

Council Information Session

2024 Development Charges Background Study



TOWNSHIP OF BROCK

Tuesday, February 12th, 2024



Today We Will Discuss...

- Background and Study Process
- Legislative Changes
- Development Forecast
- DC Capital Program
- Draft Calculated DC Rates
- Rate Comparison
- Next Steps

What are Development Charges?

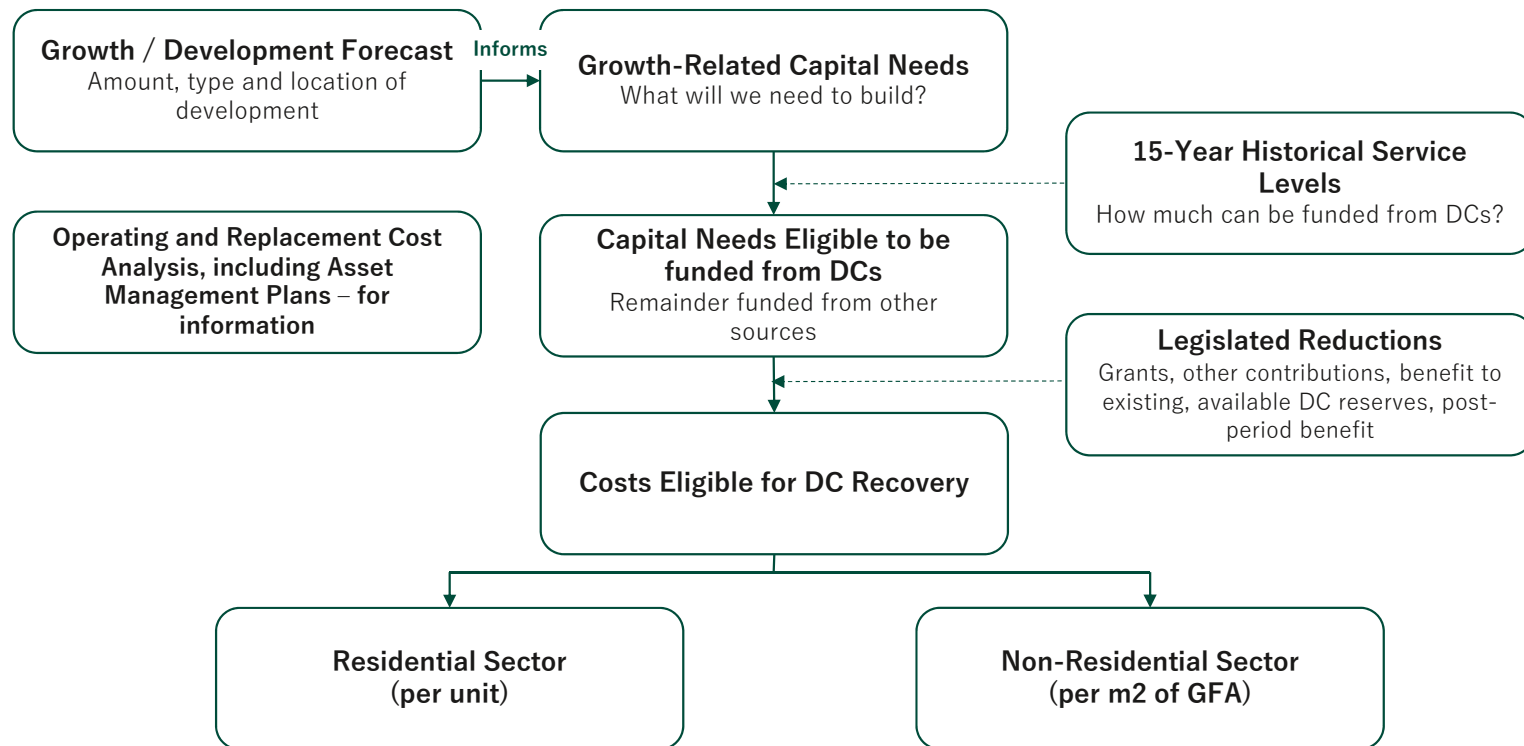
- Charges imposed on development to pay for “growth-related” capital costs
- Pays for new infrastructure and facilities to maintain service levels
- Principle is “growth pays for growth”

DCs in Township of Brock

- Council passed Development Charges By-laws No. 2880-2019-PL and No. 2881-2019-PL on June 17th, 2019 that imposed rates for the following services:
 - **General Services:**
 - Library, Parks and Recreation
 - Fire Services
 - Animal Services
 - Public Works: Buildings & Fleet
 - General Government *
 - **Engineered Services:**
 - Roads and Related
- By-laws No. 2880-2019-PL and No. 2881-2019-PL will expire on **June 18th, 2024**

3 *No longer eligible for recovery through DCs, however, recent announcement from the Ministry has indicated the inclusion of studies as an eligible capital cost for recovery will be consulted on (timing to be determined)

Development Charges Study Process



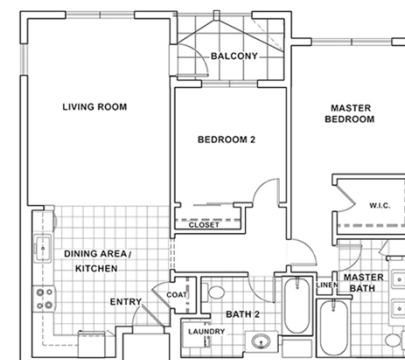
DC Legislation has Changed in Recent Years

- Housing Supply Action Plan and subsequent legislation:
 - Bill 108, the *More Homes, More Choice Act*
 - Bill 197, the *COVID-19 Economic Recovery Act*
 - Bill 23, the *More Homes Built Faster Act*
- Report on the Ontario Housing Affordability Taskforce (February 2022)
- June 2022 election mandate:
 - Affordability (house sales/rents are outpacing incomes)
 - Goal of 1.5 million new homes constructed by 2031

Bill 23: Changes to the *Development Charges Act*

- New exemptions:
 - Affordable/Attainable Housing (not yet in force)
 - Additional units in existing rental housing
 - Residential intensification in existing units
 - Non-profit housing (defined by legislation)
- New discounts:
 - Rental housing development (defined as 4+ units) based on number of bedrooms
 - Fully calculated rates must be phased-in over 5-year period

Year	Maximum DC
1	80%
2	85%
3	90%
4	95%
5	100%



DC Eligible Services

- Water Supply Services
- Wastewater Services
- Stormwater Drainage and Control Services
- **Services Related to a Highway (Roads, Public Works Buildings, and Fleet)**
- Transit
- Waste Diversion
- Policing Services
- **Fire Protection Services**
- Ambulance Services
- **Public Libraries (Including resources)**
- **Recreation (Arena, centres, etc.)**
- **Park Development (Excluding parkland acquisition)**
- Long-term Care
- Public Health
- **Provincial Offences Act incl. By-law Enforcement**
- Emergency Preparedness
- Child Care

Note: Parking, Cemeteries, Housing, and Studies are no longer eligible for recovery through DCs.

Development Forecast: Township-wide

- Informed by the Region of Durham Official Plan (May 17, 2023)
- 15-year Historical planning period – 2009-2023
- Future planning periods:
 - 2024-2033 – General & Engineering Services

Growth Forecast	2023 Estimate	General Services Planning Period 2024 - 2033	
		Growth	Total at 2033
Residential			
Total Dwellings	4,937	812	5,748
Population in New Units		2,437	
Census Population	12,952	2,113	15,065
Non-Residential			
Employment	3,174	518	3,691
Non-Residential Building Space (sq.m.)		25,392	

**Place of work employment shown (excludes work at home)*

Growth-Related Capital Programs

- Capital programs have been informed by:
 - Previous DC Background Study
 - 2023/2024 Capital Budget
 - Master Plans and Discussions with staff
- DC eligible costs adjusted for:
 - Grants, subsidies and other contributions
 - “Benefit to existing” or replacement elements
 - Available DC reserve funds
 - “Post Period” benefits

Summary of Capital Program (in \$000's)

Service	Gross Cost (\$000)	Grants & Other Sub. (\$000)	Net Cost (\$000)	Replacement & Benefit to Existing (\$000)	Available DC Reserves (\$000)	Post-2033 Benefit (\$000)	Total DC Eligible Costs for Recovery (\$000)
1.0 DEVELOPMENT RELATED STUDIES	\$605.0	\$0.0	\$605.0	\$82.5	\$0.0	\$0.0	\$522.5
2.0 LIBRARY, PARKS & RECREATION	\$23,898.7	\$5,675.0	\$18,223.7	\$4,842.6	\$3,247.7	\$0.0	\$10,133.4
3.0 FIRE SERVICES	\$4,960.8	\$0.0	\$4,960.8	\$2,515.3	\$117.9	\$0.0	\$2,327.6
4.0 BY-LAW SERVICES	\$1,070.0	\$0.0	\$1,070.0	\$0.0	\$0.0	\$881.7	\$188.3
5.0 PUBLIC WORKS: BUILDINGS & FLEET	\$4,445.0	\$0.0	\$4,445.0	\$0.0	\$47.8	\$1,652.1	\$2,745.1
6.0 ROADS AND RELATED	\$21,282.8	\$0.0	\$21,282.8	\$10,002.5	\$1,924.7	\$0.0	\$9,355.6
TOTAL 10-YEAR SERVICES	\$56,262.3	\$5,675.0	\$50,587.3	\$17,443.0	\$5,338.0	\$2,533.8	\$25,272.5

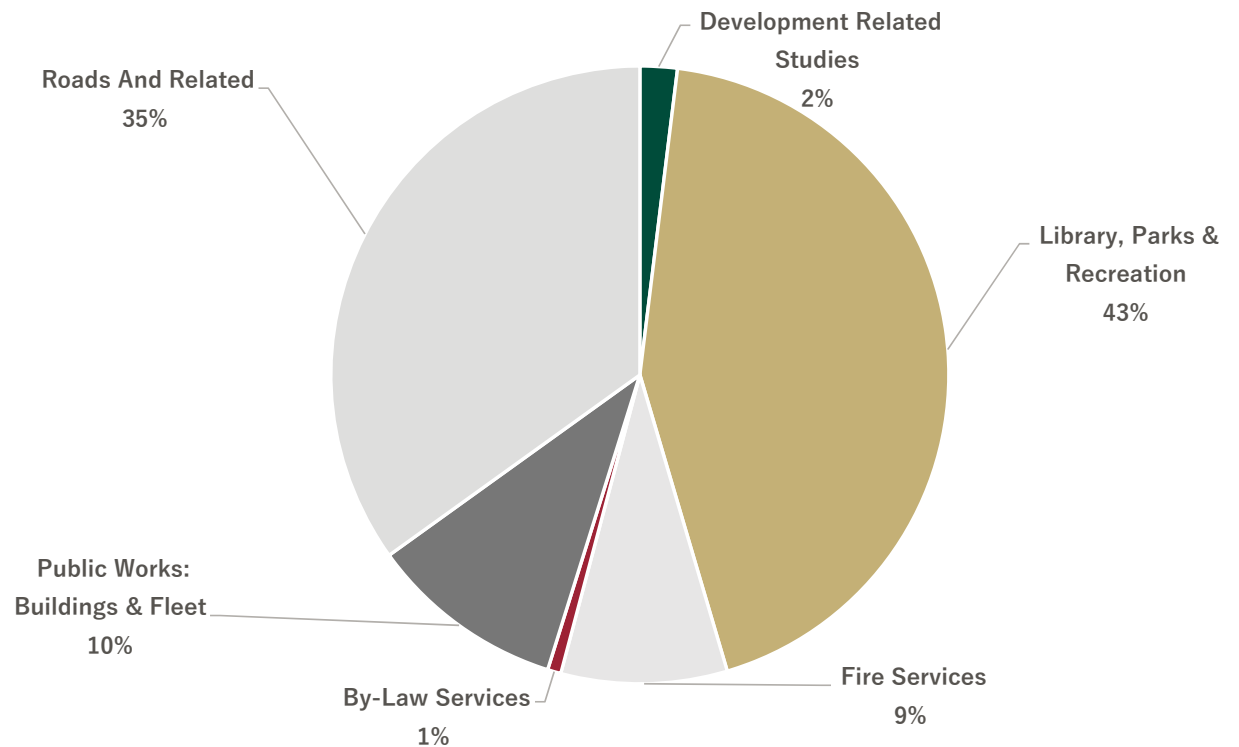
Note: Development Related Studies included for illustrative purposes; capital cost eligibility under review by MMAH.

Draft Township-wide Development Charges Calculation

- Draft DCs have been calculated based on historical inventories, maximum funding envelopes and draft capital programs
- Residential rates are based on the following unit types:
 - Single and Semi-Detached
 - Rows and Other Multiples
 - Apartments
- Non-Residential rates have been calculated on a uniform rate

Fully Calculated Draft Residential Development Charges

\$/Unit
Single/Detached \$31,994
Other Multiples \$21,035
Apartments \$15,298



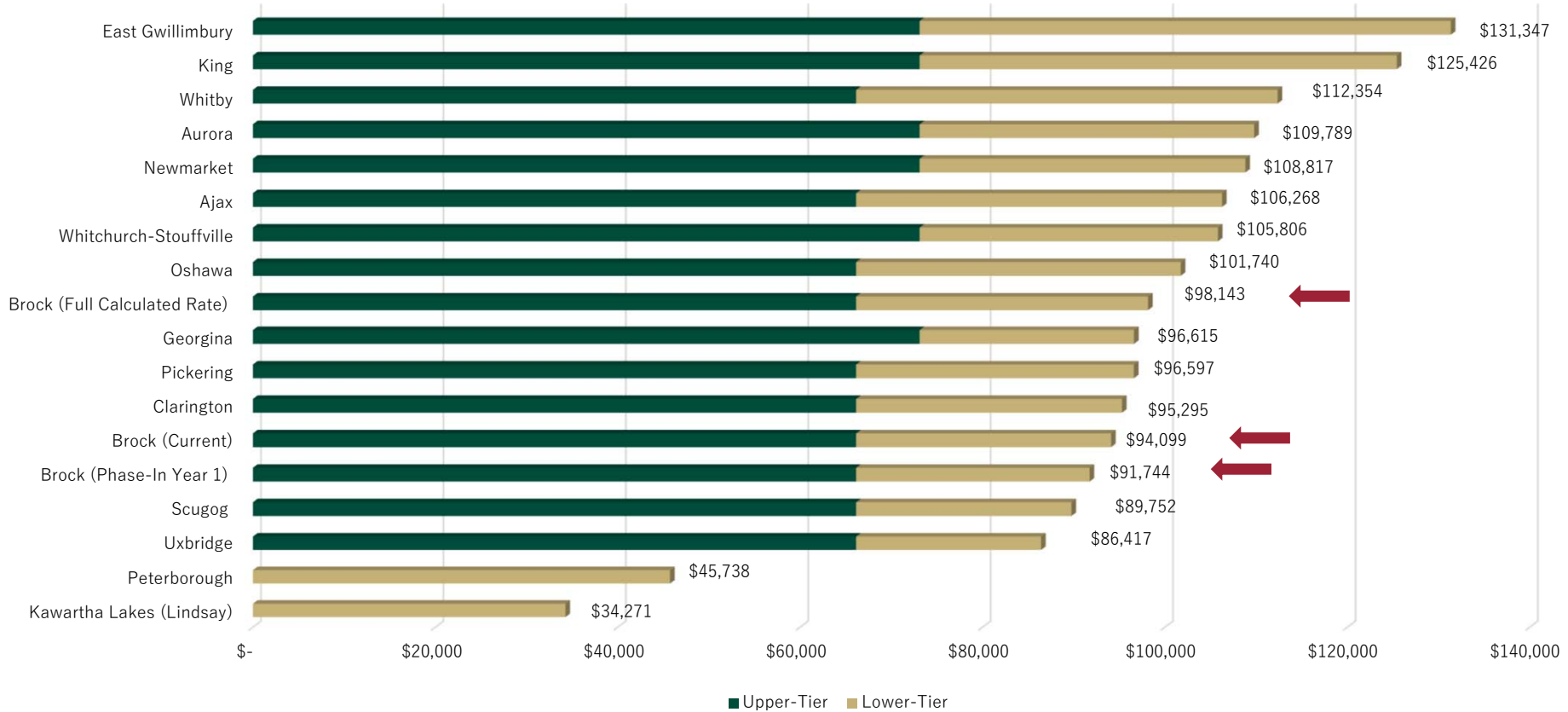
Comparison of Current vs. Draft Calculated Residential Rates

Service	Current	Calculated	Difference in Charge	
	Residential Charge / SDU	Residential Charge / SDU		
Development Related Studies	\$407	\$624	\$217	53.3%
Library, Parks & Recreation	\$12,125	\$13,912	\$1,787	14.7%
Fire Services	\$2,809	\$2,780	(\$29)	-1.0%
By-Law Services	\$0	\$225	\$225	0.0%
Public Works: Buildings & Fleet	\$3,126	\$3,279	\$153	4.9%
Roads And Related	\$9,483	\$11,174	\$1,691	17.8%
TOTAL CHARGE PER UNIT	\$27,950	\$31,994	\$4,044	14%

Current rates as of July 1, 2023



Residential Rate Comparison (per Single Detached Unit)*



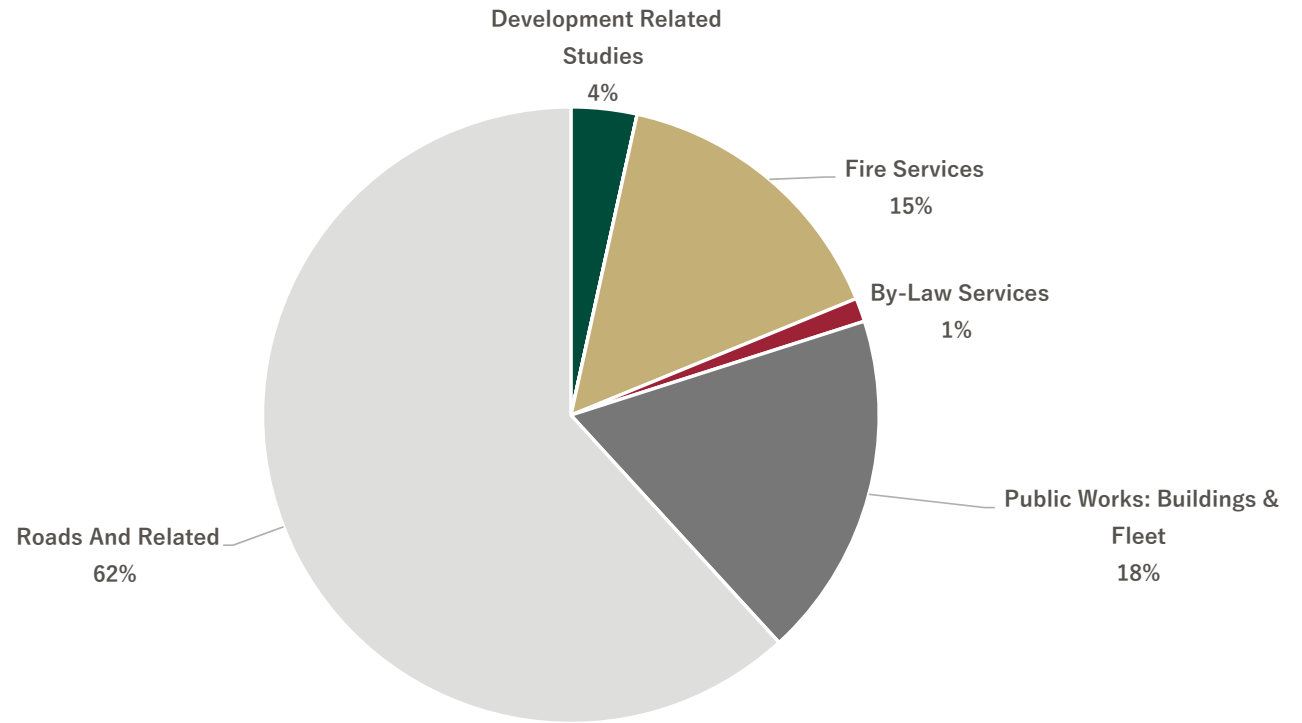
* Education Development Charges not included

Note: Other municipal DC by-laws are up for review and rates may change in other municipalities



Fully Calculated Draft Non-Residential Development Charge

\$/Sq.M.
Uniform \$77.51

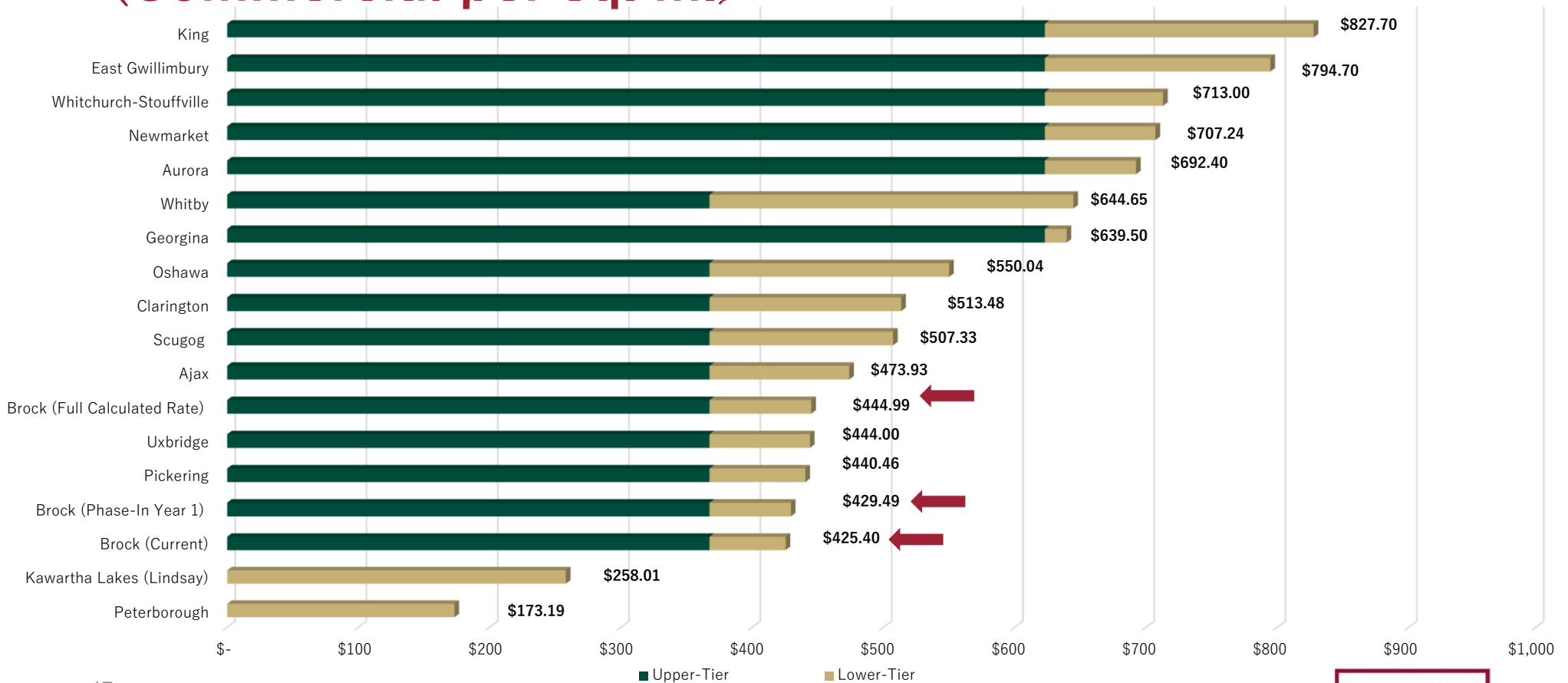


Comparison of Current vs. Calculated Non-Residential Rates (\$/m²)

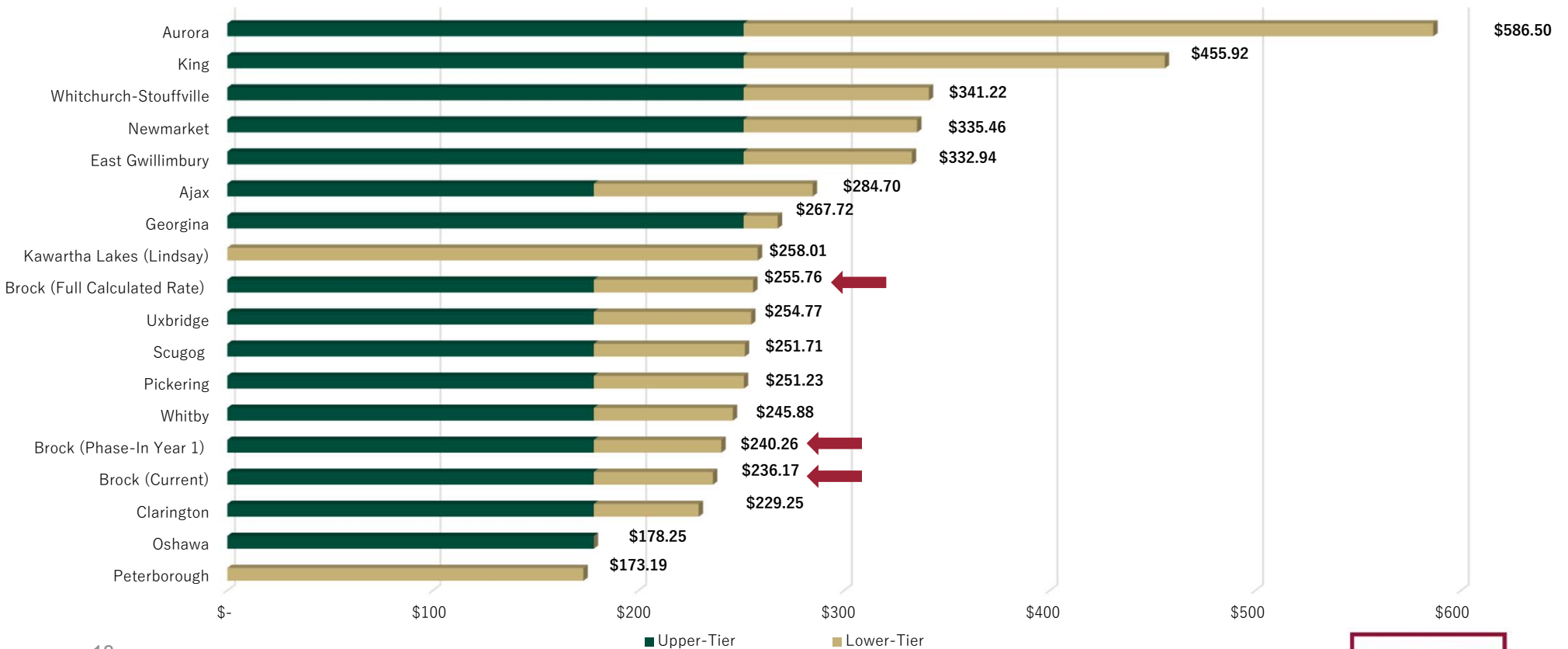
Service	Current	Calculated	Difference in Charge	
	Non-Residential Charge	Non-Residential Charge		
Development Related Studies	\$1.93	\$2.68	\$0.75	38.6%
Library, Parks & Recreation	\$0.00	\$0.00	\$0.00	0.0%
Fire Services	\$10.20	\$11.92	\$1.72	16.8%
By-Law Services	\$0.00	\$0.96	\$0.96	0.0%
Public Works: Buildings & Fleet	\$11.35	\$14.05	\$2.70	23.8%
Roads And Related	\$34.44	\$47.90	\$13.46	39.1%
TOTAL CHARGE PER SQUARE METRE	\$57.92	\$77.51	\$19.59	33.8%

Current rates as of July 1, 2023

Non-Residential Rate Comparison (Commercial per sq. m.)



Non-Residential Rate Comparison (Industrial per sq. m.)



Calculated Development Charges with Phase-in

Charge Type	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Singles & Semis \$/unit	\$27,950	\$25,595	\$27,195	\$28,795	\$30,394	\$31,994
Multiples \$/unit	\$22,751	\$16,828	\$17,880	\$18,932	\$19,983	\$21,035
Apartments \$/unit	\$16,546	\$12,239	\$13,004	\$13,768	\$14,533	\$15,298
Non-Residential Uniform \$/m2	\$57.92	\$62.01	\$65.88	\$69.76	\$73.63	\$77.51
<i>Phase-in</i>	<i>N/A</i>	<i>80%</i>	<i>85%</i>	<i>90%</i>	<i>95%</i>	<i>100%</i>

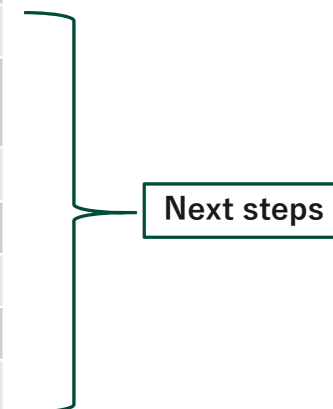
- Estimated revenue loss from 5-year phase-in = \$1.20 million
- Other exemptions, discounts have not yet been quantified but would be in addition to phase-in loss
 - Discounts for rental
 - Exemptions for additional units in new/existing residential
 - Others

DC Policy Items

- New 2024 DC By-law
 - Include new legislative requirements
 - Update definitions (ongoing discussions with staff)
- Many municipalities are scoping exemptions due to recent legislative changes
- Township's current non-statutory exemptions include:
 - Hospitals
 - Schools, Colleges & Universities
 - Places of worship
 - Agricultural uses and Farm Buildings
 - Structure for parking motor vehicles

Proposed DC Study Timeline – Key Dates

Item	Date /Comments
Prepare Draft Development Forecast	Complete
Complete Historical Service Levels and Interview Staff	Complete
Policy Review and Recommendations	Complete
Prepare DC Capital Program	Complete
Preliminary DC Rate Calculation	Complete
Prepare Draft DC Background Study	February – March 2024
Release DC Background Study to Public	March 28th, 2024 or earlier (60 days before DC By-law)
Notice of Public Meeting	April 2 nd , 2024 (20 days before meeting)
Statutory Public Meeting	April 22 nd , 2024
DC By-law Passage	May 27th, 2024
Notice of By-law Passage	June 2024
Appeal Period	40 days after DC By-law passage



Additional Slides – Capital Program Details

Library, Parks and Recreation

Total Capital Program	Grants/ Subsidies	Benefit-to- Existing	Development-Related		
			Available DC Reserves	2024 - 2033	Other Dev. Related
\$23.9M	\$5.7M	\$4.8M	\$3.2M	\$10.1M	\$0

- Maximum Permissible DC Funding Envelope = **\$16.3 Million**
- 2024-2033 Capital Program:
 - Additional Materials, Book Kiosks, Makerspace
 - New Library Space
 - Sunderland Memorial Arena Expansion
 - Provision for Beaverton Arena Expansion
 - Parks and Playground Equipment
 - Allocation for additional growth-related infrastructure

Fire Services

Total Capital Program	Grants/ Subsidies	Benefit-to- Existing	Development-Related		
			Available DC Reserves	2024 - 2033	Other Dev. Related
\$5.0M	\$0	\$2.5M	\$117,888	\$2.3M	\$0

- Maximum Permissible DC Funding Envelope = **\$3.7 Million**
- 2024-2033 Capital Program:
 - Fire Station Debt (Brock Station 1)
 - Cannington Station Replacement & Expansion
 - Additional ATV and Prevention Vehicle
 - Station Extractor and Dryer

By-Law Enforcement

Total Capital Program	Grants/ Subsidies	Benefit-to- Existing	Development-Related		
			Available DC Reserves	2024 - 2033	Other Dev. Related
\$1,070,000	\$0	\$0	\$0	\$188,300	\$881,700

- Maximum Permissible DC Funding Envelope = **\$188,300**
- 2024-2033 Capital Program:
 - Provision for Building Expansion
 - Additional Vehicles

Services Related to a Highway: Public Works and Fleet

Total Capital Program	Grants/ Subsidies	Benefit-to- Existing	Development-Related		
			Available DC Reserves	2024 - 2033	Other Dev. Related
\$4,445,000	\$0	\$0	\$47,800	\$2,745,100	\$1,652,100

- Maximum Permissible DC Funding Envelope = **\$2,745,100**
- 2024-2033 Capital Program:
 - Salt Dome/Shed
 - Works Yard Expansion Cost Recovery
 - Various Fleet & Equipment Acquisitions

Services Related to a Highway: Roads and Related

Total Capital Program	Grants/ Subsidies	Benefit-to- Existing	Development-Related		
			Available DC Reserves	2024 - 2033	Other Dev. Related
\$21.3M	\$0	\$10.0M	\$1.9M	\$9.4M	\$0

- Maximum Permissible DC Funding Envelope = **\$44.7 Million**
- 2024-2033 Capital Program:
 - Studies
 - Sunderland Road Works
 - Beaverton Road Works
 - Township-Wide road and sidewalk work