



City of
Peterborough

To: Members of the Committee of the Whole

From: Sandra Clancy, Director of Corporate Services

Meeting Date: May 29, 2017

**Subject: Report CPFS17-022
Notice of Public Meeting – June 19, 2017
Area Specific Development Charges Background Study**

Purpose

A report to advise Council that a public meeting will be held Monday, June 19, 2017 at 5:45 pm in the Council Chambers to present a Area Specific Development Charges Background Study and to hear public delegations.

Recommendations

That Council approve the recommendations outlined in Report CPFS17-022 dated May 29, 2017, of the Director of Corporate Services, as follows:

- a) That Report CPFS17-022 advising Council that a public meeting will be held on June 19, 2017 at 5:45 pm in the Council Chambers to present an Area Specific Development Charges Background Study and to hear public delegations, be received.
- b) That a further report be presented to the July 24, 2017 Committee of the Whole meeting that will recommend rate changes to the Area Specific Development charges rate.

Budget and Financial Implications

There are no budget and financial implications of receiving this report. A report will be presented to the July 24, 2017 Committee of the Whole containing specific recommendations stemming from the Development Charge Study and which addresses issues that may arise during the June 19, 2017 public meeting.

Background

June 19, 2017 Public Meeting

A public meeting will be held on June 19, 2017 at 5:45 pm in the City Council Chambers during which Hemson Consulting Limited will present a Development Charges (DC) Background Study (the Study) and proposed DC by-laws (attached as Appendix A). Members of the public will then have an opportunity to make presentations to Council concerning the proposed new Development Charges.

The DCA stipulates that before passing a development charge by-law, Council shall hold at least one public meeting. The public meeting was advertised in the Examiner on May 26, 2017 and the Background Study was available as of May 26, 2017, for pick up at the Clerk's Office and on the City's website at www.peterborough.ca.

Council is not required to make any final decisions during the public meeting or give direction to staff. Council can ask questions of presenters for clarification. A staff report will be presented to the July 24, 2017 Committee of the Whole, setting out the final recommendations and the proposed by-law, and it will address any issues raised during the public meeting.

Study Complies with the Act and Steering Committee Established

The Study has been undertaken in compliance with the provisions of the **Development Charges Act, 1997** (DCA) and its regulation (Ontario Regulation 82/98). A Development Charges Steering Committee was established to oversee the study that included representatives from the Peterborough & the Kawarthas Home Builders Association. The Committee included:

- Director of Planning and Development Services
- Director of Utility Services
- Director of Corporate Services
- Manager of Financial Services
- Manager of Planning
- Manager of Infrastructure Planning
- Michael Davenport, representative from the PKHBA
- John Milne, representative from the PKHBA,
- Garnet Northey representative from the PKHBA,
- Carolyn Brown of Hemson Consulting Ltd, and
- Craig Binning of Hemson Consulting Ltd.

Current DC Study Scope

The current DC Background Study is a study for each of the Growth Areas. There are eight growth areas within the City. Each area has its own DC rate which is paid by developers as well as a City-wide uniform charge and a PUC charge which is paid to the Peterborough Utility Commission.

A new background Study for Growth Areas was necessary due to the expiry of the existing by-laws on August 1, 2017. The Study supports both rate increases and decreases across the various planning areas.

Chemong East experiences the largest decrease from a current to calculated rate of 28%. The other planning areas with a decrease in the planning area charges are Chemong West and Jackson.

The largest increase is 75% as experienced by Coldsprings, as compared to the existing charge. Carnegie East and West, Lily Lake, and Liftlock also experience increases to the area-specific charges.

Chart 1

Current DC Rates and DC Rates Supported by the Background Study As of August 1, 2017

Planning Area		Existing Residential A - Singles & Semi				Calculated Residential A - Singles & Semi				Difference	
		Planning Area Charge	PUC	City-Wide Uniform Charge	Total Charge	Planning Area Charge	PUC	City-Wide Uniform Charge	Total Charge	\$/Unit	%
C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12
	City-Wide Dev. Area		\$1,442	\$21,537	\$22,979		\$1,442	\$21,537	\$22,979	\$0	0%
	Growth Areas:										
1.	Jackson	\$2,954	\$2,753	\$21,537	\$27,244	\$2,026	\$2,753	\$21,537	\$26,316	(\$928)	-3%
2.	Carnegie East	\$5,336	\$731	\$21,537	\$27,604	\$7,459	\$731	\$21,537	\$29,727	\$2,123	8%
3.	Carnegie West	\$3,879	\$1,997	\$21,537	\$27,413	\$5,313	\$1,997	\$21,537	\$28,847	\$1,434	5%
4.	Lily Lake	\$6,532	\$3,581	\$21,537	\$31,650	\$8,334	\$3,581	\$21,537	\$33,452	\$1,802	6%
5.	Chemong East	\$6,966	\$1,785	\$21,537	\$30,288	\$7,489	\$1,785	\$21,537	\$30,811	\$523	2%
6.	Chemong West	\$9,758	\$1,728	\$21,537	\$33,023	\$8,355	\$1,728	\$21,537	\$31,620	(\$1,403)	-4%
7.	Liftlock	\$6,997	\$1,637	\$21,537	\$30,171	\$9,565	\$1,637	\$21,537	\$32,739	\$2,568	9%
8.	Coldsprings	\$3,528	\$2,051	\$21,537	\$27,116	\$6,175	\$2,051	\$21,537	\$29,763	\$2,647	10%
	Average Growth Area	\$5,744	\$2,033	\$21,537	\$29,314	\$6,840	\$2,033	\$21,537	\$30,409	\$1,096	4%

Factors Leading to Percentage Increases/decreases

Construction Costs and Changing Specifications

All construction costs are shown in 2017 dollars. From 2012, the escalations in construction costs, along with the requirement for changes in specifications, such as from the Ministry of Environment and Climate Change have dramatically increased estimated costs – in some instances, more than 150%. Having said that, where costs have come in under what was previously anticipated, area rates have been adjusted downwards.

The capital program is comprised of sanitary and storm sewer works, storm water management ponds and various studies. The Background Study incorporates 37 capital projects totaling an estimated \$76.24 million.

Financing Costs

Financing rate assumptions have decreased from 5% to 3.5% to better reflect the current cost of borrowing.

Other Options to Consider and Impact

The fundamental principle behind development charges is that the costs of growth-related infrastructure should be primarily borne by the beneficiaries of such infrastructure. Existing taxpayers should not be required to pay for a substantial portion of the costs of growth-related infrastructure.

The report on July 24, 2017 will address any other issues that may arise during the June 19, 2017 public meeting.

Submitted by,

Sandra Clancy
Director of Corporate Services

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Attachments:

Appendix A

City of Peterborough
Planning Area-Specific Development Charges Study
HEMSON Consulting Ltd.

Appendix A

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Planning Area-Specific Development Charges Study
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