

The Town of Markham

DEVELOPMENT CHARGE BY-LAWS 2007 WORKPLAN

**General Committee
February 26, 2007**

What Is A Development Charge?

- As The Town Grows, New Infrastructure and Facilities Are Required to Maintain Service Levels, e.g. Roads, Community Centres, Fire Stations
- A Development Charge Is a Fee Charged to New Development to Finance the Cost of New Growth-Related Capital Facilities and Infrastructure
- Development Charges Provide a Major Source of Funding for Growth-Related Capital Expenditures – DC's Help to Protect Existing Taxpayers

What Is A Development Charge?

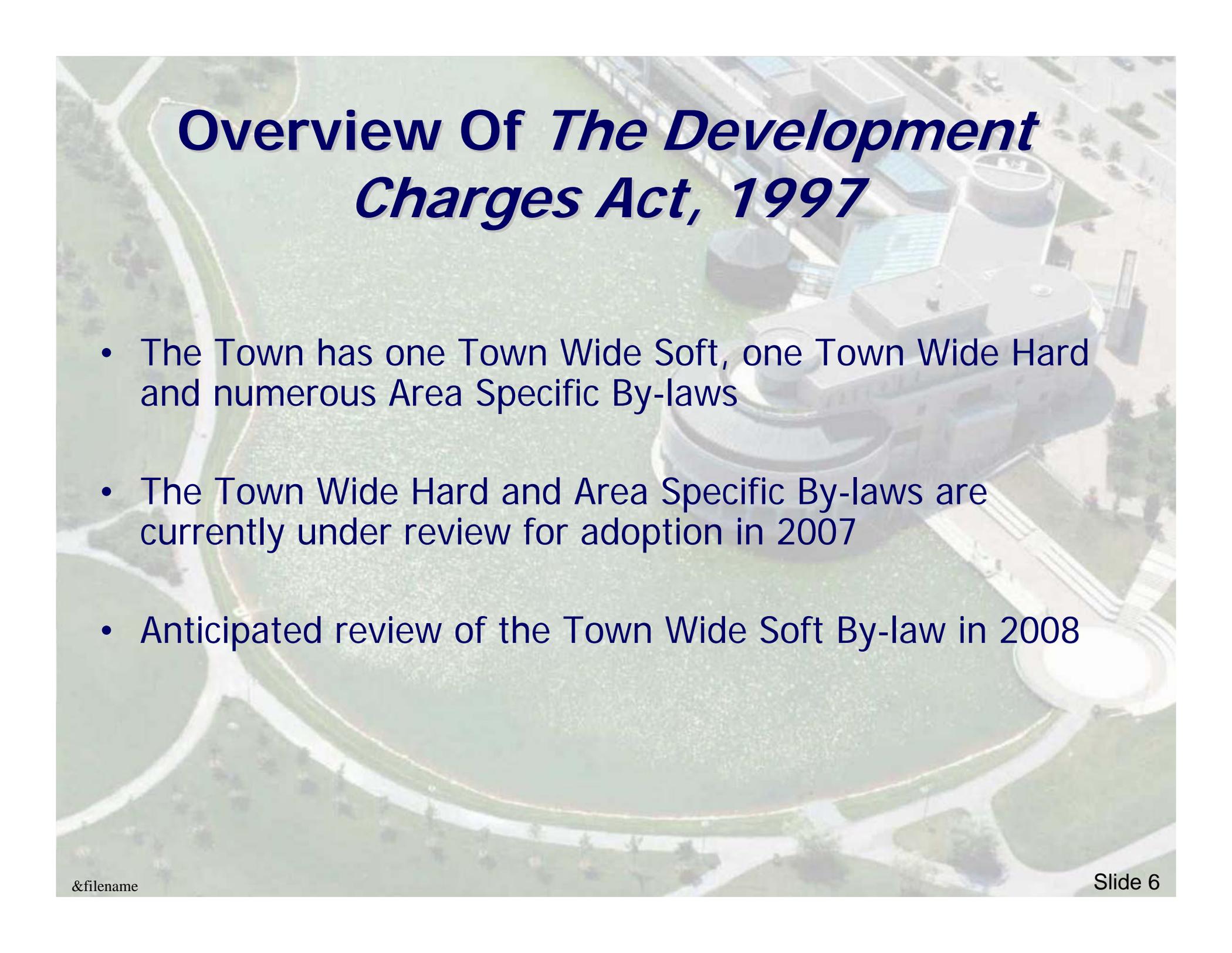
- Residential Development Charges Are Charged on New Housing Units by Type
- Non-Residential Development Charges Are Charged on New Retail, Commercial and Industrial Floor Space (e.g. Sq.m of Gross Floor Area)
- The Maintenance and Replacement of Existing Facilities and Infrastructure Are Funded Through Non Development Charge funds (ie. Tax dollars or other reserves)

Development Charge Process

- Governed By *The Development Charges Act, 1997 (DCA)* and Its Accompanying Regulation, *O. Reg. 82/98*
- Steps Required by the *DCA to enact Town's DC By-laws*:
 - Growth Forecast – Residential and Non-residential
 - Calculation of Historic 10 Year Average Service Levels
 - Determine Growth-Related Capital Requirements
 - Calculate Development Charge
 - Public Consultation
 - Development Charges Background Study

Overview Of *The Development Charges Act, 1997*

- The Maximum Life of a DC By-law Is 5 Years From Date of Passage (May Be Repealed/Replaced Earlier)
- The Town of Markham Passed Its DC By-laws on August 31, 2004. Therefore, New By-laws Must Be Enacted Prior to September, 2009
- If New By-laws are Not Passed the Town Cannot Continue to Collect Development Charges



Overview Of *The Development Charges Act, 1997*

- The Town has one Town Wide Soft, one Town Wide Hard and numerous Area Specific By-laws
- The Town Wide Hard and Area Specific By-laws are currently under review for adoption in 2007
- Anticipated review of the Town Wide Soft By-law in 2008



Overview Of *The Development Charges Act, 1997*

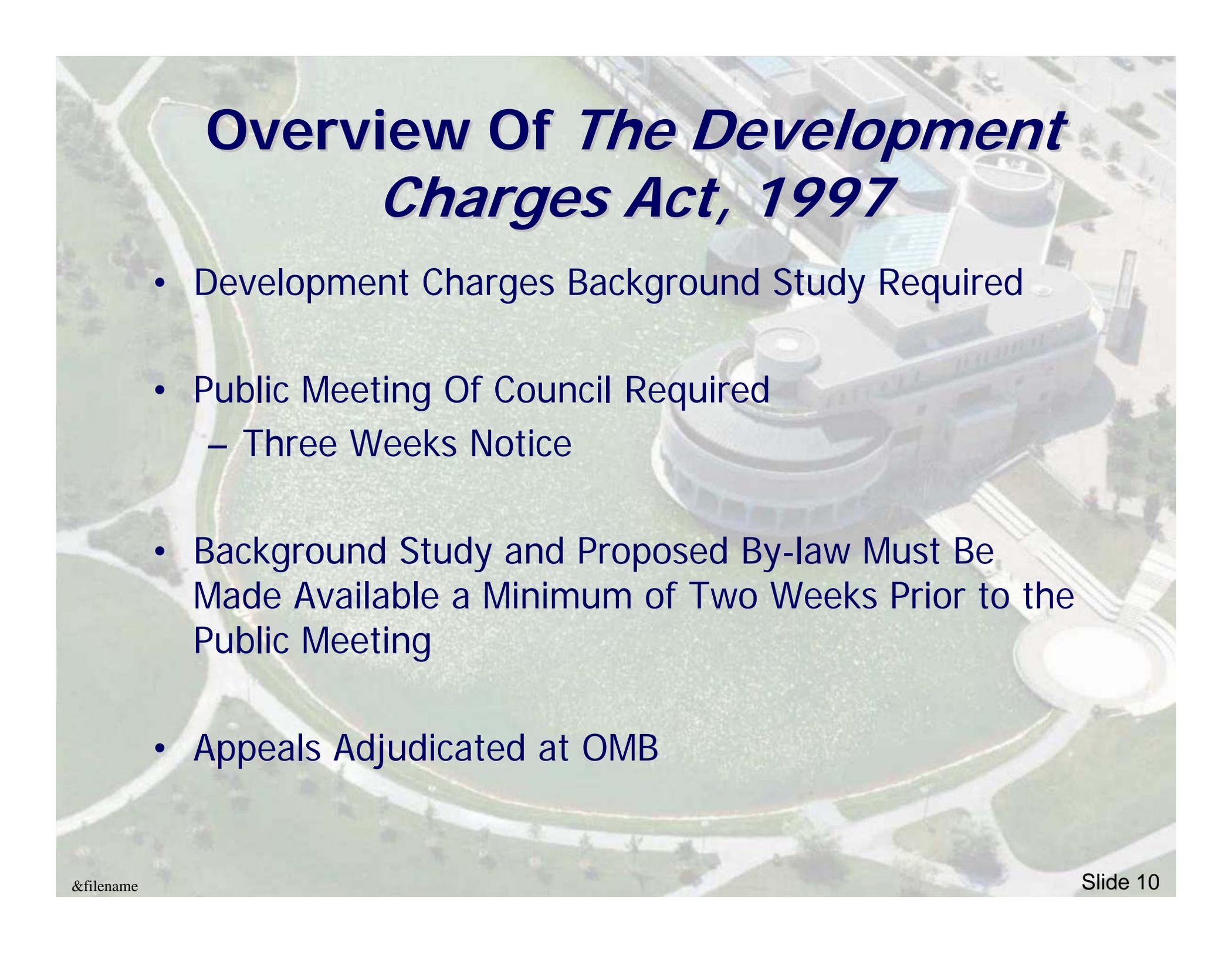
- The Full Growth-Related Net Capital Cost of the Following Services Can Be Included in the Development Charge Calculation:
 - Water (Hard Service)
 - Waste Water (Hard Service)
 - Storm Water Drainage and Control (Hard Service)
 - Roads and Related Works (Hard Service)
 - Fire Protection (Soft Service)

Overview Of *The Development Charges Act, 1997*

- For All Other Eligible Soft Services - Mandatory 10% Reduction Requiring Funding From Other Sources
 - General Government – e.g. DC Background Studies
 - Library Services
 - Indoor Recreation
 - Park Development and Facilities – e.g. Soccer Fields
 - Public Works – e.g. Fleet, Works Yards

Overview Of *The Development Charges Act, 1997*

- Service Exclusions
 - cultural and entertainment facilities, including museums, theatres and art galleries
 - tourism facilities including convention centres
 - parkland acquisition including open spaces and trails (except land for indoor recreation buildings)
 - hospitals
 - headquarters for general administration of municipalities and local boards
 - waste management (not applicable)
 - other services prescribed by regulation (none have been prescribed as yet)



Overview Of The Development Charges Act, 1997

- Development Charges Background Study Required
- Public Meeting Of Council Required
 - Three Weeks Notice
- Background Study and Proposed By-law Must Be Made Available a Minimum of Two Weeks Prior to the Public Meeting
- Appeals Adjudicated at OMB



Update on TWH and ASDC By-laws

- The *DCA* enables the Town to index the development charge in accordance with the Statistics Canada Construction Price Index
- Town's experience is that the construction price index is not sufficient to support the increased cost of constructing hard services and increased land costs
- In 2006, Council authorized Staff to update the Town Wide Hard and Area Specific By-laws

Proposed Workplan

- Potential Council Briefings Opportunities
 - General Committee - February 26th – Overview of DCA
 - General Committee - April 2 – June 11th
 - Potential Workshops at Council's request – Monday afternoons after General Committee meetings
- Consultation With Development Industry – March through May
- Advertise Public Meeting – April 17th (Requires Council approval April 10th)
- Statutory Public Meeting – May 8th
- By-law Approval By Council – June 12th