



Development Charges Update (Soft Services)

General Committee

April 20, 2009

Objective Of Update to Town Wide Soft Service Development Charges

- To calculate Development Charges consistent with the *Development Charges Act, 1997 (DCA)* to recover the maximum allowable portions of growth-related net capital costs
- To identify the growth-related net capital costs for Town-Wide Soft Services (TWSS) over the planning period 2009-2018
- To enact a new TWSS By-law prior to the expiration of the existing by-law on August 31, 2009
 - If a new by-law is not passed the Town cannot continue to collect development charges

Meetings Held to Date

- The Development Charge Council Sub-committee met on April 7, 2009 to review the proposed methodology changes and the resulting proposed Town Wide Soft Service development charges
- Staff met with the Developer Breakout Group, composed of several developers interested in reviewing the proposed Soft Service development charges, on April 9, 2009

Development Charge Process

The TWSS development charges are used to fund growth-related capital infrastructure for “General” or “Soft” Services

- Soft Services Include:
 - General Government – e.g. Studies
 - Library Services
 - Indoor Recreation
 - Park Development & Facilities – e.g. Playing Fields, Play Equipment
 - Public Works – e.g. Fleet, Works Yards
 - Fire Services
- A mandatory 10% discount applies to all services, other than Fire Services, which can recover 100% of Growth-Related Net Capital Costs in the Development Charge

Growth Forecast

- Growth Forecast will be based on planning estimates prepared by Town staff and Hemson Consulting that were utilized in the 2008 Town Wide Hard and Area Specific Background Study
- Forecast is prepared based on the Current Official Plan and DC By-law will be reviewed accordingly as the Plan is updated

Growth Forecast

	2008 Estimate	2009 - 2018	
		Growth	Total
Households	82,203	20,550	102,753
Population			
Census	275,287	51,711	326,998
In New Households		61,022	

	2008 Estimate	2009 - 2018	
		Growth	Total
Employment	172,859	38,376	211,235
Non-Residential Building Space (sq.m.)		1,512,483	

Historic Ten Year Average Service Level

- Town's historic service levels are calculated over the period 1999 – 2008
- Delay or advancing of new construction affects service level calculation
- Quantitative (# of sq. ft.) and qualitative (\$ per sq. ft.) elements accounted for in the inventory calculations

Calculation of Growth Related Capital

- Only growth related costs can be included in the development charge
- Portions of projects related to prior growth, replacement, those benefiting the existing community or the legislated 10 per cent discount must be financed by other Town sources
- Projects oversized for future growth may be recovered from future development if not financed from development charges

Proposed Methodology Change #1

Fleet Inventories

Current Methodology

- Rolling stock kept by the Town for 7 years included in inventory

Recommended Methodology

- All rolling stock with an estimated useful life of 7 years or more is included in inventory
- Results in an increase in the amount of funding available through development charges

Proposed Methodology Change #2

Residential/Non-Residential Allocation

Current Methodology

- General Government and Fire Services are allocated based on property assessment. Public Works based on population and employment forecast

Recommended Methodology

- General Government, Fire Services and Public Works based on future shares of the population and employment forecast
- Results in a more appropriate allocation of costs across the categories

Proposed Methodology Change #3

Population Forecast

Current Methodology – Net Population

- Forecast population in new homes (61,022) less reductions in existing population base (9,311) arriving at net population of 51,711
- Maximum funding envelopes based historical service level multiplied by net population growth
- Funding envelope divided by gross population growth (61,022) to establish DC charge per capita

Recommended Methodology – Gross Population

- Forecast population in new homes only (61,022)
- Maximum funding envelopes based on historical service level multiplied by gross population growth
- Larger Funding envelope divided by gross population growth to establish DC charge per capita
- Will result in a higher development charge which leads to an additional \$26M being collected over the next 10 years

Growth Forecast

	2008 Estimate	2009 - 2018	
		Growth	Total
Households	82,203	20,550	102,753
Population	275,287	51,711	326,998
Census			
In New Households		61,022	

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Growth Related Capital Forecast

DRAFT	Growth-Related Capital Forecast				
	Total (Net of Grants/ Subsidies)	Prior Growth	Net Cost After Prior Growth & Replacement	Pre-Built for Post 2018 Growth	Growth-Related Net Capital Costs 2009-2018
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
1.0 GENERAL GOVERNMENT	\$12,439.0	\$0.0	\$12,439.0	\$2,971.9	\$9,467.1
2.0 LIBRARY BOARD	\$17,991.4	\$3,115.0	\$14,876.3	\$3,024.5	\$11,851.8
3.0 FIRE SERVICES	\$16,083.0	\$2,628.8	\$13,454.2	\$2,311.8	\$11,142.4
4.0 INDOOR RECREATION	\$110,380.0	\$32,961.7	\$77,418.3	\$718.5	\$76,699.8
5.0 PARK DEVELOPMENT AND FACILITIES	\$171,087.8	\$34,903.1	\$136,184.6	\$69,924.3	\$66,260.3
6.0 PUBLIC WORKS	\$25,497.9	\$9,249.8	\$16,248.1	\$4,464.6	\$11,783.5
TOTAL 10 YEAR TOWN-WIDE SOFT SERVICES	\$353,478.9	\$82,858.4	\$270,620.6	\$83,415.6	\$187,205.0

Growth Related Capital Forecast Cont'd

DRAFT	Growth-Related		Total Growth-Related					
	Net Capital	Service	Net Capital	Residential		Non-Residential		
	Costs	Discount	Costs After	Share	Share			
2009-2018	Required	Discount	Share	Share				
(\$000)	%	\$000	(\$000)	%	\$000	%	\$000	
1.0 GENERAL GOVERNMENT	\$9,467.1	10%	\$946.7	\$8,520.39	61%	\$5,230.8	39%	\$3,289.58
2.0 LIBRARY BOARD	\$11,851.8	10%	\$1,185.2	\$10,666.61	100%	\$10,666.6	0%	\$0.00
3.0 FIRE SERVICES	\$11,142.4	0%	\$0.0	\$11,142.43	61%	\$6,840.5	39%	\$4,301.91
4.0 INDOOR RECREATION	\$76,699.8	10%	\$7,670.0	\$69,029.8	100%	\$69,029.8	0%	\$0.00
5.0 PARK DEVELOPMENT AND FACILITIES	\$66,260.3	10%	\$6,626.0	\$59,634.28	100%	\$59,634.3	0%	\$0.00
6.0 PUBLIC WORKS	\$11,783.5	10%	\$1,178.4	\$10,605.18	61%	\$6,510.7	39%	\$4,094.49
TOTAL 10 YEAR TOWN-WIDE SOFT SERVICES	\$187,205.0	9.4%	\$17,606.3	\$169,598.7	93%	\$157,912.7	7%	\$11,686.0

Growth Related Capital Forecast

- \$353.5 million net capital cost for Town-Wide Soft Services
- \$169.6 million included and recoverable in Development Charge
- Remaining Shares
 - \$82.9 million for prior growth (development charges balances from prior payments & 10% discount share from taxes)
 - \$83.4 million for post-2018 (future development charges)
 - \$17.6 million for 10% discount (tax supported)

Proposed Town Wide Soft Residential Development Charges

DRAFT SERVICE	Charge By Unit Type			
	Single & Semi-Detached	Townhouse & Other Multiples	Large Apartment > 750 sq.ft.	Small Apartment < 750 sq.ft.
General Government	\$343	\$269	\$212	\$127
Library Board	\$726	\$570	\$449	\$270
Fire Services	\$440	\$346	\$272	\$164
Indoor Recreation	\$4,431	\$3,479	\$2,738	\$1,645
Park Development And Facilities	\$3,863	\$3,033	\$2,388	\$1,435
Public Works	\$415	\$326	\$257	\$154
Total Development Charge Per Unit	\$10,218	\$8,023	\$6,316	\$3,795

Proposed Residential Development Charge Rates

DRAFT	Existing Development Charge	Proposed Development Charge	Difference Existing vs Proposed	Difference Existing vs Proposed
Unit Type				
Single and Semi-Detached	\$6,566	\$10,218	\$3,652	56%
Townhouse	\$5,158	\$8,023	\$2,865	56%
Apartment - >750 sq. ft.	\$4,667	\$6,316	\$1,649	35%
Apartment - <750 sq. ft.	\$2,793	\$3,795	\$1,002	36%

Proposed Residential Development Charge Rates

DRAFT	Current Residential Charge Single/Semi-Detached	Proposed Residential Charge Single/Semi-Detached	Difference in Charge Between Current and Proposed	
SERVICE				
General Government	\$196	\$343	\$147	75%
Library Board	\$628	\$726	\$98	16%
Fire Services	\$522	\$440	(\$82)	-16%
Indoor Recreation	\$2,423	\$4,431	\$2,008	83%
Park Development And Facilities	\$2,589	\$3,863	\$1,274	49%
Public Works	\$208	\$415	\$207	100%
Total Development Charge Per SDU	\$6,566	\$10,218	\$3,652	56%

Proposed Non-Residential Development Charge Rates

DRAFT	Current Non-Residential Charge Sq. m	Calculated Non-Residential Charge Sq. m	Difference in Charge	
SERVICE				
General Government	\$0.70	\$2.37	\$1.67	241%
Fire Services	\$1.85	\$3.04	\$1.19	64%
Public Works	\$1.65	\$2.85	\$1.20	73%
Total Development Charge Per Square Metre	\$4.20	\$8.26	\$4.06	97%

Next Steps

- 2nd meeting with Developer Breakout Group during the week of April 20th
- Update DC Council Sub-Committee – week of April 27th – Detailed capital Program and Developer feedback
- General Committee Updates – May 4th
- Finalize Background Study – May 12th
- Public Meeting – May 26th
- Council Approval – June 3rd