

Town of Collingwood 2019 Development Charges Background Study Statutory Public Meeting



Monday, July 22, 2019

HEMSON



Purpose of Today's Meeting

- Statutory **Public Meeting** required by Section 12 of the *Development Charges Act*
- Main purpose is to provide the public with an opportunity to make representation on the proposed 2019 DC By-law
- DC Background Study was made publically available on **June 3rd**
- Proposed DC By-law publically available **July 8th**

Bill 108: *More Homes, More Choice Act, 2019*

- Province announced Bill 108 on May 2, 2019
- Proposed changes to 15 pieces of legislation including the *Development Charges Act (DCA)* and *Planning Act*
- Exemptions for secondary suites from DCs in new construction
- DC rates payable at differing times (e.g. frozen at site plan application)
- Discounted services (e.g. library, parks and recreation, etc.) to be collected through a Community Benefits By-law as governed through the *Planning Act*

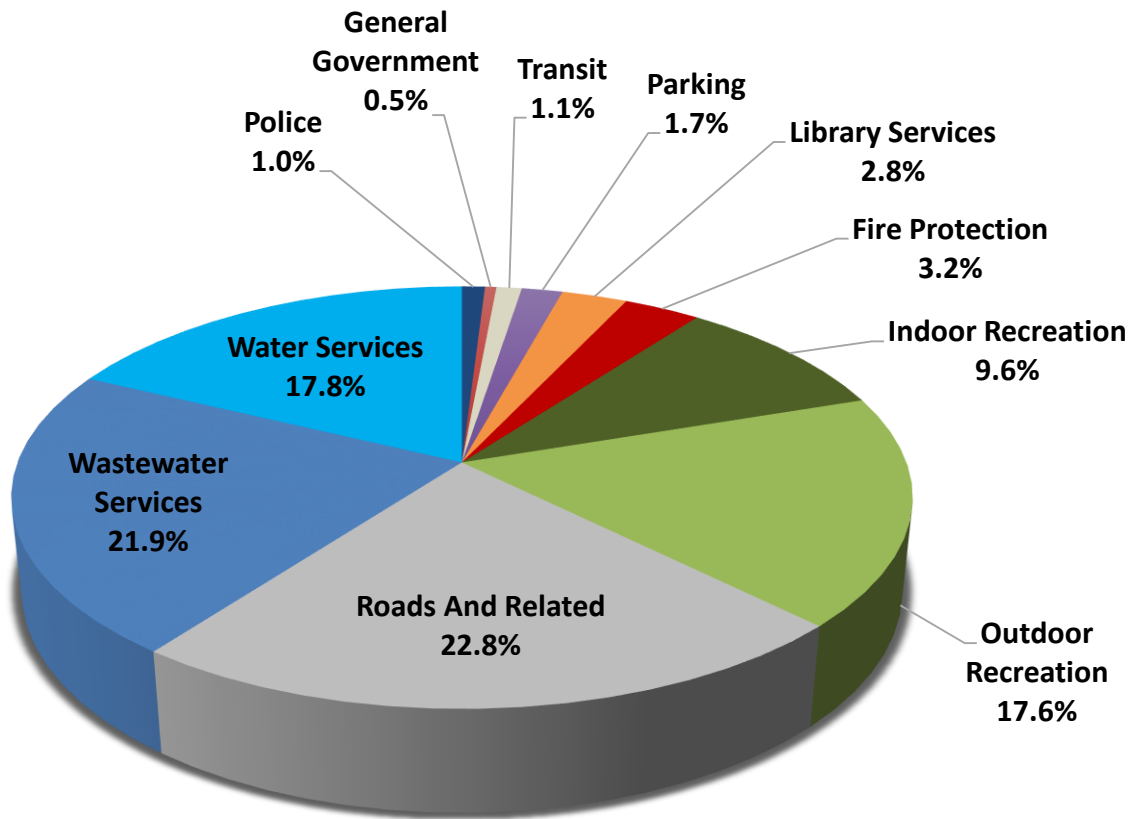
Bill 108: *More Homes, More Choice Act, 2019 Cont'd*

- Draft Regulations released June 21, 2019, comments are due to the Province late August
- Under the current legislation:
 - Municipalities will have the authority to pass a CBC By-law beginning January 1, 2020
 - After January 1, 2021 only non-discounted services will be eligible for development charge funding (e.g. Police, Fire, Transit, Roads and Related, Water, and Wastewater Services)
- Municipalities are still able to pass DC By-laws for discounted services during the current transition period

Changes Since the Release of the 2019 DC Background Study

- Since the release of the DC Background Study dated June 3rd, the following changes have been made to the historical inventory calculations:
 - **Outdoor Recreation** = reduction in \$/acre land values
 - **Library** = adjustment for uncommitted excess capacity
 - **Fire Services** = adjustment for uncommitted excess capacity
- These adjustments have had the effect of reducing the overall calculated DC rate

Calculated Residential DC Rates



Total DC Percent Breakdown	
Discounted Services	Non-Discounted Services
32%	68%

Residential Charges Per Unit
Singles & Semis \$30,006
Multiples \$22,632
Apartments (2+ Bedrooms) \$18,025
Apartments (Bachelor or 1 Bedroom) \$10,445

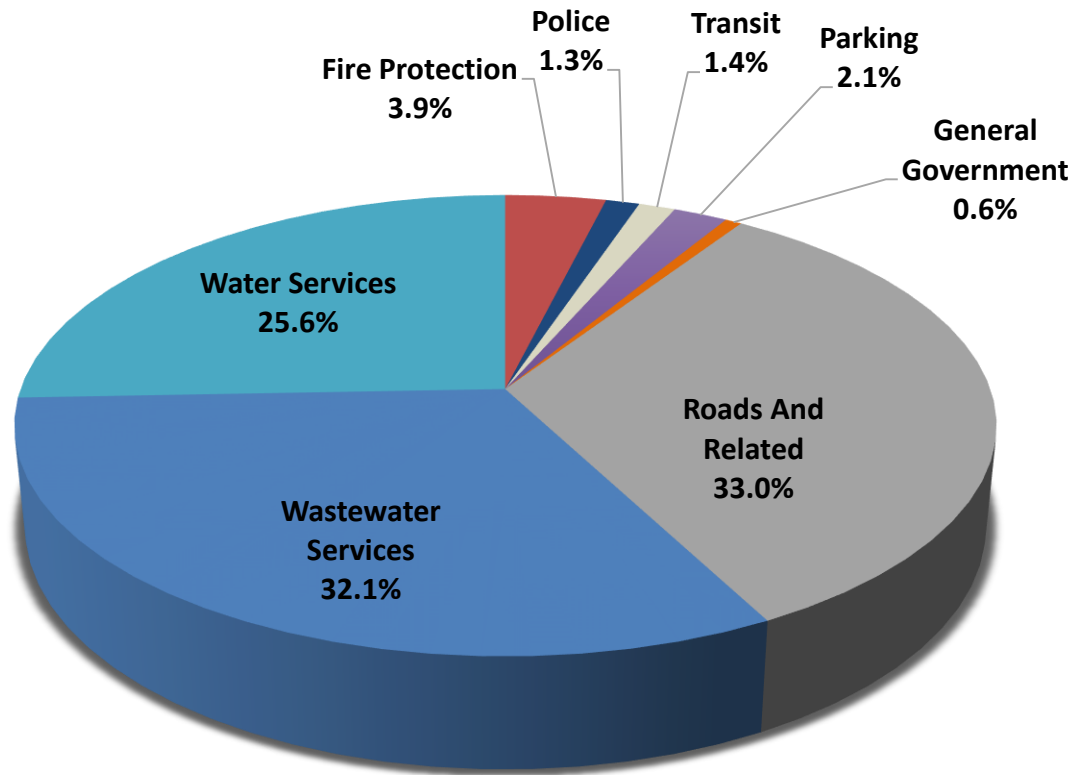
Comparison of Calculated and Current Residential Rates

Service	Current* Residential Charge per SDU	Calculated Residential Charge per SDU	Difference (\$)	Difference (%)
Library Services	\$595	\$831	\$236	40%
Outdoor Recreation	\$3,736	\$5,279	\$1,543	41%
Indoor Recreation	\$726	\$2,882	\$2,156	297%
Parking & By-law	\$140	\$517	\$377	269%
General Government	\$113	\$144	\$31	27%
Airport**	\$63	\$0	(\$63)	(100%)
Discount Services	\$5,373	\$9,653	\$4,280	80%
Transit	\$102	\$320	\$218	214%
Fire Protection	\$675	\$968	\$293	43%
Police Service	\$138	\$291	\$153	111%
Roads & Related	\$7,461	\$6,853	(\$608)	(8%)
Wastewater Services	\$7,267	\$6,577	(\$690)	(9%)
Water Services	\$3,556	\$5,344	\$1,788	50%
Non-Discounted Services	\$19,199	\$20,353	\$1,154	6%
Total Charge	\$24,572	\$30,006	\$5,434	22%

*Current rates as of January 1, 2019

** Airport services has been removed from the 2019 DC calculation as the Town no longer owns the facility

Calculated Non-Residential Rate



Non-Residential Charges Per Square Metre
\$142.24

Total DC Percent Breakdown	
Discounted Services	Non-Discounted Services
3%	97%

Calculated vs. Current Non-Residential Rates

Service	Current* Non-Residential Charge per m2	Calculated Non-Residential Charge per m2	Difference (\$)	Difference (%)
Discounted Services	\$4.84	\$3.88	(\$0.96)	(20%)
Non-Discounted Services	\$63.93	\$138.36	\$74.43	116%
Total	\$68.77	\$142.24	\$73.47	107%

**Current rates levied by the Town as of January 1, 2019*

Service	2014 Calculated Non-Res Charge per m2**	2019 Calculated Non-Residential Charge per m2	Difference (\$)	Difference (%)
Discounted Services	\$13.44	\$3.88	(\$9.56)	(71%)
Non-Discounted Services	\$131.61	\$138.36	\$6.75	5%
Total	\$145.05	\$142.24	(\$2.81)	(2%)

*** Rates calculated under the 2014 DC Background Study indexed to \$2019*

DCs Have Been Increasing

- DCs rates have increased over the last two years in many municipalities in Ontario
- Reasons include:
 - Construction costs are increasing faster than indexing or base inflation
 - Increased land values
 - More robust inventory analysis (e.g. asset management practices are improving)
 - Comprehensive capital planning (e.g. updated Master Plans and/or Infrastructure Plans)

Development Charge Policy Review

- Existing DC policies have been reviewed as part of the 2019 DC By-law update:
 - Non-statutory exemptions
 - By-law administration and implementation
 - Definitions

Development Charge Policy Review Cont'd

- **Statutory (100% DC exemptions):**
 - Boards of education or local board (local or upper-tier)
 - Intensification of existing residential
 - Intensification of existing residential units are exempt
 - Bill 108 will provide an exemption for the construction of secondary units in new dwellings
 - Up to 50% expansion of existing industrial space
- **Proposed Non-statutory (100% DC exemptions):**
 - Hospitals
 - Places of worship
 - Non-residential farm buildings
 - An air supported structure ancillary to and owned by a school exempt from taxation under the *Assessment Act*

Council May Implement Lower Rates

- Maximum permissible development charges have been calculated
 - Council may choose to implement lower rates
- Council can continue with the existing “discounted service” rates until January 1, 2021 or when a new CBC By-law is brought forward
- Council can also choose to phase-in or discount the calculated DC rates
 - E.g. maintain existing non-residential discount
- If lower rates are implemented, this will result in DC revenue implications

Questions?

- Please submit written questions relating to the 2019 DC Background Study no later than **Friday, August 2nd**
- Submission are to be sent to:
Dennis Sloan, Deputy Director,
Financial Planning and Policy
Development
705-445-1030 ext. 3292
dsloan@collingwood.ca

Next Steps

- Statutory Public Meeting:
 - Today
- Respond to written submissions
 - Early August
- DC By-law Passage
 - **Monday, August 26**