



Township of Amaranth 2019 Development Charges Background Study

Council Information Session
June 5, 2019

Development Charges



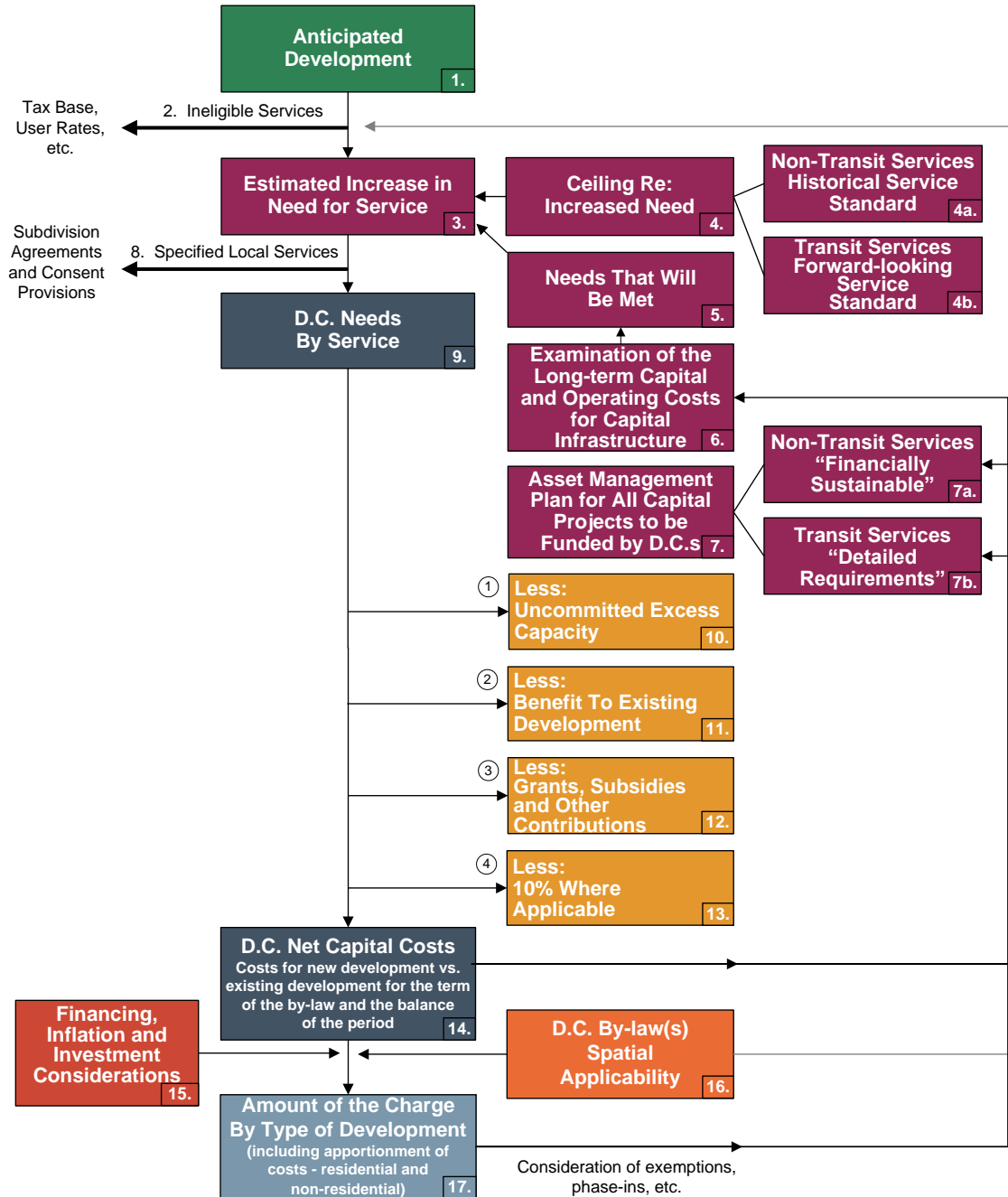
- Purpose of Development Charges (D.C.) is to recover the capital costs associated with residential and non-residential growth within the municipality
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, watermains, roads, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the *Development Charges Act (D.C.A.)*

Study Process



- D.C. Background Study process has been undertaken in conjunction with the Township of East-Garafraxa
 - Growth forecast and detailed discussions with staff regarding future needs to service growth – *March – May, 2019*
 - **Council Information Session – *June 5, 2019***
 - Release D.C. Background Study – *by June 21, 2019* (at least 60 days prior to by-law passage)
 - D.C. Public Meeting – *July 10, 2019*
 - Council Consideration of D.C. by-law – *August 21, 2019*

The Process of Calculating a Development Charge under the Act that must be followed



Growth Forecast



- Growth forecast has been prepared based on Dufferin County Official Plan for the 10 year (2019-2029) and 17 year period (2019-2036)

Time Horizon	Residential		Non-Residential	
	Net Population	Residential Units	Employment ¹	Sq.ft. of GFA
Mid 2019	4,182	1,402	687	
Mid 2029	4,492	1,572	1,339	
Mid 2036	4,575	1,626	1,433	
Incremental Change				
10-year (2019-2029)	310	170	652	186,500
17-year (2019-2036)	393	224	746	277,700

1. Excludes NFPOW and WAH

Increase in Need for Service



- Township-Wide Services (10-year)
 - Transportation Services (road improvements and public works)
 - Fire Services
 - Parks and Recreation
 - Library Services
 - Administration - Studies

Anticipated Capital Needs

Fire Services



Prj.No	Increased Service Needs Attributable to Anticipated Development 2019-2028	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 32%	Non-Residential Share 68%
	Shelburne									
1	Provision for Facilities (Township share)	2028	308,000	78,732	229,268	220,000		9,268	2,966	6,302
2	Provision for Vehicle (Township share)	2020-2024	5,000	1,278	3,722	-		3,722	1,191	2,531
	Grand Valley		-	-	-	-		-	-	-
3	Pumper (Township Share)	2019-2028	131,000	33,487	97,513	-		97,513	31,204	66,309
4	Provision for 4 Additional Fire Fighters (Township share)	2019-2028	5,300	1,355	3,945	-		3,945	1,262	2,683
			-	-	-	-		-	-	-
	Reserve Fund Adjustment		-	-	-	-		(7,818)	(2,502)	(5,316)
	Total		449,300	114,852	334,448	220,000	-	106,631	34,122	72,509

Anticipated Capital Needs

Transportation Services



Prj.No	Increased Service Needs Attributable to Anticipated Development 2019-2028	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 32%	Non-Residential Share 68%
1	Public Works Facility Expansion	2019-2028	137,000	-	137,000	-		137,000	43,840	93,160
2	Sweeper	2019-2028	44,000	-	44,000	25,063		18,937	6,060	12,877
3	Plow Truck		300,000	-	300,000	-		300,000	96,000	204,000
4	30th Side Road (2nd Line to Mono-Amaranth TL)	2019-2028	122,000	-	122,000	101,872		20,128	6,441	13,687
5	Mono-Amaranth TL (Hwy 89 to 20th SR)	2019-2028	587,000	-	587,000	490,157		96,843	30,990	65,854
6	Station Street (10th Line to 9th Line)	2019-2028	104,000	-	104,000	86,842		17,158	5,491	11,667
7	Shannon Court	2019-2028	57,000	-	57,000	47,596		9,404	3,009	6,395
			-	-	-	-		-	-	-
8	Road Resurfacing	2019-2028	4,514,000	-	4,514,000	3,769,279		744,721	238,311	506,410
9	Bridge Improvements	2019-2028	3,172,000	-	3,172,000	2,648,683		523,317	167,462	355,856
	Reserve Fund Adjustment		-	-	-	-		(119,666)	(38,293)	(81,373)
			-	-	-	-		-	-	-
	Total		9,037,000	-	9,037,000	7,169,492	-	1,747,842	559,309	1,188,532

Anticipated Capital Needs

Parks & Recreation Services



Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Net Capital Cost	Less:		Subtotal	Less:	Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development		Other (e.g. 10% Statutory Deduction)	Total	Residential Share	Non-Residential Share
2019-2028										95%	5%	
	Centre Duffein Recreation Complex		-	-	-	-		-	-	-	-	-
1	Second Ice Pad & Running Track (Township share)	2019-2028	846,795	557,375	289,420	-		289,420	28,942	260,478	247,454	13,024
2	Covered Pool (Township share)	2019-2028	1,179,450	776,335	403,115	259,479		143,636	14,364	129,272	122,809	6,464
			-	-	-	-		-	-	-	-	-
3	Waldemar Park Pavillion	2019-2028	125,000	-	125,000	116,374		8,626	863	7,764	7,376	388
4	Provision for Waldemar Park Parking	2019-2028	28,000	-	28,000	-		28,000	2,800	25,200	23,940	1,260
			-	-	-	-		-	-	-	-	-
	Reserve Fund Adjustment		-	-	-	-		(73,998)		(73,998)	(70,298)	(3,700)
			-	-	-	-		-	-	-	-	-
	Total		2,179,245	1,333,710	845,535	375,853	-	395,684	46,968	348,716	331,280	17,436

Anticipated Capital Needs

Library Services



Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Subtotal	Less:	Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development		Other (e.g. 10% Statutory Deduction)	Total	Residential Share	Non-Residential Share
2019-2028											95%	5%	
	Shelburne		-	-		-	-		-	-	-	-	-
1	Provision for Additional Library Space (Township share)	2019-2028	64,000	35,434		28,566	-		28,566	2,857	25,710	24,424	1,285
2	Provision for Additional Collection Materials (Township share)	2019-2028	21,000	-		21,000	-		21,000	2,100	18,900	17,955	945
			-	-		-	-		-	-	-	-	-
	Grand Valley		-	-		-	-		-	-	-	-	-
3	Library Expansion (Township share)	2019-2028	1,014,000	561,403	66,120	386,477	202,800	106,533	77,144	7,714	69,430	65,958	3,471
4	Provision for Additional Collection Materials (Township Share)	2019-2028	8,000	-		8,000	-		8,000	800	7,200	6,840	360
			-	-		-	-		-	-	-	-	-
	Reserve Fund Adjustment		-	-		-	-		(9,545)		(9,545)	(9,068)	(477)
			-	-		-	-		-	-	-	-	-
	Total		1,107,000	596,837	66,120	444,043	202,800	106,533	125,166	13,471	111,695	106,110	5,585

Anticipated Capital Needs

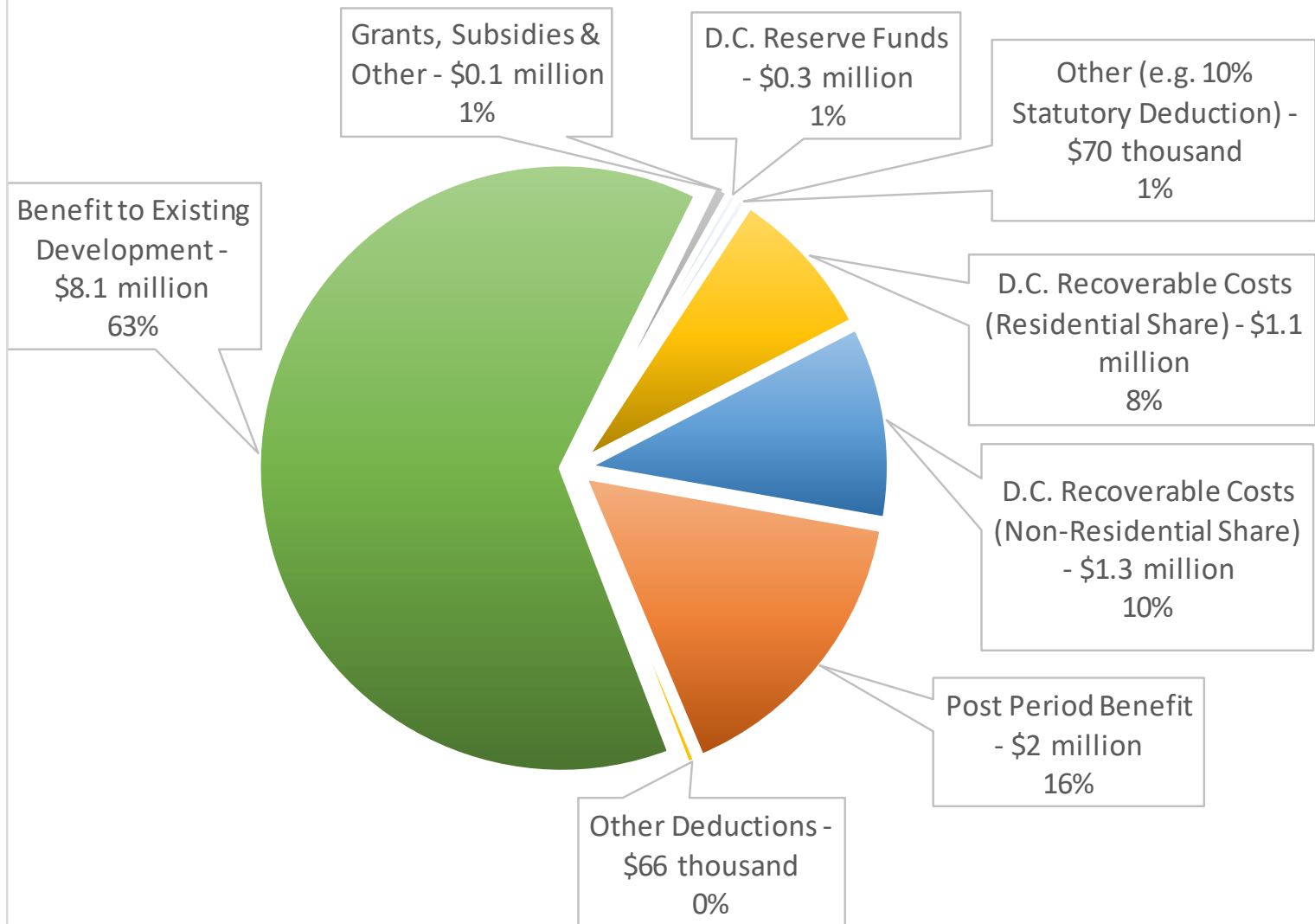
Administration Studies



Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Net Capital Cost	Less:		Subtotal	Less:	Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development		Other (e.g. 10% Statutory Deduction)	Total	Residential Share	Non-Residential Share
2019-2028										32%	68%	
1	D.C. Background Study	2019	25,000	-	25,000	-		25,000	2,500	22,500	7,200	15,300
2	D.C. Background Study	2024	25,000	-	25,000	-		25,000	2,500	22,500	7,200	15,300
3	Roads Needs Study	2019-2028	35,000	-	35,000	17,500		17,500		17,500	5,600	11,900
4	Asset Management Plan	2019-2028	100,000	-	100,000	83,502		16,498	1,650	14,848	4,751	10,097
5	Official Plan	2019-2028	50,000	-	50,000	25,000		25,000	2,500	22,500	7,200	15,300
6	Zoning By-Law	2019-2028	50,000	-	50,000	41,751		8,249	825	7,424	2,376	5,048
7	Shelburne Fire Master Plan (Township share)	2019-2028	5,000	-	5,000	1,250		3,750		3,750	1,200	2,550
8	Grand Valley Fire Master Plan (Township share)	2019-2028	7,000	-	7,000	1,750		5,250		5,250	1,680	3,570
				-	-	-		-		-	-	-
	Reserve Fund Adjustment			-	-	-		(43,380)		(43,380)	(13,882)	(29,498)
	Total		297,000	-	297,000	170,753	-	82,867	9,975	72,892	23,326	49,567

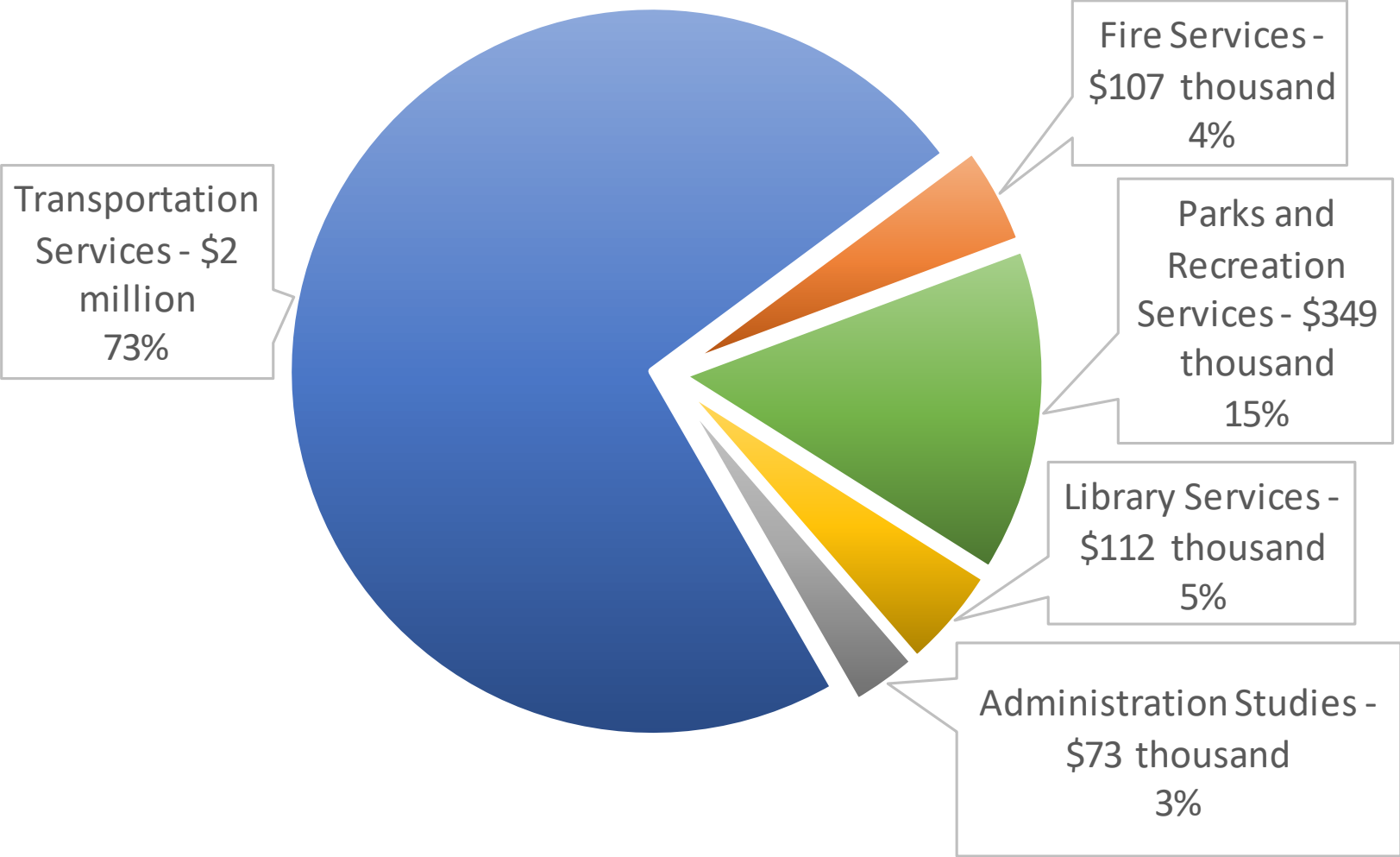
Anticipated Capital Needs

Gross Capital Costs - \$13.1 million



Development Charge Recoverable Capital Costs

Total D.C. Recoverable Costs – \$2.4 million



Calculated Schedule of Development Charges



Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per sq.ft. of Gross Floor Area)	Wind Turbines
Municipal Wide Services:						
Transportation Services	3,360	1,511	908	2,580	0.86	3,360
Fire Services	205	92	55	157	0.05	205
Parks and Recreation Services	1,990	895	538	1,528	0.01	
Library Services	637	286	172	489	0.00	
Administration Studies	140	63	38	107	0.04	140
Total Municipal Wide Services	6,332	2,847	1,711	4,861	0.96	3,705



Development Charge Comparison

Current vs. Calculated Charges per Single Detached Residential Dwelling Unit and per sq.ft. of Non-Residential Gross Floor Area

Residential (Single Detached) Comparison

Service	Current	Calculated
Municipal Wide Services:		
Transportation Services	7,721	3,360
Fire Services	505	205
Parks and Recreation Services	1,367	1,990
Library Services	146	637
Administration Studies	942	140
Police Services	1,099	
Total Municipal Wide Services	11,781	6,332

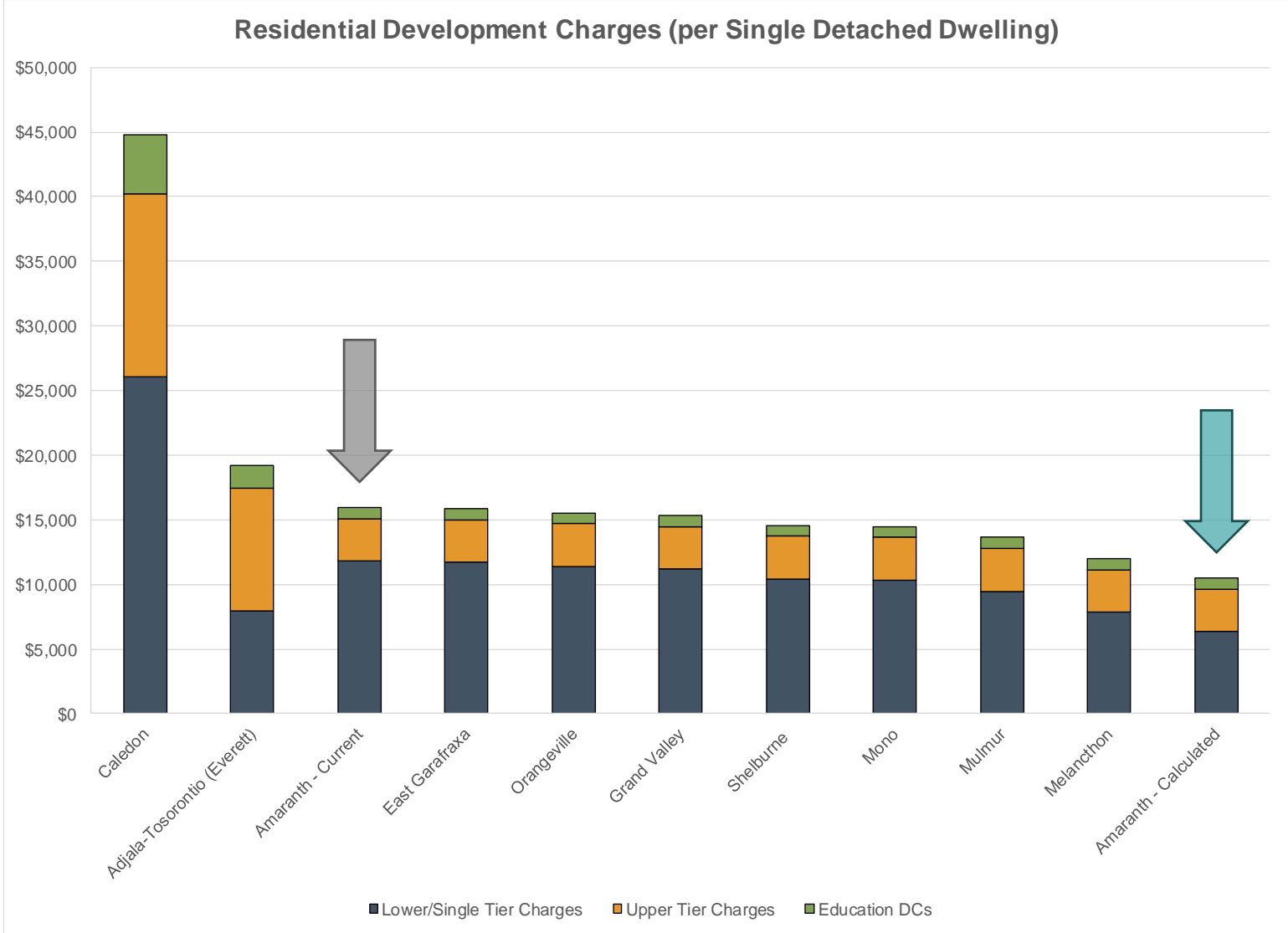
Non-Residential (per sq.ft.) Comparison

Service	Current	Calculated
Municipal Wide Services:		
Transportation Services		0.86
Fire Services		0.05
Parks and Recreation Services		0.01
Library Services		-
Administration Studies		0.04
Total Municipal Wide Services		0.96

- Previous Township D.C. Background Study did not calculate a charge for non-residential development

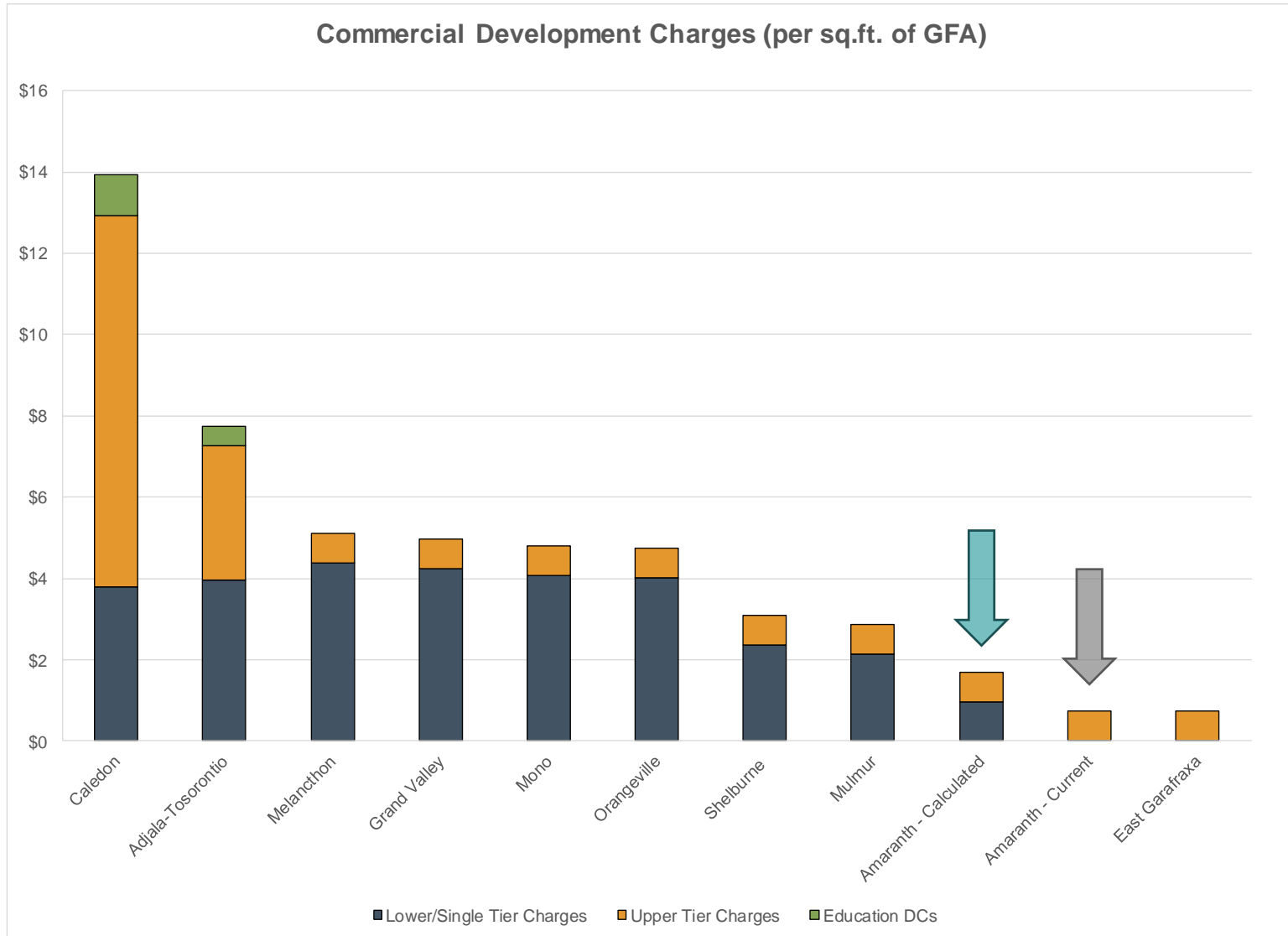
Municipal D.C. Comparison

Per Single-Detached Residential Dwelling Unit - Unserviced



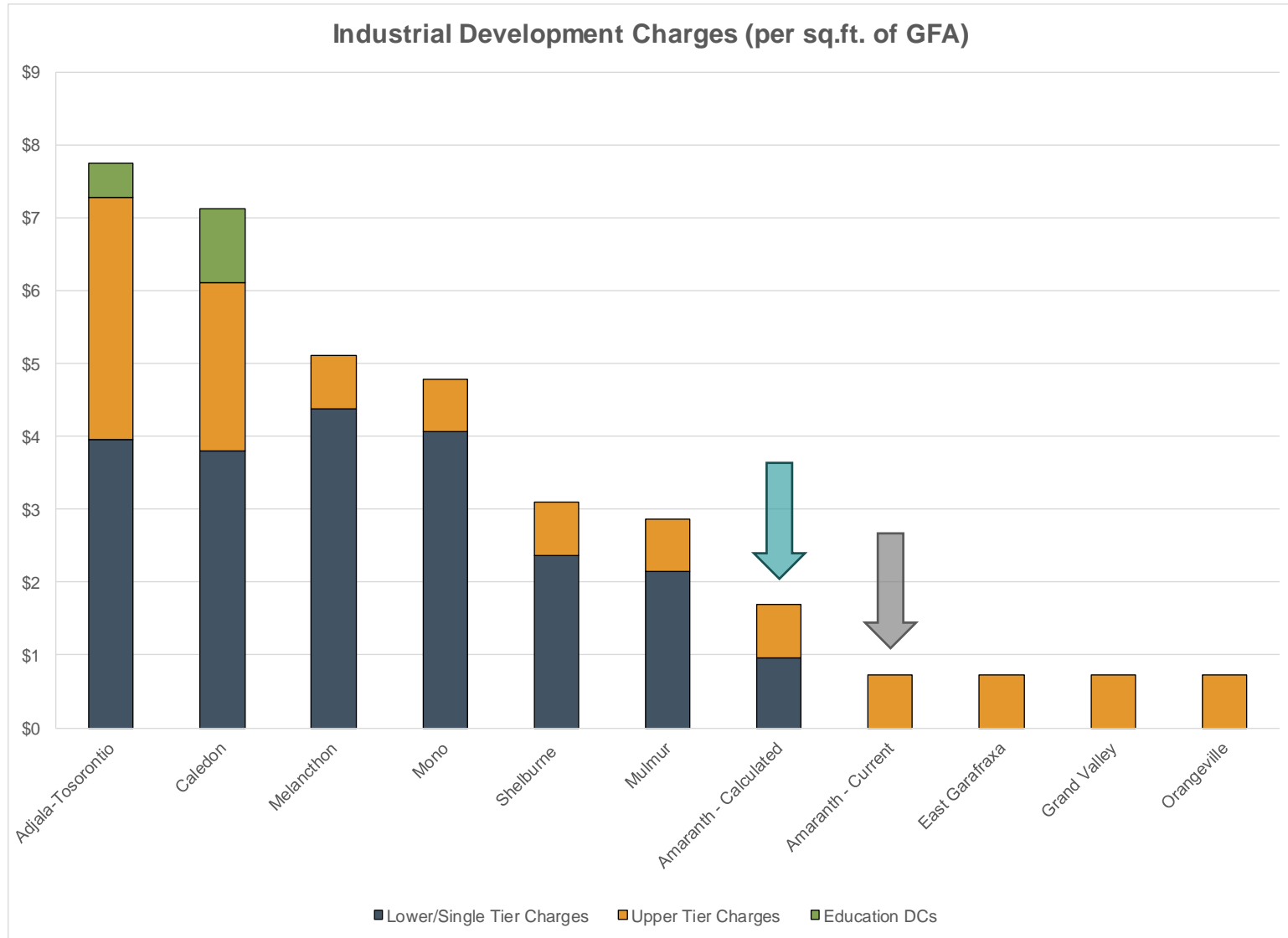
Municipal D.C. Comparison

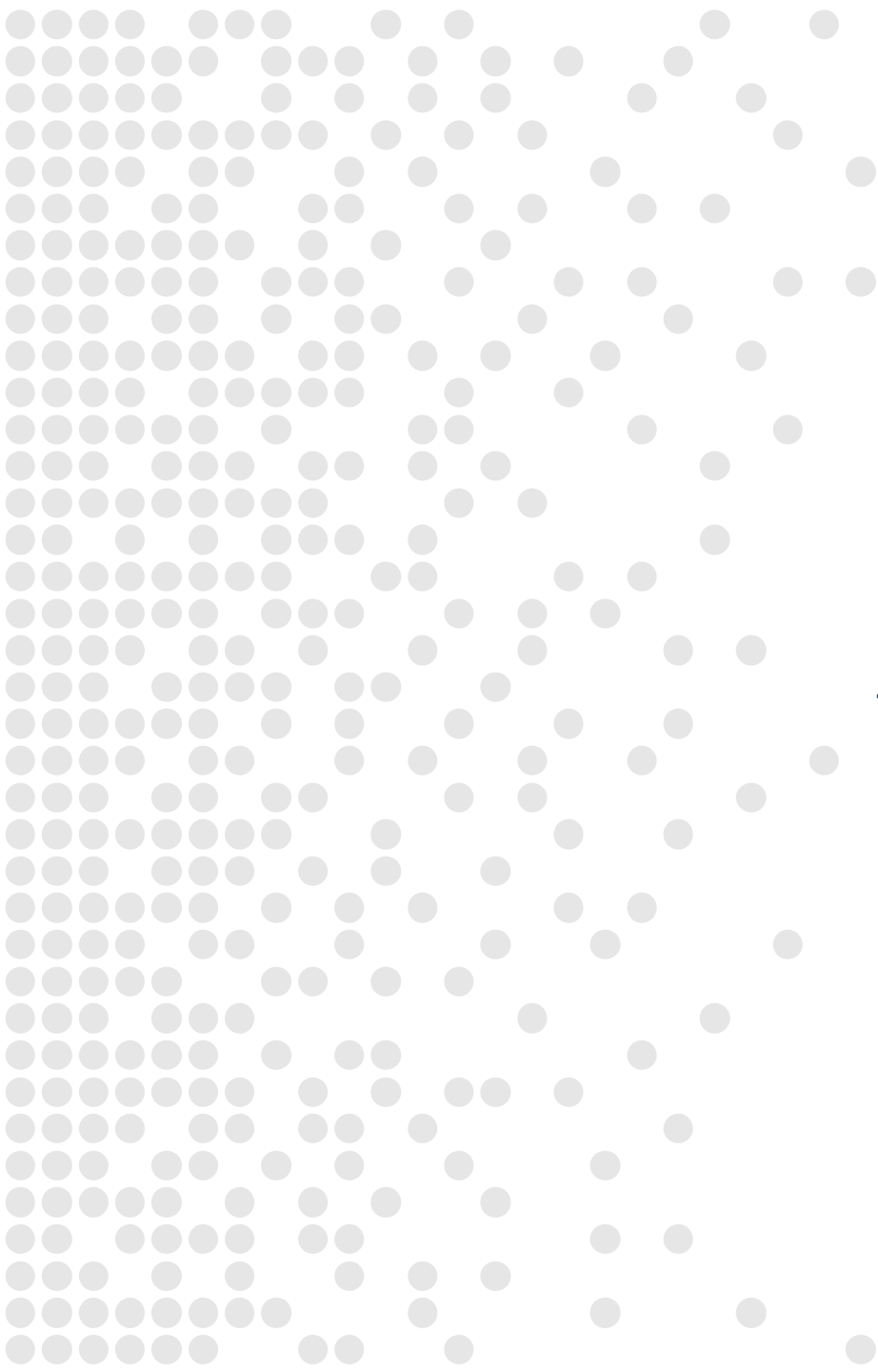
Per sq.ft. of Commercial Gross Floor Area - Unserviced



Municipal D.C. Comparison

Per sq.ft of Industrial Gross Floor Area - Unserviced





Development Charge By-Law Policies



D.C. By-Law Policies

Timing of Collection

- D.C.s can be calculated and payable at the time of building permit issuance or at subdivision registration for hard services
 - Municipality may enter into agreement for the D.C. to be paid before or after it would otherwise be payable
- A municipality is not required to issue a building permit for development to which a D.C. applies unless the charge has been paid
- If a D.C. or any part of it remains unpaid after it is payable, the amount unpaid shall be added to the tax roll and shall be collected in the same manner as taxes
- **D.C.s are payable on the date the first building permit is issued**



D.C. By-Law Policies

D.C. Exemptions

- The Act provides for some mandatory exemptions but also allows municipalities the ability to provide it's own exemptions
- Exemptions set out certain classes of development that will not be required to pay D.C.s. These exemptions may be determined by:
 - Use (e.g. places of worship, farm buildings)
 - Geographic area
 - Development type
 - Service exemption
- The Act is specific in identifying that the revenue forgone may not be made up by increasing the D.C.s for other classes of development
- In effect, it is a loss of revenue to the Municipality which will have to be funded via taxes, rates, reserves or other financial resources²¹



D.C. By-Law Policies

Statutory D.C. Exemptions

- The D.C.A. provides statutory exemptions for:
 - Industrial building expansions (may expand by 50% with no D.C.)
 - Residential intensification:
 - May add up to two apartments for a single detached home as long as size of home doesn't double
 - Add one additional unit in medium & high density buildings
 - Upper/Lower Tier Governments and School Boards



D.C. By-Law Policies

Non-Statutory Exemptions

Amaranth By-law 34-2014

- Charges not calculated or imposed for non-residential development

Dufferin County By-law 2017-37

- A place of worship exempt under s.3 of the *Assessment Act*
- Farm buildings
- Temporary buildings or structures



D.C. By-Law Policies

Redevelopment Credits

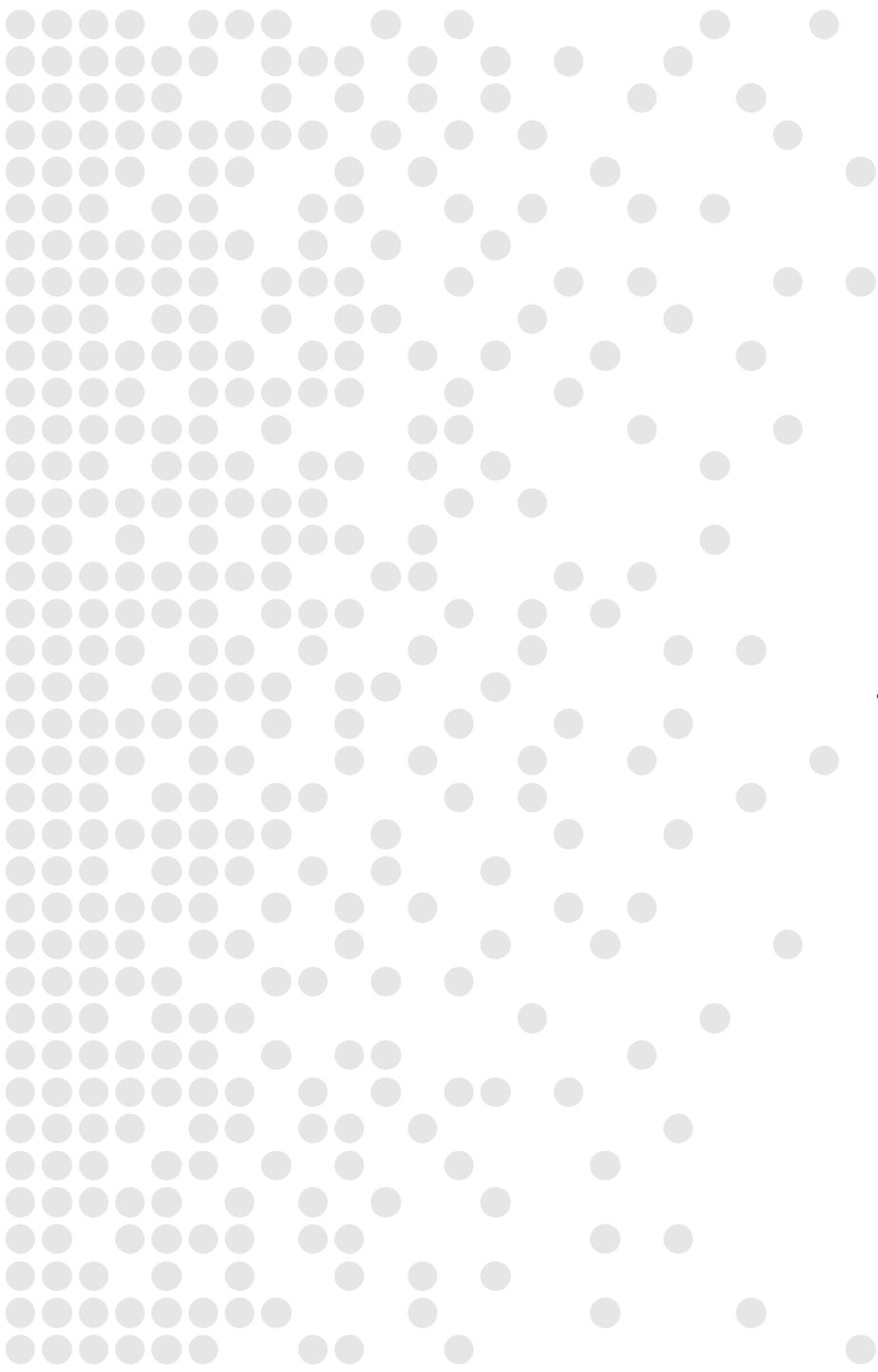
- Redevelopment credits on conversions or demolitions of existing buildings or structures are generally granted to recognize what is being replaced on site (not specific in the Act but provided by case law)
- Redevelopment credits where demolition/conversion occurs within 3 years of building permit issuance



D.C. By-Law Policies

D.C. Indexing

- D.C.A. allows for adjustment of charges to reflect underlying cost increases and reduces municipal cash flow impact between statutory by-law reviews
- Indexing can be:
 - Mandatory – implemented annually commencing from the date the by-law comes into force, in accordance with the Statistics Canada Quarterly, Construction Price Statistics
 - Discretionary – index presented to Council annually for direction
- Current by-law provision for discretionary annual indexing on January 1st
 - Proposed mandatory indexing on January 1st



Next Steps

Next Steps



- Receive Council input on the study findings
- Prepare formal D.C. Background Study and draft By-Law
- Release of D.C. Background Study *by June 21, 2019* (at least 60 days prior to by-law passage)
- Provide notice of Public Meeting in Newspaper
- Undertake Public Meeting of Council – *July 10, 2018*
- Council to consider by-law for adoption – *August 21, 2019*



Proposed Changes to the D.C.A.

More Homes, More Choice: Ontario's Housing Supply Action Plan

- Bill 108, *More Homes, More Choice Act*, was introduced in the Ontario Legislature on May 2 , 2019
- Information provide here is for information based on currently proposed changes. Bill has not yet been proclaimed and the legislative process is ongoing (e.g. comments on Bill to be provided by June 1). These proposed changes to not impact the D.C. proposal
- The proposed changes include:
 - Changes to Eligible Services
 - “Soft Services” would be removed from the D.C.A. and considered as part of a Community Benefit Charge under the authority of the *Planning Act*
 - The amount of a community benefits charge payable shall not exceed an amount equal to the prescribed percentage of the value of the land as of the valuation date

Proposed Changes to the D.C.A.

More Homes, More Choice: Ontario's Housing Supply Action Plan



- Changes to Eligible Services (cont'd)
 - Waste Diversion will be a 100% D.C. recoverable service (i.e. removal of 10% statutory deduction)
- Determination of the D.C.
 - D.C. for developments proceeding through Site Plan or Zoning Bylaw Amendment will be determined based on the charges in effect on the day of the application
 - Development is not proceeding via these planning approvals, will be determined at the earlier of building permit issuance or occupancy
- Payment in Installments Over Six Years
 - Rental housing, non-profit housing and commercial/industrial/institutional developments would pay D.C.s in six equal annual payments, commencing from the date of occupancy