

Development Charges

Update

(Soft Services)

Mixed Use Calculation

General Committee

May 11, 2009

Mixed-Use Non-Residential Rates

– Current Policy

- One rate is imposed for all non-residential development

– Recommended Policy

- To apply a differentiated rate for the non-residential portion of mixed-use developments

Desired Outcome

- Provide a financial benefit to developers building to the Town's preferred standards
- The proposal should have no impact on development charge revenues

Definition & Assumptions

Definition of Mixed-Use (to be refined):

- a building containing either retail or office space, internally integrated with dwelling unit(s) within the same structure, so long as residential is the predominant component of the structure.

Assumptions:

- 12.5% of all Non-Residential Development will be Mixed Use (current estimate – subject to change upon further review)
- A 50% discount factor to the Fire and Public Works portion of the charge will apply to mixed use as there are efficiencies with the delivery of those services

Methodology Policy/Changes

Possible Mixed-Use Non-Residential Rates

Option 1: Status Quo - One Rate (No Reduction for Mixed Use)

SERVICE	Proposed Dev. Charge (\$/sq.m)
General Government	\$2.37
Fire Services	\$3.04
Public Works	\$2.85
Total Development Charge Per Square Metre	\$8.26

Methodology Policy/Changes

Possible Mixed-Use Non-Residential Rates

Option 2: Two Rates (Mixed Use & Non-Mixed Use)

Option 2

SERVICE	Proposed Dev. Charge (\$/sq.m)	Mixed Use 87.5%	Non-Mixed Use 12.5%
General Government	\$2.37	\$2.37	\$2.37
Fire Services	\$3.04	\$1.62	\$3.24
Public Works	\$2.85	\$1.52	\$3.04
Total Development Charge Per Square Metre	\$8.26	\$5.51	\$8.65

Change vs Base	-33.3%	4.8%
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Methodology Policy/Changes

Possible Mixed-Use Non-Residential Rates

Option 3: Three Rates (Industrial/Office/Institutional, Mixed Use & Non-Mixed Use Retail)

Option 3

SERVICE	Proposed Dev. Charge (\$/sq.m)	Industrial/Office/Institutional 75%	Mixed Use 12.5%	Retail Non-Mixed Use 12.5%
General Government	\$2.37	\$2.37	\$2.37	\$2.37
Fire Services	\$3.04	\$3.04	\$2.03	\$4.06
Public Works	\$2.85	\$2.85	\$1.90	\$3.80
Total DC Per Square Metre	\$8.26	\$8.26	\$6.30	\$10.23

Change vs Base	0.0%	-23.7%	23.8%
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Recommendations

- Option 3 is recommended:
 - It most accurately reflects the efficiencies created by stacked mixed-use development
 - it does not have a negative impact on Industrial/Office/Institutional development
 - provides flexibility if the Town opts to apply similar methodology to Hard Services
- That the final background study be prepared to include a three category non-residential charge (Industrial/Office/Institutional, Mixed Use, Non-Mixed Use Retail)

Next Steps

- Finalize Background Study – May 12th
- Public Meeting – May 26th
- Council Approval – June 3rd