$56,087	\$59,203	\$62,319
Other Multiples / Hotels	\$31,569	\$44,746	\$47,542	\$50,339	\$53,135	\$55,932
Apartments	\$23,677	\$33,559	\$35,657	\$37,754	\$39,852	\$41,949
Non-Residential Rate	\$150.19	\$197.92	\$210.29	\$222.66	\$235.02	\$247.39
<i>Phase-in</i>	<i>N/A</i>	<i>80%</i>	<i>85%</i>	<i>90%</i>	<i>95%</i>	<i>100%</i>



# Residential Rate Comparison: Single/Semi-Detached



# Non-Residential Rate Comparison: Commercial



# DC By-law Policy Review

- The DC Study will examine:
  1. Local services guidelines
  2. Use of area-specific development charges
  3. Consideration of new services (Transit, Emergency Preparedness, Public Health etc.)
  4. Non-statutory exemptions
  5. By-law administration and implementation (including alignment to legislative changes)
- Policy recommendations, where required, will be brought forward to Steering Committee and/or Council for consideration

# Consultation with Council

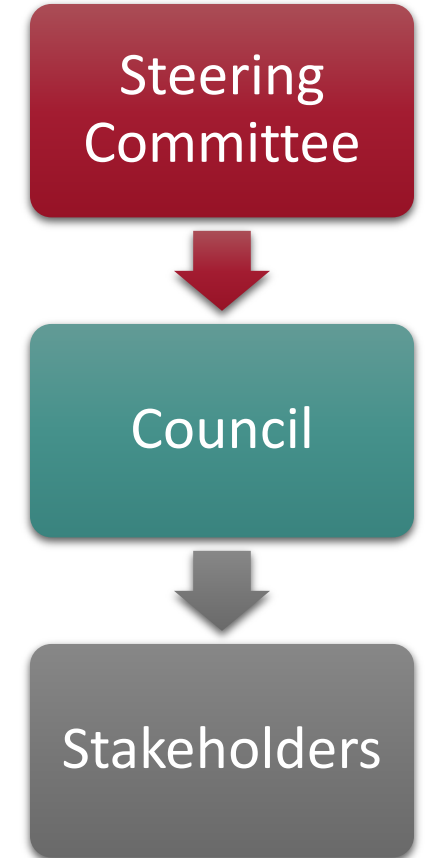
- Early communication with Council regarding the project is proposed
  - Helps to provide transparency
  - Greater understanding of DC eligible and ineligible costs (i.e. growth does not pay for growth)
- Prior to the release of the DC Study, Council will:
  - Be made aware of the proposed policies and DC rates
  - Be aware of the comments/questions raised by the development industry and public prior to By-law adoption





# Stakeholder Consultation

- Meetings with industry stakeholders will be prior to the release of the 2024 DC Background Study
  - Provides opportunity to address issues/concerns early on in the process
  - Enhances communication and transparency
- Will be used to discuss key inputs of the DC Study (i.e. forecast, service levels, capital programs etc.)
- These meetings will be in addition to the statutory public meeting



# Supplementary Review in for 2023 DC By-law

- Transit
  - Denis Fletcher and Associates have been retained to review including transit capital costs in the 2022 DC Study
  - Act requires a forward looking 10yr capital plan, ridership forecast, detailed asset management plan and others
- Engineering Costs
  - HDR has been retained to review cost estimate inputs



# Proposed DC Project Timeline

