



TECUMSEH TOWN HALL

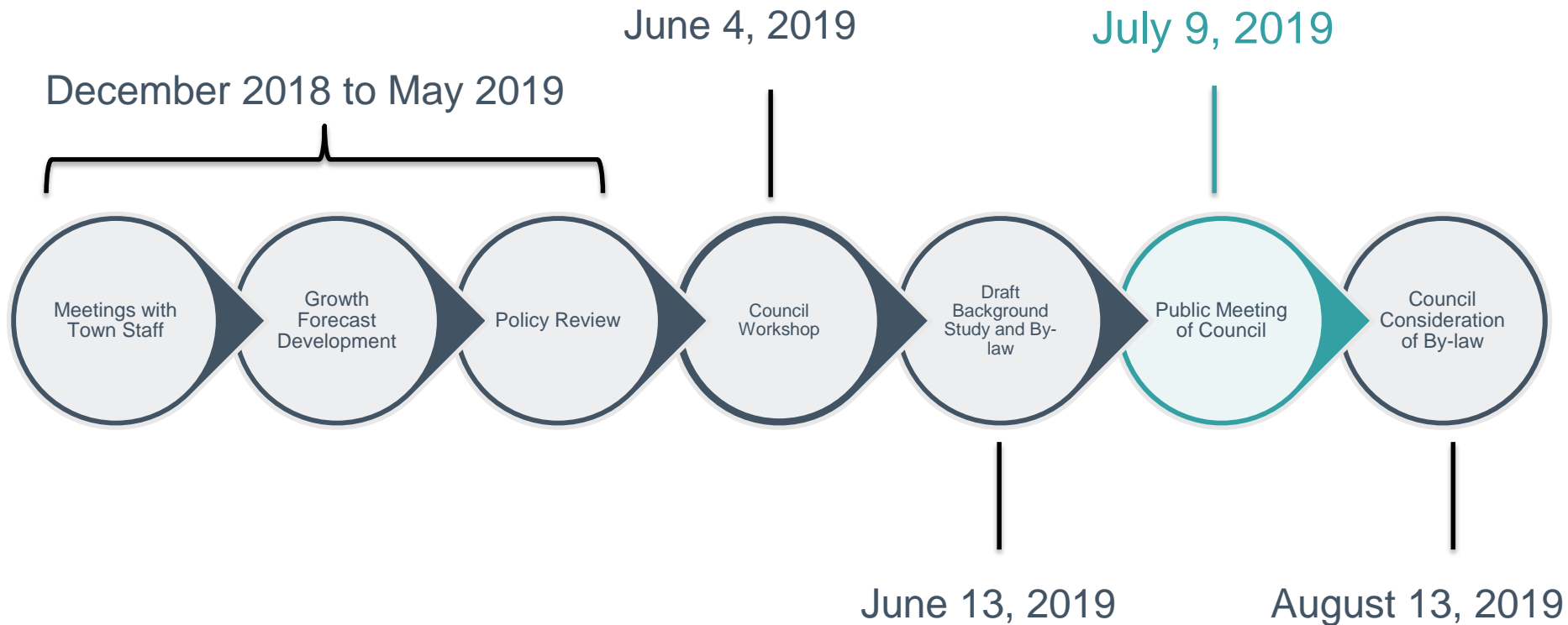
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Town of Tecumseh

Development Charges
Public Meeting

July 9, 2019

Study Process & Timelines



Public Meeting Purpose



- The public meeting is to provide for a review of the Development Charge (D.C.) proposal and to receive public input on the proposed policies and charges
- The meeting is a mandatory requirement under the Development Charges Act (D.C.A.)
- Prior to Council's consideration of a by-law, a background study must be prepared and available to the public a minimum 60 days prior to the D.C. by-law passage

Format for Public Meeting



- D.C.A. Public Meeting
 - Opening remarks
 - Presentation of the proposed policies and charges
 - Presentations by the Public
 - Questions from Council
 - Conclude Public Meeting

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, sewers, watermains, roads, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the Development Charges Act (D.C.A.)

Limitations on Services



- Some forms of capital and some services can not be included in the D.C.A. For example:
 - Headquarters for the General Administration of the Municipality
 - Arts, Culture, Museums and Entertainment Facilities
 - Tourism Facilities
 - Provision of a Hospital
 - Parkland Acquisition
 - Vehicles & Equipment with an average life of <7 years
 - Waste Management Services (non-waste diversion related)

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.



Impact of Bill 73 (Smart Growth for our Communities Act, 2015) on Tecumseh

- Consider impact of “no additional levies” in development process and on Local Service Policy
- Annual reporting requirements to conform to the new required format
- Ensure the background study is available at least 60 days prior to by-law passage
- Need to consider Area Rating as part of the Background Study (but not mandatory to impose)
 - Currently the Town imposes wastewater on an area-specific basis

Exemptions



Mandatory Exemptions

- For industrial building expansions (may expand by 50% with no DC)
- May add up to 2 apartments for a single 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

Discretionary Exemptions

- Reduce in part or whole DC for types of development or classes of development (e.g. industrial or churches)
- May phase-in over time
- Redevelopment credits to recognize what is being replaced on site (not specific in the Act but provided by case law)

Discretionary Exemptions for the Town of Tecumseh



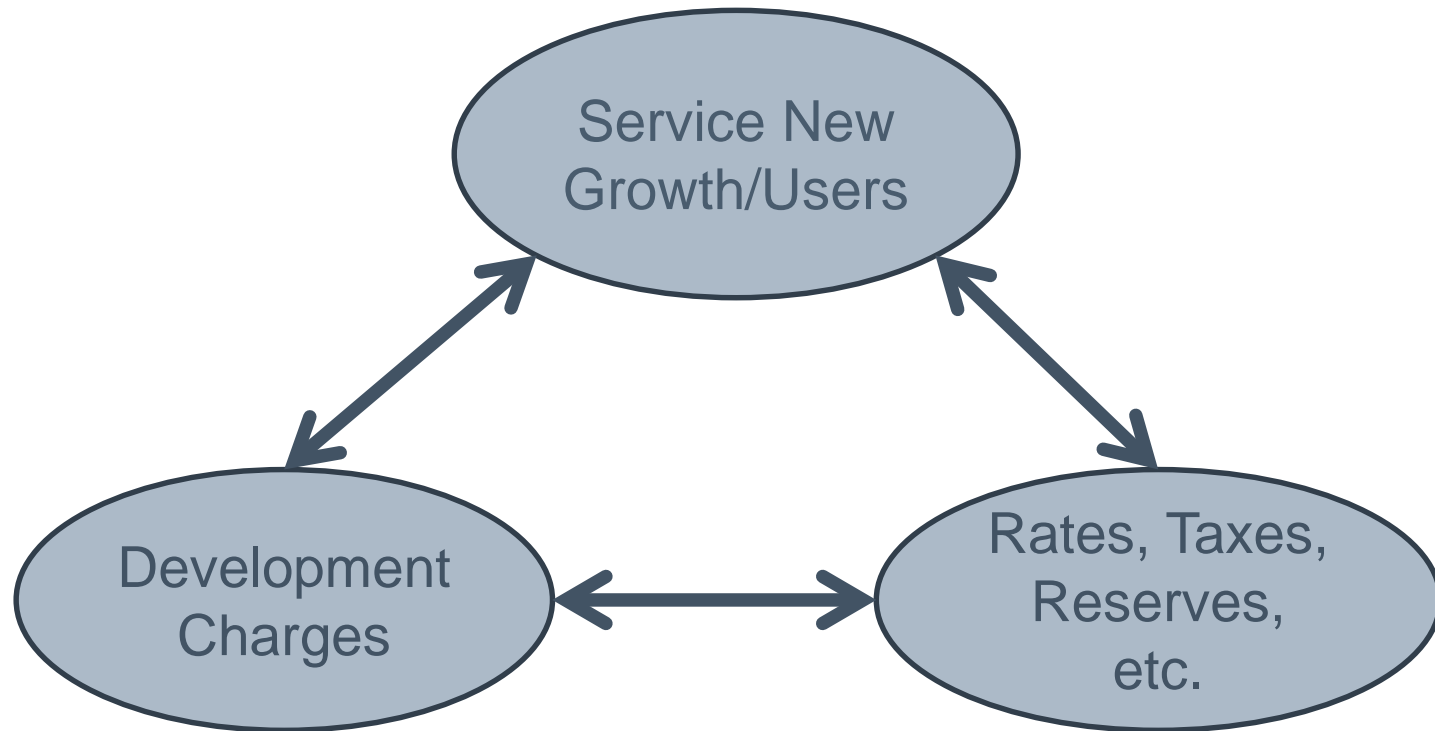
- Non-residential farm buildings constructed for bona fide farm uses

Local Service Policies



- Subdivision Agreement Conditions - the Act broadens the coverage of such agreements to include “local services related to a plan of subdivision or within the area to which the plan relates”, rather than simply local services within a plan of subdivision, as under the old Act.
- This suggests the need for a D.C. Background study to provide a local service policy
- Further, due to Bill 73, “no additional levies” clause, a Local Service Policy is required to be developed and approved by Council, through the D.C. study process, to clearly define what developers would be required to do as part of their development agreements versus what would be included in the D.C.
- Items to consider are collector & arterial roads, intersection improvements & traffic signals, streetlights & sidewalks, Bike Routes/Bike Lanes/Bike Paths/Multi-Use Trails/Naturalized Walkways, Noise Abatement Measures, Land dedications/easements, Water, Wastewater, Stormwater, and Park requirements.

Relationship Between Needs to Service Growth vs. Funding



Growth Forecast Summary



The 2019 Development Charge forecast provides for the following growth:

Measure	10 Year 2019-2028	20 Year 2019-2038	Buildout 2019-Buildout - Water	Urban Buildout 2019-Buildout - Wastewater
(Net) Population Increase	1,728	6,875	24,305	24,980
Residential Unit Increase	1,351	3,500	11,457	11,400
Non-Residential Gross Floor Area Increase (sq.ft.)	802,800	2,541,800	8,564,600	8,564,600

Source: Watson & Associates Economists Ltd. Forecast 2019

Note: buildout population derived from Tecumseh Water and Wastewater Master Plan, 2018 update

Summary of Services Considered



Town-wide:

- Services Related to a Highway (currently roads and related)
- Fire Protection Services
- Police Services
- Indoor Recreation Services
- Outdoor Recreation Services
- Library Services
- Administration Studies
- Water

Urban-area Services

- Wastewater Services

Current D.C. Rates – January 1, 2019



Service	Residential					Non-Residential
	Single & Semi Detached	Multiples	Apartments with ≥ 2 Bedrooms	Apartments with < 2 Bedrooms	Special Care/Special Dwellings	per sq.ft.
Town-wide Services						
Roads and Related	2,318	1,438	1,236	937	800	1.09
Fire Protection Services	354	219	187	142	121	0.16
Police Services	144	89	76	59	49	0.07
Outdoor Recreation Services	2,069	1,284	1,102	836	712	0.08
Indoor Recreation Services	2,182	1,355	1,165	883	752	0.08
Library Services	201	125	108	80	70	0.01
Administration Studies	742	460	395	300	256	0.28
Water Services	1,535	953	817	620	528	0.66
Total Town-wide Services	9,545	5,923	5,086	3,857	3,288	2.43
Urban-area Services						
Wastewater Services	4,391	2,727	2,341	1,775	1,514	1.84
Sub-total Urban-area	4,391	2,727	2,341	1,775	1,514	1.84
Grand Total Urban-area	13,936	8,650	7,427	5,632	4,802	4.27

Calculated D.C. 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 Services:						
Services Related to a Highway	5,653	3,604	3,152	2,436	2,036	2.79
Fire Protection Services	294	187	164	127	106	0.14
Police Services	135	86	75	58	49	0.07
Indoor and Outdoor Recreation Services	4,045	2,579	2,256	1,743	1,457	0.29
Library Services	143	91	80	62	52	0.01
Administration Studies - Engineering-related	1,030	657	574	444	371	0.65
Administration Studies - Community Benefit-related	99	63	55	43	36	0.06
Water Services	1,502	958	838	647	541	0.70
Total Municipal Wide Services	12,901	8,225	7,194	5,560	4,648	4.71
Urban Services						
Wastewater Services	4,571	2,914	2,549	1,970	1,646	2.01
Total Urban Services	4,571	2,914	2,549	1,970	1,646	2.01
GRAND TOTAL RURAL AREA	12,901	8,225	7,194	5,560	4,648	4.71
GRAND TOTAL URBAN AREA	17,472	11,139	9,743	7,530	6,294	6.72

Rate Comparison - Residential



Residential (Single Detached) Comparison

Service	Current	Calculated
Town-wide Services:		
Services Related to a Highway	2,318	5,653
Fire Protection Services	354	294
Police Services	144	135
Indoor and Outdoor Recreation Services	2,069	4,045
Indoor Recreation Services	2,182	
Library Services	201	143
Administration Studies - Engineering-related	742	1,030
Administration Studies - Community Benefit-related		99
Water Services	1,535	1,502
Total Municipal Wide Services	9,545	12,901
Area Specific Services:		
Wastewater Services	4,391	4,571
Total Area Specific Services	4,391	4,571
Grand Total - Urban Area	13,936	17,472

Rate Comparison – Non-Residential



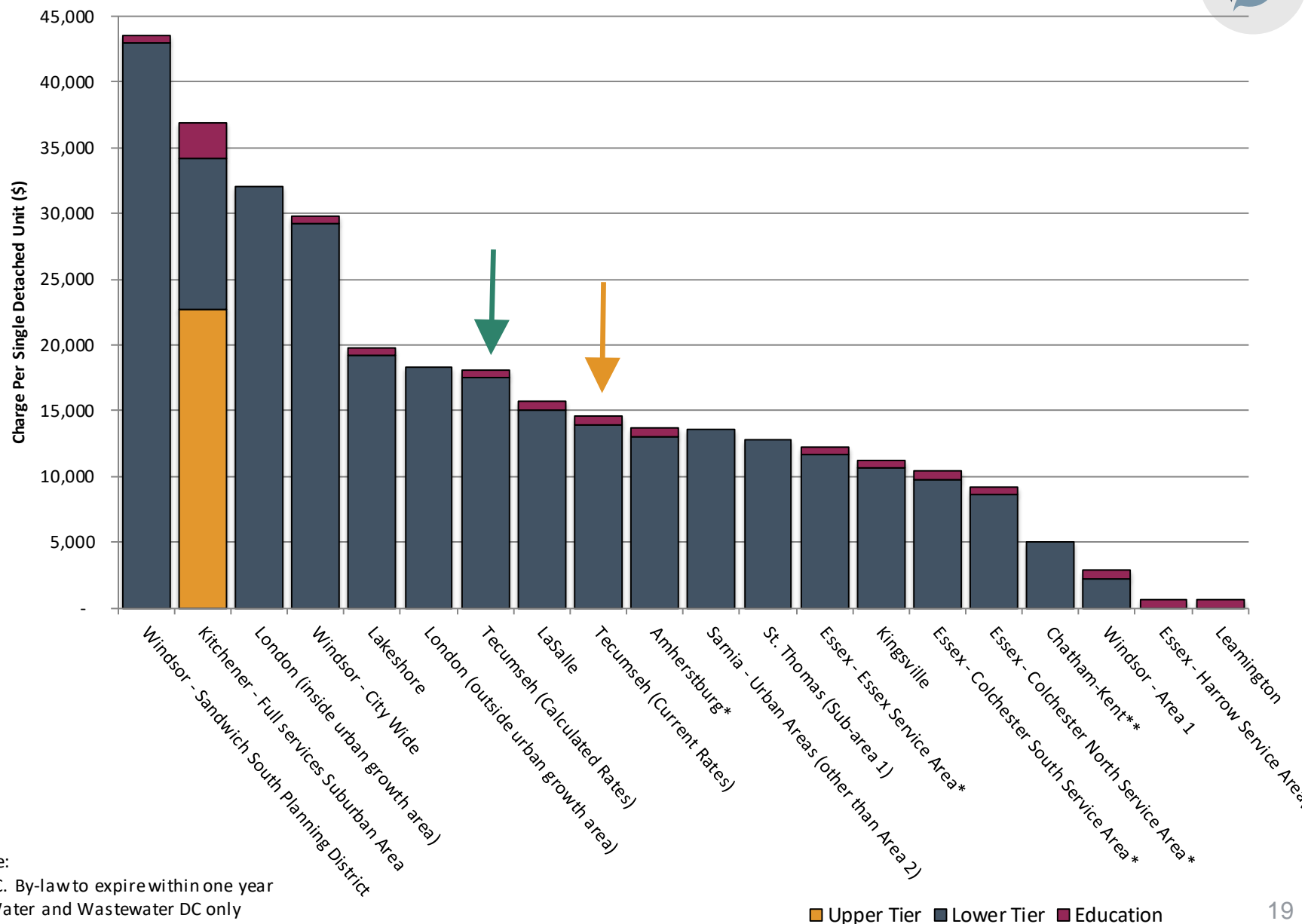
Non-Residential (per sq.ft.) Comparison

Service	Current	Calculated
Town-wide Services:		
Services Related to a Highway	1.09	2.79
Fire Protection Services	0.16	0.14
Police Services	0.07	0.07
Indoor and Outdoor Recreation Services	0.08	0.29
Indoor Recreation Services	0.08	
Library Services	0.01	0.01
Administration Studies - Engineering-related	0.28	0.65
Administration Studies - Community Benefit-related		0.06
Water Services	0.66	0.70
Total Municipal Wide Services	2.43	4.71
Area Specific Services:		
Wastewater Services	1.84	2.01
Total Area Specific Services	1.84	2.01
Grand Total - Urban Area	4.27	6.72

Development Charge Rates for Town of Tecumseh and Select Municipalities

Residential Per Single Detached Unit

(As of June 1, 2019)



Note:

*D.C. By-law to expire within one year

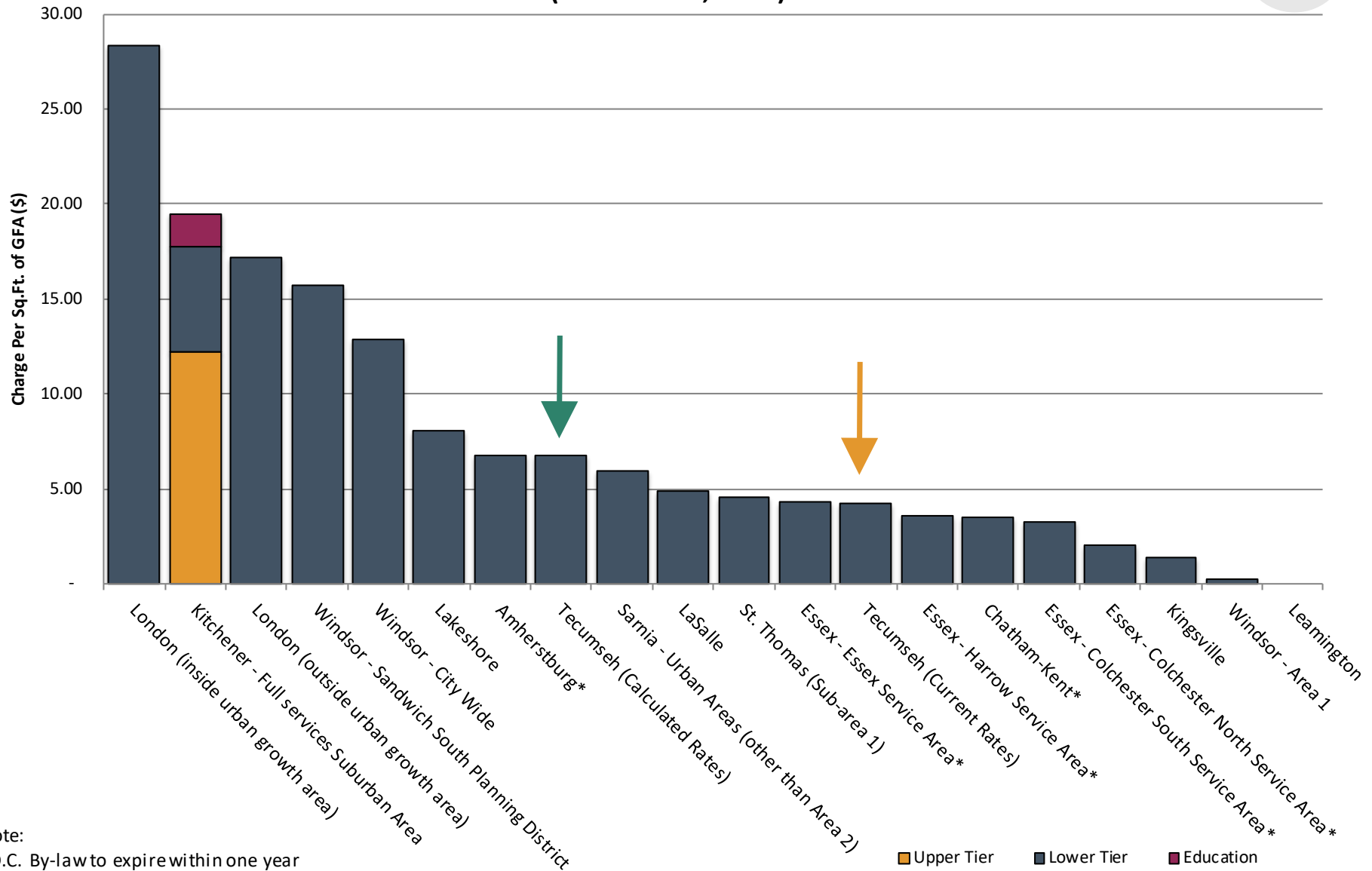
**Water and Wastewater DC only

(1) 100% reduction in charge until August 25, 2019

Development Charge Rates for Town of Tecumseh and Select Municipalities

Commercial Per Square Foot of GFA

(As of June 1, 2019)



Note:

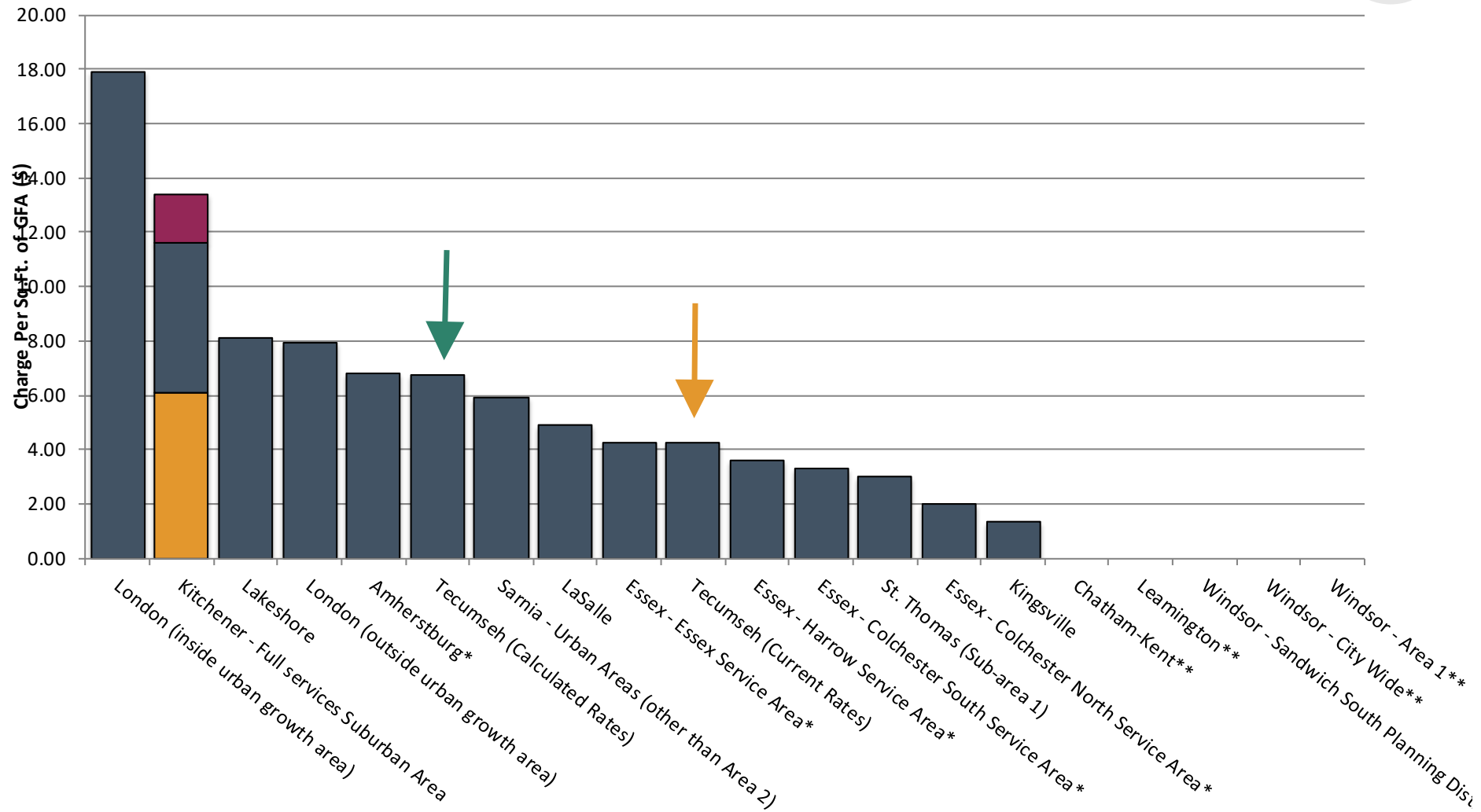
*D.C. By-law to expire within one year

**Water and Wastewater DC only

Development Charge Rates for Town of Tecumseh and Select Municipalities

Industrial Per Square Foot of GFA

(As of June 1, 2019)



Note:

*D.C. By-law to expire within one year

**Exempt

Upper Tier Lower Tier Education



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:
 - For rental housing, as well as non-residential developments - will pay their DC in 6 equal annual installments
 - For non-profit housing - will pay their DC in 21 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”

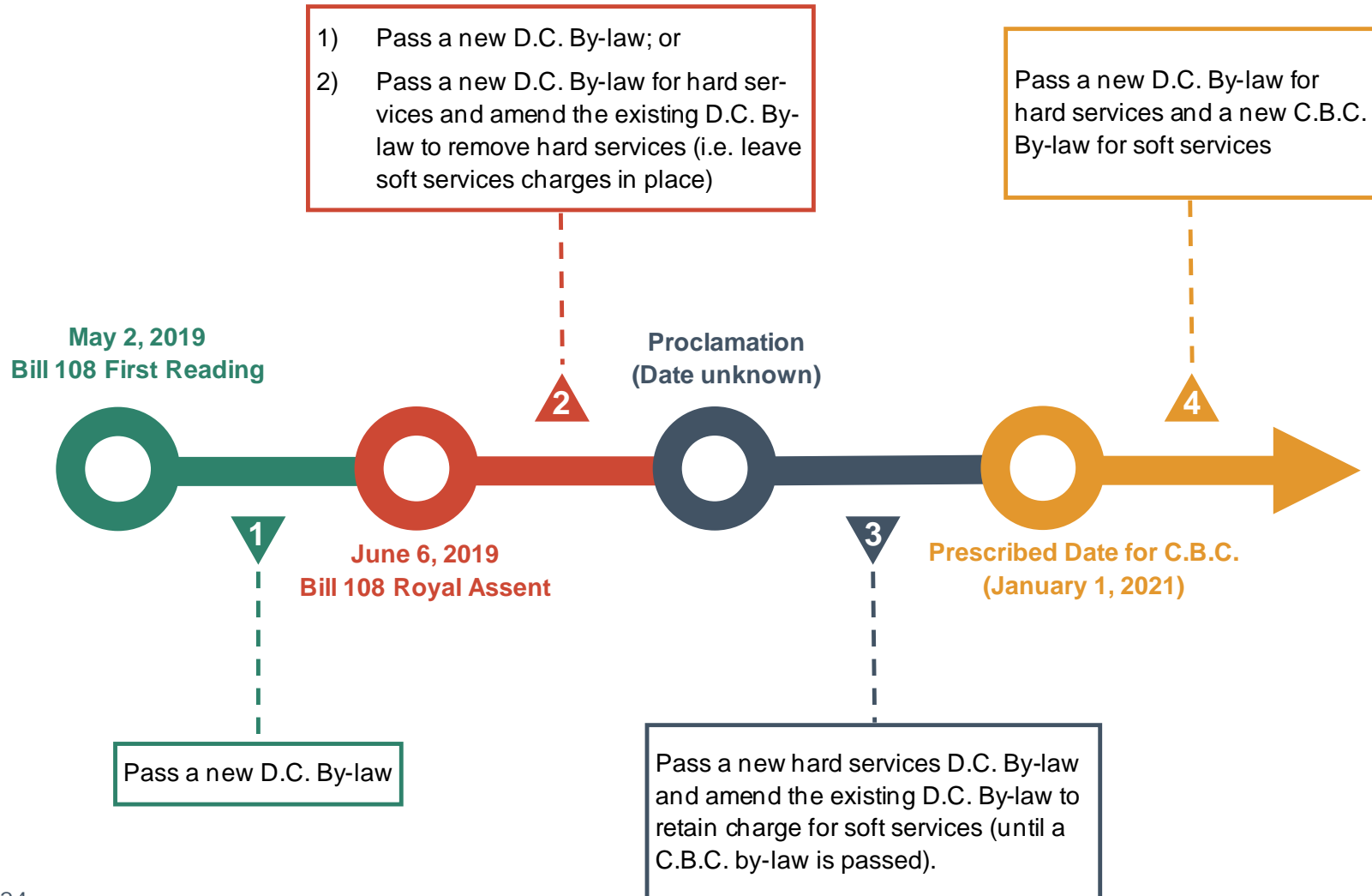
Community Benefit Charge (for soft services – outdoor recreation, indoor recreation, library and soft service admin studies)

- 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



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

Transitional Policies



Next Steps



By-law Passage
(August 13, 2019)