

Town of Midland Development Charges Study Council Information Session



Monday, March 24, 2014

HEMSON
Consulting Ltd.



Today We Will Discuss

- Background
- Development Forecast
- DC Capital Program Highlights
- Newly Calculated DC Rates
- DC Rate Comparisons
- Next Steps

Background

- Town Council passed DC By-law 2009-34 in May 2009 that imposed DC rates for all eligible Town services
- On May 24, 2014, the Town's current DC By-law will expire
- Prior to passage of new by-law, Town must:
 - Undertake a background study
 - Hold at least one public meeting

What Are Development Charges?

- Fees imposed on new development to fund “development-related” capital costs
- Pays for new infrastructure and facilities to maintain service levels
- Principle is “growth pays for growth” so that financial burden is not borne by existing tax/rate payers

DCs and Municipal Revenues

- Development charges
 - Fund a significant portion of development-related capital costs
- Direct developer contributions
 - Fund construction costs internal or related to a subdivision (i.e. local roads, water & sewer mains, sidewalks, streetlights)
- Property taxes and utility rates
 - Fund operating costs, long-term infrastructure repair, and replacement, and non-DC eligible costs

Midland DC Services

100% Cost Recovery

- Fire
- Police
- Public Works
- Roads and Related
- Sewer
- Water

90% Cost Recovery

- General Government (Studies)
- Library
- Indoor Recreation
- Parks
- Parking
- Transit

Development Forecast

- Population and employment forecast based primarily upon Schedule 7 of OPA1 to the *Growth Plan*
- DC forecast achieves 2031 population and employment targets
- Other sources relied upon:
 - Statistics Canada data
 - Town planning data

Development Forecast

	Soft Services Planning Horizon			Engineered Services Planning Horizon	
	At 2013	Growth 2014-2023	At 2023	Growth 2014-2031	At 2031
Dwelling Units	7,220	650	7,870	2,460	9,680
Census Population	16,630	1,270	17,900	4,790	21,420
Employment	11,240	680	11,920	2,557	13,800
New Non-res Building Space (sq.m)		43,240		163,210	

Development-Related Capital Forecast

- Council must express intent to undertake capital works for them to be included in DC Study
- DC eligible costs must exclude:
 - Grants, subsidies & contributions
 - Benefit to existing or replacement elements
 - Uncommitted DC reserve funds
 - 10% 'soft' service deduction
 - "Post-period" benefit

DC Capital Program Highlights

Library:

- Recovery of debt related to expansion
- Additional collection materials

Fire:

- Recovery of debt related to vehicles
- Communications system

Police:

- Provision for additional building space
- Outfitting equipment

DC Capital Program Highlights

Indoor Recreation:

- Recovery of debt related to NSSRC

Parks:

- Recovery of debt related to Little Lake Park
- Parks depot
- Development of BayPort and LRG park

Public Works:

- Replacement and expansion of Operations Complex

DC Capital Program Highlights

Parking:

- Provision for future parking spaces and meters

Transit:

- Additional bus and shelters

General Government:

- DC Studies (2)
- OP & Growth Management Strategy
- Parks and Rec Master Plan
- Secondary plans

Soft Services Capital Program Summary

Total Gross Cost (\$millions)	\$ 11.57
Less: Grants & Other Recoveries	\$ 0.43
Less: Benefit to Existing Share	\$ 2.06
Less: 10% Discount	\$ 0.17
Less: Available Reserve Funds	\$ 0.73
Less: Post-2023 Benefit	<u>\$ 2.88</u>
DC Eligible Share	\$ 5.30

DC Capital Program Highlights

Roads:

- Upgrades to Hugel Ave and King St.
- Road related storm sewers
- Intersection improvements, traffic signals
- New sidewalks, trails, bike lanes, street lights
- Highway 12 corridor improvements:
 - Left turn lanes at Hwy 93 and King St
 - Widening of Hwy 12 from 2 to 4 lanes

DC Capital Program Highlights

Sewer:

- Continued recovery of treatment plant
- Lechate and septic receiving facility
- Secondary clarifier expansions
- Pumping stations
- Studies
- Recovery of negative reserve fund balance

DC Capital Program Highlights

Water:

- Sunnyside reservoir and feeder main
- Mountainview reservoir and well
- Various water distribution systems:
 - Yonge St. upsizing program
 - Trunk connections
- Well capacity
- East pressure zone works

Engineered Services Capital Program Summary

Total Gross Cost (\$millions)	\$ 50.12
Less: Water & Sewer Share	\$ 5.91
Less: Grants & Other Recoveries	\$ 4.75
Less: Benefit to Existing Share	\$ 13.02
Less: Available Reserve Funds	\$ 0.27
Less: Post-2031 Benefit	<u>\$ 3.11</u>
DC Eligible Share	\$ 23.06

Tiffin Area-Specific Charge

- Charge only applies to residential development within this area for the recovery of road works
- Of the total gross cost of \$626,400, 80% will be recovered through the area-specific DC by-law

DC Rate Calculation

Residential:

- Calculated as a charge per capita
- Levied as charge per unit and by unit type

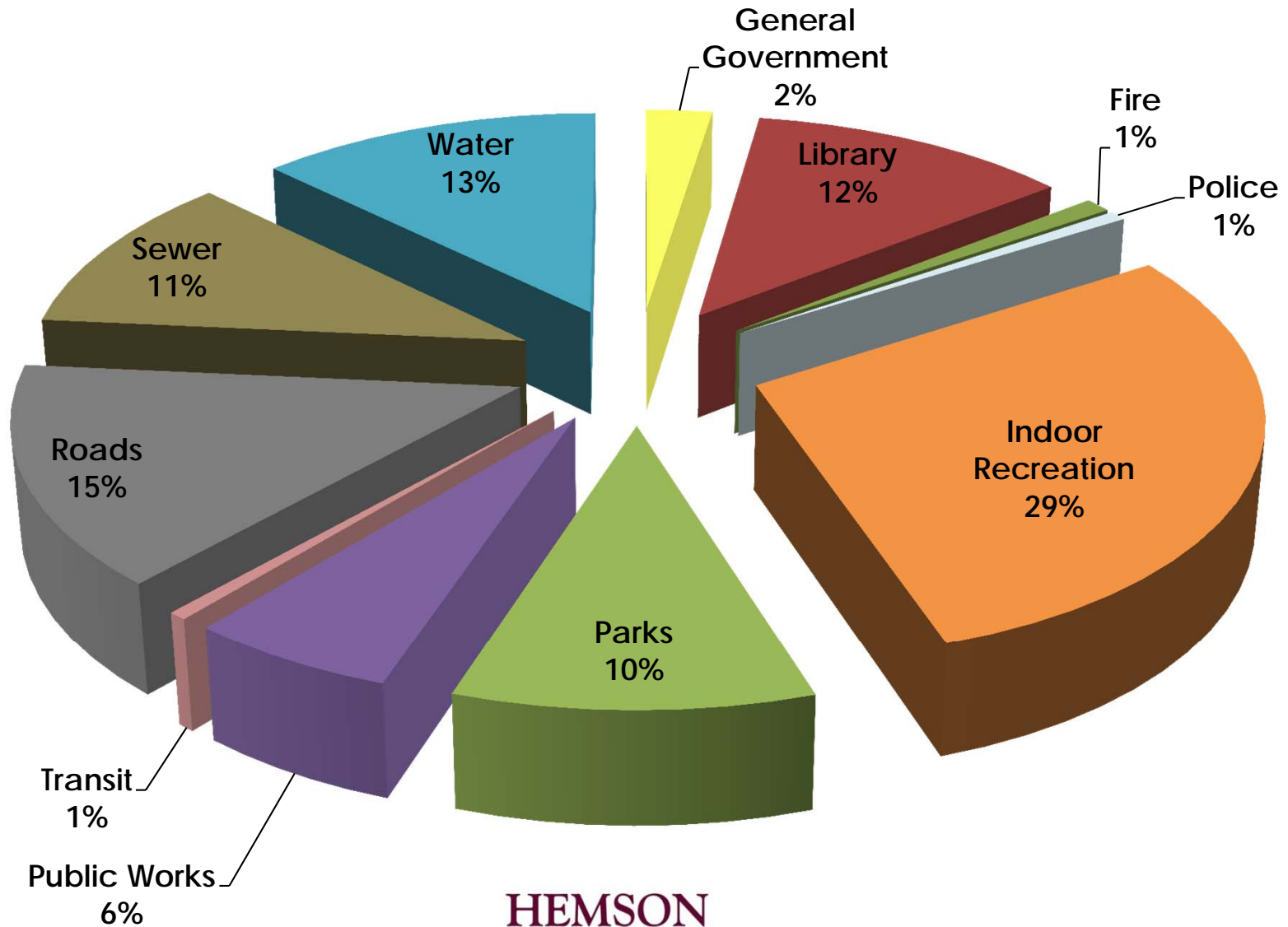
Non-Residential:

- Calculated and levied as a charge per square metre of gross floor area (GFA)

Newly Calculated DC Rates

Development Type	Town-wide Calculated Charge	Tiffin ASDC
<i>Residential (per unit)</i>		
Low Density	\$18,716	\$750
Medium Density	\$15,934	\$555
High Density	\$12,993	\$510
<i>Non-Residential (per sq. metre)</i>	\$59.23	

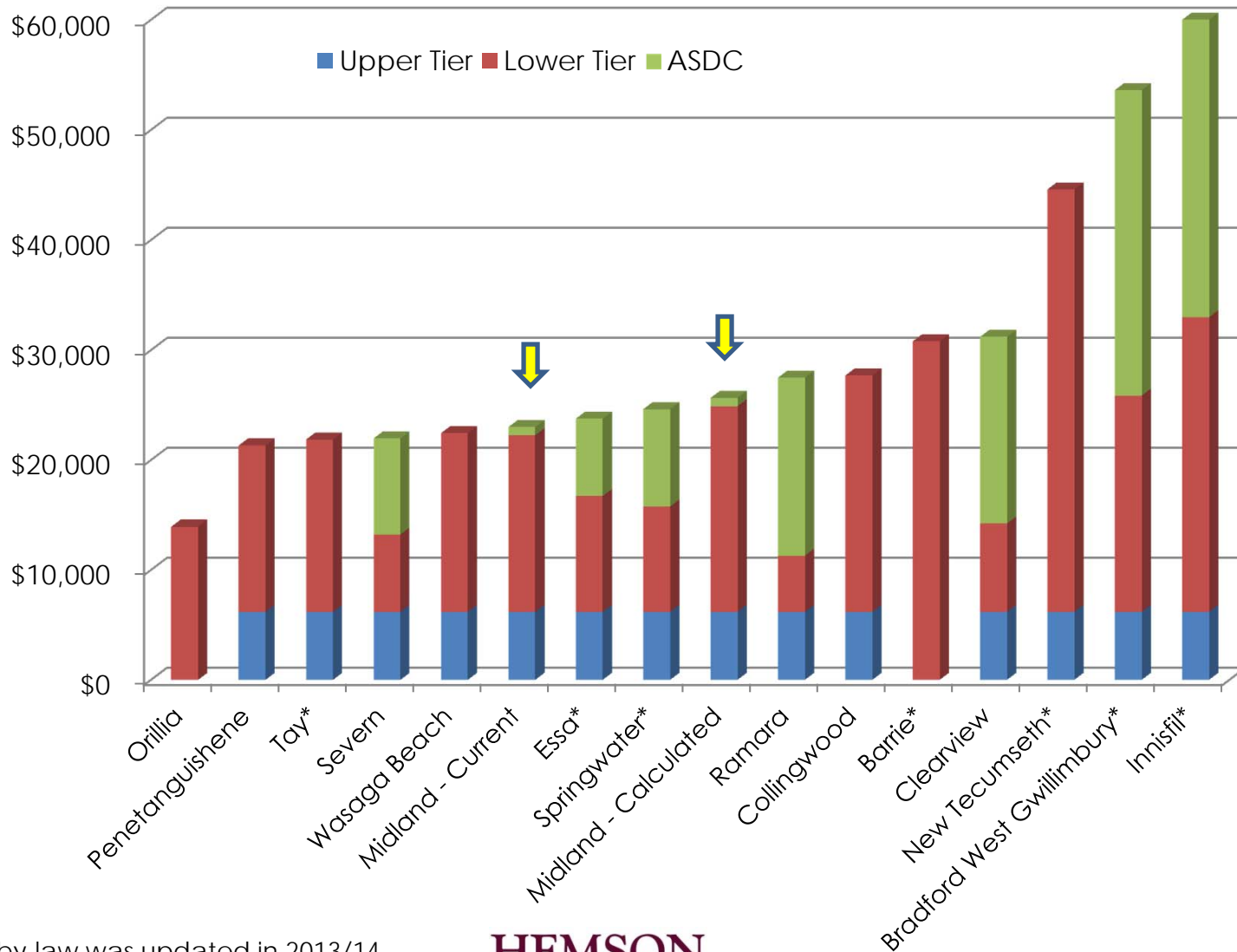
DC Rate by Service for a Low Density Unit



Comparison of Current Vs. Calculated Rates

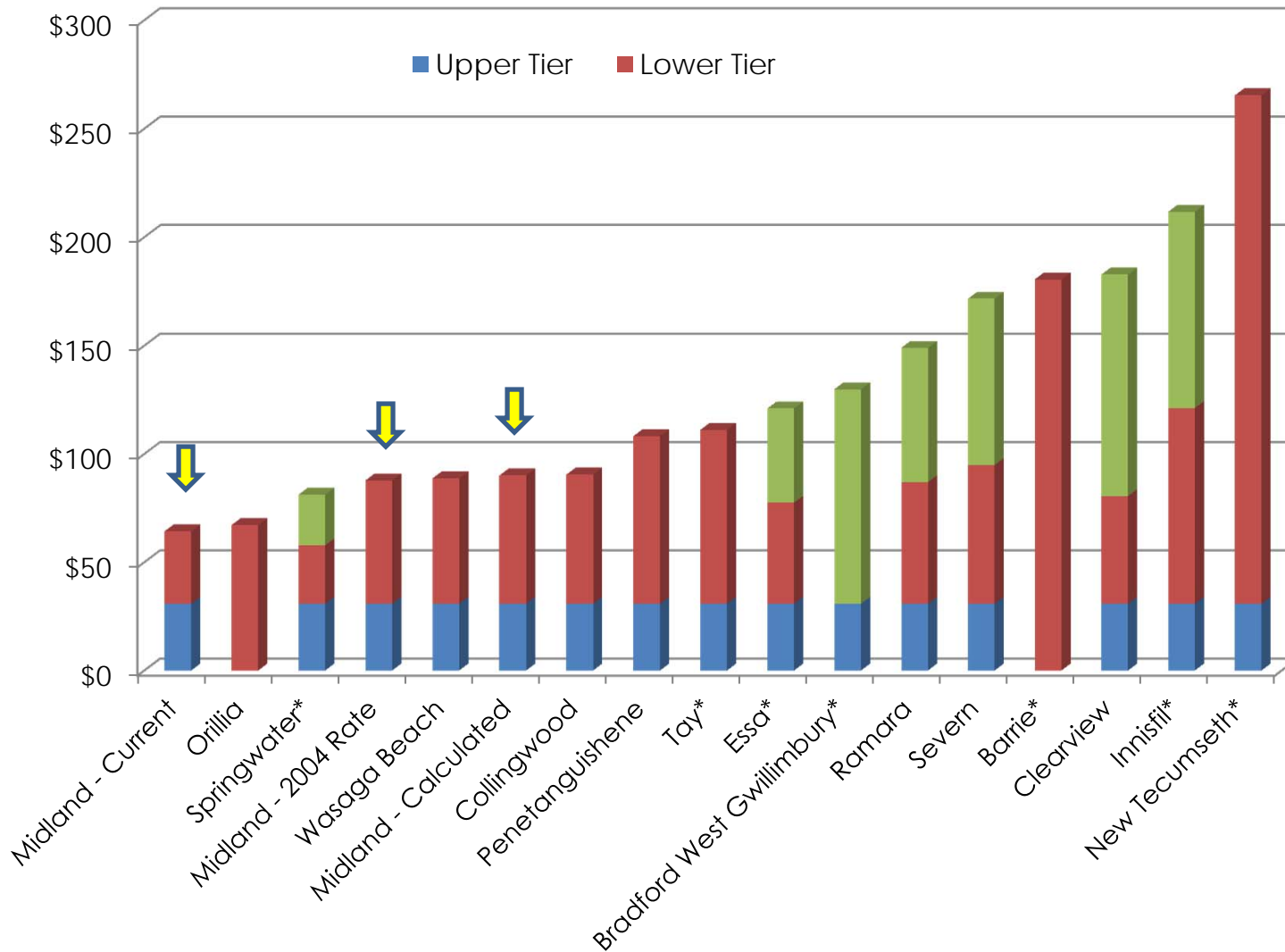
Development Type	Calculated Charge	Current Charge	\$ Change	% Change
<i>Residential (per unit)</i>				
Low Density	\$18,716	\$16,072	\$2,644	16%
Medium Density	\$15,934	\$11,924	\$4,010	34%
High Density	\$12,993	\$10,975	\$2,018	18%
<i>Non-Residential (per square metre)</i>				
Non-Industrial	\$59.23	\$33.37	\$25.86	78%

Residential Rate Comparisons for Single Detached Units



* Indicates DC by-law was updated in 2013/14

Non-Industrial Rate Comparisons (\$ / square metre)



DC Rate Implementation Options

- DC Rates presented are the maximum allowable rates under the *Act*
- Council has full discretion of how much, and when to implement the DC
- Council may choose one, or a combination of the following rate implementation options:
 - Discount
 - Phase-in
 - Delay implementation date

Next Steps

- March 26 – Teleconference with MMM Group to discuss DC Background Study
- March 31- Release DC Background Study and draft by-law
- April 14 - Hold public meeting
- May 26 - Council passage of by-law