



Township of South Frontenac 2019 D.C.

Council Meeting
May 14, 2019



Agenda

- Update on Bill 73
- Services in D.C. Calculation
- Growth Forecast Summary
- Capital Summary
- Level of Service Ceiling Summary
- Proposed Rates
- Survey of D.C. Rates
- Proposed Exemptions and Policy
- Bill 108
- Next Steps

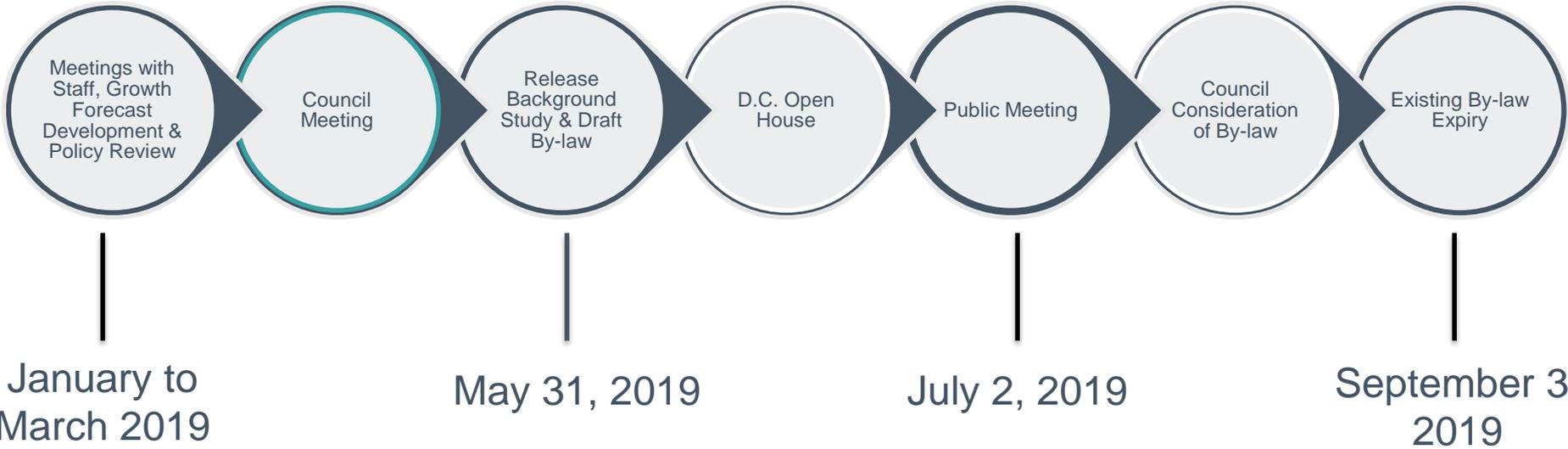
Study Process & Timelines



May 14, 2019

June 19, 2019

August 6, 2019



Development Charges



Purpose:

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

Update on Bill 73



- New Definitions & Ineligible Services
- Area-Specific DCs
- Waste Diversion
- Asset Management
- Transit
- No Additional Levies
- Public Process Extended
- Annual Report of the Treasurer



Methodology

1. Identify amount, type and location of growth
2. Identify servicing needs to accommodate growth
3. Identify capital costs to provide services to meet the needs
4. Deduct:
 - i. Grants, subsidies and other contributions
 - ii. Benefit to existing development
 - iii. Statutory 10% deduction (soft services)
 - iv. Amounts in excess of 10 year historical service calculation
 - v. D.C. Reserve funds (where applicable)
5. Net costs then allocated between residential and non-residential benefit
6. Net costs divided by growth to calculate the D.C.

Services Included in D.C. Calculation



- Services Related to a Highway;
- Fire Protection Services;
- Police and Other Facilities;
- Parks and Recreation;
- Library Services;
- Recreation & Culture – Studies; and
- Engineering Services – Studies.

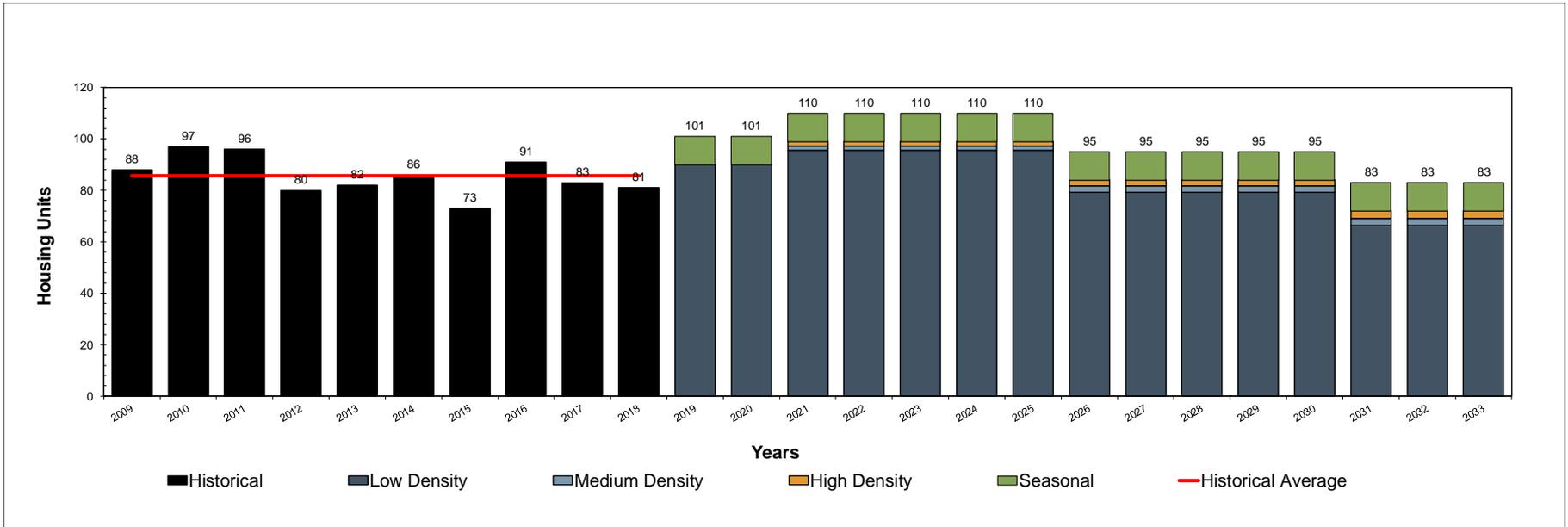
Growth Forecast Summary



Measure	10 Year 2019-2028	15 Year 2019-2033
(Net) Population Increase	1,926	2,767
Residential Unit Increase	928	1,311
Non-Residential Gross Floor Area Increase (ft ²)	169,800	222,200

Source: Watson & Associates Economists Ltd. Forecast 2019

Annual Housing Forecast



Source: Historical housing activity from Township of South Frontenac building permit data, 2009-2018, by Watson & Associates Economists Ltd., 2019.

1. Growth forecast represents calendar year.

Capital Summary

All Services



No.	Increased Service Needs Attributable to Anticipated Development	Forecast Period	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
1	Services Related to a Highway - Roads	2019-2033	12,000,000	-	-	12,000,000	1,934,664	-	10,065,336		10,065,336	9,159,455	905,880
2	Depots and Domes	2019-2033	925,000	-	-	925,000	489,830	-	435,170		435,170	396,005	39,165
3	Roads and Related Vehicles	2019-2033	900,000	-	-	900,000	-	-	900,000		900,000	819,000	81,000
4	Fire Services	2019-2033	1,705,000	-	-	1,705,000	5,400	-	1,699,600		1,699,600	1,546,636	152,964
5	Police and Other Facilities*	2019-2028	325,000	-	-	325,000	146,067	-	178,933	16,250	162,683	148,042	14,641
6	Parks and Recreation	2019-2028	1,475,000	-	-	1,475,000	216,287	-	1,258,713	147,500	1,111,213	1,055,653	55,561
7	Library Facilities	2019-2028	160,000	-	-	160,000	64,332	-	95,668	16,000	79,668	75,684	3,983
8	Engineering Services - Studies	2019-2028	160,000	-	-	160,000	51,902	-	108,098	9,500	98,598	89,724	8,874
9	Recreation & Culture - Studies	2019-2028	330,000	-	-	330,000	45,000	-	285,000	28,500	256,500	233,415	23,085
	Total		17,980,000	-	-	17,980,000	2,953,482	-	15,026,518	217,750	14,808,768	13,523,614	1,285,154

*Statutory deduction related to facilities other than Police

Level of Service Ceiling Summary

Summary of Service Standards



Service Category	Sub-Component	Maximum Ceiling LOS	Utilized	Remaining
Services Related to a Highway	Roads	33,697,910	10,065,336	26,635,046
	Bridges, Culverts & Structures	2,775,301		
	Traffic Signals & Streetlights	227,171		
	Depots and Domes	1,169,279	435,170	734,109
	Roads and Related Vehicles	935,882	900,000	35,882
Fire	Fire Facilities	576,587	1,699,600	1,468
	Fire Vehicles	993,962		
	Fire Small Equipment and Gear	130,519		
Police and Other Facilities	Police and Other Facilities	165,212	162,683	2,529
Parks & Recreation	Parks and Recreation	401,532	1,258,713	871
	Parkland Amenities	402,053		
	Indoor Recreation Facilities	448,277		
	Recreation Vehicles and Equipment	7,723		
Library	Library Facilities	97,879	95,668	2,211

Proposed Rates



Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Municipal Wide "Hard" Services:						
Services Related to a Highway	6,856	5,495	4,481	3,132	2,747	4.62
Fire Protection Services	1,022	819	668	467	410	0.69
Police and Other Facilities	98	79	64	45	39	0.07
Engineering Services - Studies	84	67	55	38	34	0.05
Total Municipal Wide "Hard" Services	8,060	6,460	5,268	3,682	3,230	5.43
Municipal Wide "Soft" Services:						
Parks and Recreation	991	794	648	453	397	0.33
Library Services	71	57	46	32	28	0.02
Recreation & Culture - Studies	219	176	143	100	88	0.14
Total Municipal Wide "Soft" Services	1,281	1,027	837	585	513	0.49
Total Municipal Wide Services	9,341	7,487	6,105	4,267	3,743	5.92

Rate Comparison – Residential (Single Detached Dwelling)



Residential (Single Detached) Comparison

Service	Current	Current (as indexed)	Calculated	Current vs. Calculated	Current (as indexed) vs. Calculated
Municipal Wide "Hard" Services:					
Services Related to a Highway	5,543	6,356	6,856	24%	8%
Fire Protection Services	548	628	1,022	86%	63%
Police and Other Facilities	374	429	98	-74%	-77%
Engineering Services - Studies*	-	-	84	-	-
Total Municipal Wide "Hard" Services	6,465	7,413	8,060	25%	9%
Municipal Wide "Soft" Services:					
Parks and Recreation	94	108	991	954%	819%
Library Services	53	61	71	34%	17%
Recreation & Culture - Studies*	146	167	219	108%	81%
Total Municipal Wide "Soft" Services	293	336	1,281	337%	281%
Total Municipal Wide Services	6,758	7,749	9,341	38%	21%

*Studies were previously combined into one category. Percentage change in "current vs. calculated" column for "soft" services accounts for both categories.

Rate Comparison – Non-Residential (per sq.ft.)



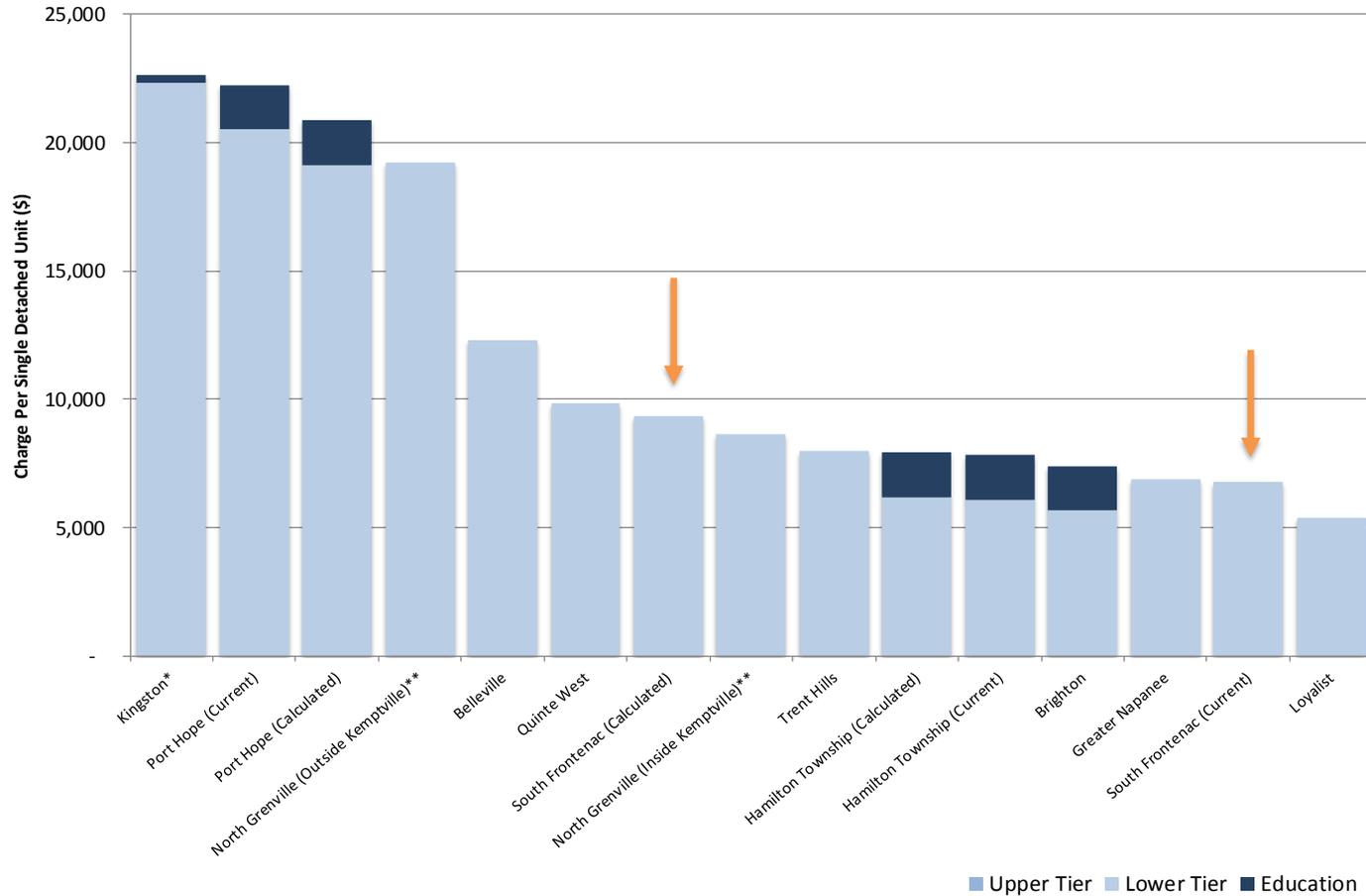
Non-Residential (per sq.ft.) Comparison

Service	Current	Current (as indexed)	Calculated	Current vs. Calculated	Current (as indexed) vs. Calculated
Municipal Wide Services:					
Services Related to a Highway	4.36	5.00	4.62	6%	-8%
Fire Protection Services	0.46	0.53	0.69	50%	31%
Police and Other Facilities	0.28	0.32	0.07	-75%	-78%
Engineering Services - Studies*			0.05		
Total Municipal Wide Services	5.10	5.85	5.43	6%	-7%
Municipal Wide Services:					
Parks and Recreation	-	-	0.33	-	-
Library Services	-	-	0.02	-	-
Recreation & Culture - Studies*	0.12	0.14	0.14	58%	38%
Total Municipal Wide Services	0.12	0.14	0.49	308%	256%
Total Municipal Wide Services	5.22	5.99	5.92	13%	-1%

*Studies were previously combined into one category. Percentage change in "current vs. calculated" column for "soft" services accounts for both categories.



Development Charge Rates for South Frontenac and Comparator Municipalities Residential Per Single Detached Unit (As of May 7, 2019)



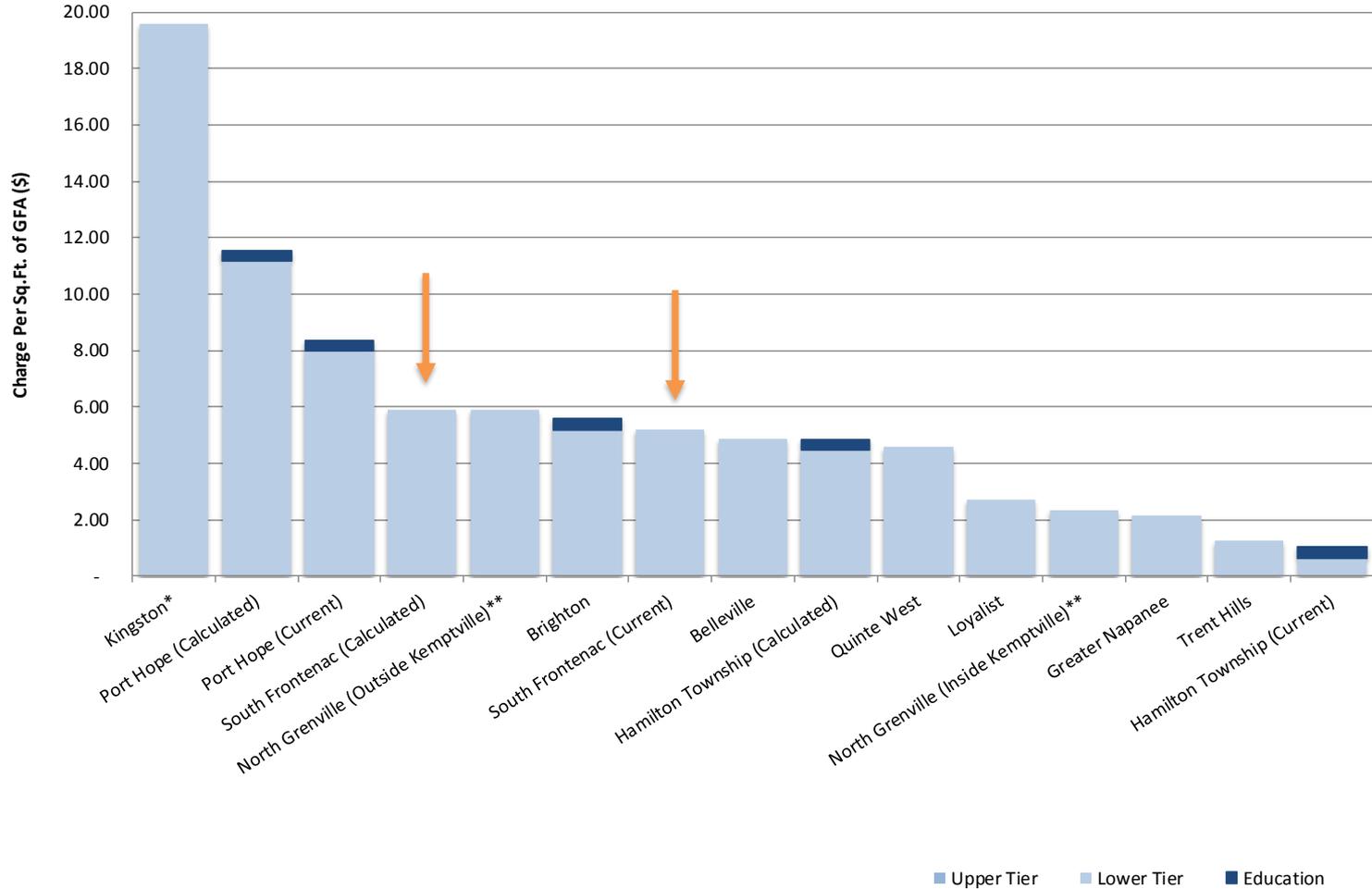
*By-law to expire on September 29, 2019

**By-law to expire on September 9, 2019

D.C. Survey – Non-Residential (Commercial)



Development Charge Rates for South Frontenac and Comparator Municipalities
Commercial Per Square Foot of GFA
(As of May 7, 2019)



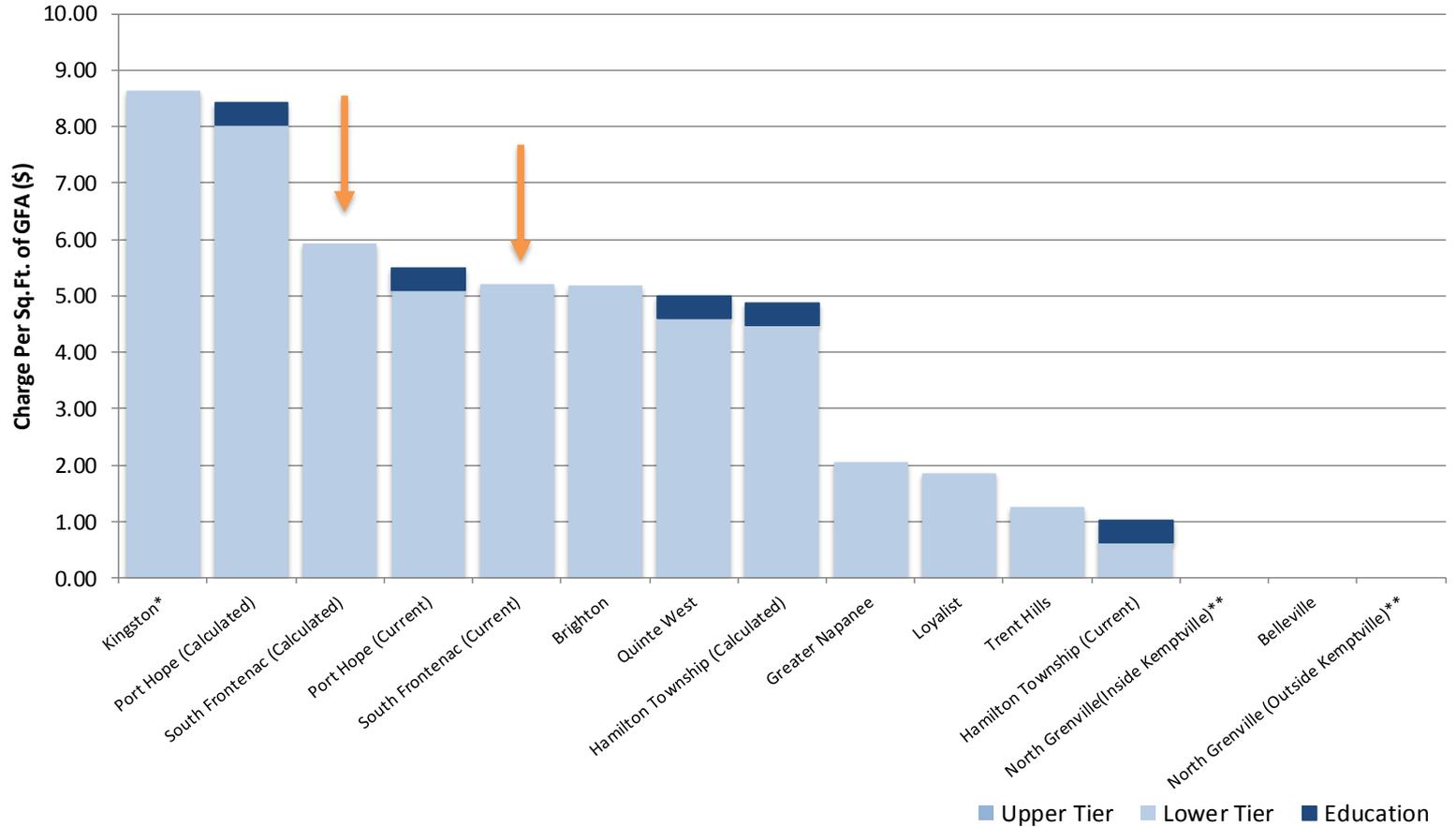
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D.C. Survey – Non-Residential (Industrial)



**Development Charge Rates for South Frontenac and Comparator Municipalities
Industrial Per Square Foot of GFA
(As of May 7, 2019)**



*By-law to expire on September 29, 2019

**By-law to expire on September 9, 2019

Proposed Exemptions and Policy



Non-Statutory Exemptions:

- Place of Worship (exempted in current by-law);
- Not for profit – Affordable Housing;
- Bonafide Agricultural Use/Farm Building (excludes growing/processing of cannabis); and
- Secondary residential units within the primary dwelling as well as in separate detached accessory structures.

Policy:

- 5-year sunset clause on redevelopment credits.



Bill 108: “More Homes, More Choice: Ontario's Housing Supply Action Plan”

The following provides a brief overview of the proposed changes to the **Development Charges Act**:

- Changes to eligible services
 - Soft Services will be removed from the DCA and will be considered as part of a new Community Benefits Charge imposed under the *Planning Act* (i.e. parking, outdoor recreation, indoor recreation, library services, etc.)
- Payment in Installments over six years
 - Rental and non-profit housing, as well as non-residential developments will pay their DC in six equal annual installments
- When DC Amount is Determined
 - Currently DCs are calculated at the building permit stage. The proposed change would have DCs calculated on the date of the application for Site Plan or zoning amendment



Bill 108: “More Homes, More Choice: Ontario's Housing Supply Action Plan”

- **Community Benefit Charge (for soft services – outdoor recreation, indoor recreation, library and soft service admin studies)**
 - Municipality may, by by-law, impose community benefits charges against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies
 - These services may not include services authorized by the DCA
 - 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
 - The valuation date is the day before building permit issuance
 - All money received by the municipality under a community benefits charge by-law shall be paid into a special account
 - Transitional provisions are set out regarding the DC reserve funds and DC credits

Next Steps



- May 31, 2019 – Release Background Study & Draft By-law to public
- June 19, 2019 – Development Charges Open House
- July 2, 2019 – Public Meeting
- August 6, 2019 – Council Consideration of By-law



Questions?