



City of  
**Peterborough**

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**To: Members of the Committee of the Whole**

**From: Sandra Clancy, Director of Corporate Services**

**Meeting Date: July 24, 2017**

**Subject: Report CPFS17-042  
Planning Area Specific Development Charges Background  
Study – Final Recommendations**

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## **Purpose**

A report to recommend a Development Charge rate structure for the Growth Areas for the period August 1, 2017 to July 31, 2022.

## **Recommendations**

That Council approve the recommendations outlined in Report CPFS17-042 dated July 24, 2017, of the Director of Corporate Services, as follows:

- a) That the Development Charge rates, as shown on Chart 1 of Report CPFS17-042 be approved.
- b) That the development-related capital program included in the Planning Area Specific Development Charge background study, be adopted subject to annual review through the City's normal capital budget process.
- c) That By-laws 12-112 to 12-119 and any amendments thereto, be repealed effective August 1, 2017.
- d) That separate by-laws be passed to impose the Planning Area Specific Development Charges for each of the eight specific planning areas, with a five-year term covering August 1, 2017 to July 31, 2022.

That the Development Charges be adjusted by the City Treasurer without amendment to the by-laws annually on January 1 of each year, commencing January 1, 2018, in accordance with the most recent annual change in the Statistics Canada Quarterly Construction Price Statistics.

## **Budget and Financial Implications**

If the proposed development charge rates are adopted, and the growth assumptions outlined in the Development Charges Background Study by Hemson Consulting Ltd. occur, the development charge rates are expected to raise about \$11.6 million from August 1, 2017 to July 31, 2022.

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 \$77.72 million. By adopting the development-related capital program contained in the study, Council is committing to fund the \$77.72 million development-related capital program from development charges. In addition, the Area Specific Development Charges reserve funds are in a deficit position of \$2.71 million, which will also be recovered through future development charges.

## **Background**

### **Previous DC Background Study and By-laws in effect**

At its meeting held July 23, 2012, based on recommendations outlined in Report CPFS12-056, Council adopted Development Charges By-laws 12-112 to 12-119 to establish new development charge rates for the Planning Area Specific Development Charges.

At its meeting held September 22, 2014, based on recommendations outlined in Report CPFS14-027, Council adopted Development Charges By-laws to establish new development charge rates for the City-wide General Services and for the City-wide Engineering Services. The rate for the General Services and Engineering Services is in effect for the period of January 1, 2015 to December 31, 2019.

### **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.

Jackson experiences the largest decrease from a current to calculated rate of 31%. The other planning areas with a decrease in the planning area charges, is Chemong West at 14%.

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.

### **Last minute change to DC Background Study**

As this report was being written, an error was discovered in the estimated future units for the Lily Lake Growth Area. The DC Background Study has been updated to reflect the correct number of units. The result is a decrease in the Single and Semi rate from \$8,334 to \$7,207. The rate was experiencing a 6% increase. It is now a 2% increase. Chart 1 lists the current DC rates, the DC rate supported by the Background Study and the increase or decrease, including this latest change for Lily Lake.

**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%
	<b>Growth Areas:</b>										
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	\$7,207	\$3,581	\$21,537	\$32,325	\$675	2%
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%
	<b>Average Growth Area</b>	<b>\$5,744</b>	<b>\$2,033</b>	<b>\$21,537</b>	<b>\$29,314</b>	<b>\$6,699</b>	<b>\$2,033</b>	<b>\$21,537</b>	<b>\$30,269</b>	<b>\$955</b>	<b>3%</b>

## 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 \$77.72 million.

### Financing Costs

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

### June 19, 2017 Statutory Public Meeting

The City held a public meeting on June 19, 2017 in accordance with Section 12 of the **Development Charges Act** during which Hemson Consulting Limited presented the Development Charges (DC) Background Study (the Study) and proposed DC by-laws (attached as Appendix A).

Presentations were made by representatives from both the Peterborough & The Kawartha Home Builders Association Inc. (PKHBA) and Reimagine Peterborough to Council concerning the proposed new Development Charges. Copies of their presentations are attached to this Report as Appendix B and C respectively.

The PKHBA was specifically asked if they supported the proposed DC rates. In response to this question, the PKHBA have provided an additional letter dated July 17, 2017 which is attached as Appendix D. While the letter acknowledges Council is faced with the task of finding the appropriate balance between funding growth through allowable development charges and contributing to housing affordability by charging less than the maximum allowable amount, it states that the PKHBA will not object to the proposed rates.

Reimagine Peterborough submitted a letter, "Planning for Affordable Growth" which contained a number of recommendations for further consideration. The following provides a response to the recommendations outlined in the submission by Reimagine Peterborough dated June 19, 2017.

### **Current ASDC Study and By-law**

#### **Recommendation 1: Clarify and Expand the Scope of the Study**

This recommendation has several questions within it. To help provide clarification of staff's answers, the points have been bulleted a) to e).

- a) Should other Greenfield areas be included in the study?

Response: Development Charges collected in the City of Peterborough are done so through numerous by-laws:

- By-law 14-134 relates to City-wide general Services;
- By-law 14-135 relates to City-wide Engineered Services; and
- By-laws 12-112 to 12-119 relate to the Planning Area Specific Developments.

The Planning Area Specific Development Charges are due to expire on August 1, 2017 while the by-laws associated with the City-wide General Services (By-law 14-134) and City-wide Engineered Services (By-law 14-135) expire December 31, 2019. The purpose of this Background Study was to update the Planning Area Specific By-laws. By-laws 12-112 to 12-119 cover all anticipated growth-related capital costs associated with the provision of wastewater and stormwater services in the designated growth areas, which are to be funded by the City.

The greenfield areas identified by Reimagine Peterborough are not in one of the eight Planning Areas considered under this study. Any expected costs for those developments can be included in the DC Background Study that will be prepared

to address the City-wide general and engineered services and the associated by-laws that will be updated during the 2019 calendar year. The by-laws will be updated prior to the expiry of the current by-laws in December, 2019.

- b) Include reference to the City's Capital Budget.

Response: Future DC Background Studies could include reference to the most recent capital budget if a project has been included up to that point.

- c) Has upstream growth been included in the costs included in the Background Study?

Response: Yes, Utility Services Department staff have provided the cost estimates from Secondary Plan which include demand from upstream to downstream infrastructure.

- d) Does the Background Study incorporate uses other than residential?

Response: There is no commercial development expected, at this time, in the Planning Areas studied in this Background Study.

- e) Have the implications of climate change and more resilient infrastructure been factored into the proposed plan? (Reference made to City of Mississauga)

Response: The City of Peterborough has undertaken a Stormwater Quality Master Plan (Report USDIR15-003 dated September 28, 2015) and Water Resource Protection Funding Feasibility Study (Report USED17-001 dated February 6, 2017). With these approvals in place, the City is moving forward with recommendations made in the Master Plan and funds will be budgeted in the 2018 budget for implementation.

**Recommendation 2: The City write the Province to encourage law reform to expand the scope of eligible services for DCs.**

Response: On December 3, 2015, the **Smart Growth for our Communities Act** received royal assent, which made certain changes to both the **Development Charges Act** and the **Planning Act**. The new requirements for the revised Act came into effect on January 1, 2016. The City, along with many other stakeholders participated in the process. The recent amendments to the **Development Charges Act** resulted in, among other matters, two changes which affects the quantum of development charges that can be imposed by the City:

1. The definition of waste management services was changed in that only the provision of "landfill sites and services" and "facilities and services for the incineration of waste" remain ineligible. DC funding for the collection of solid waste, organics, and recycling, as well as the treatment and management of organics and recyclables, is now permitted;

2. Transit services are no longer subject to a 10% reduction and are now based on a “planned” level of service.

Staff will review the inclusion of waste management services during the background study to occur in 2019. In addition, transit related development charges would be updated with the new DCA requirements.

### **Future Development Charges Studies**

#### **Recommendation 3: Broaden representation on Steering Committee**

Response: Traditionally, representatives from the development community represented by the Peterborough and Kawartha Home Builders Association and City staff from various City Departments along with the Consultant, make up the composition of the Steering Committee. Staff will consider expanding the Steering Committee to other interested stakeholders in 2019.

#### **Recommendation 4: Development Charges as a Strategic Planning Tool with Official Plan**

Response: The next planned Development Charge Background Study for the City-wide General and Engineered Services will occur in 2019. The timing of this study will complement the completion of the Official Plan, which is anticipated to wrap up in 2018.

#### **Recommendation 5: Develop specific areas and DC costing for the three major planning zones (Central (and Transitional) Area, the Built Area and Designated Greenfield Areas).**

Response: To date, the City has taken a broad approach to costing for the three major planning zones: development charges are levied on all development occurring in all areas of the City (subject to certain exemptions outlined in the by-law, such as: the downtown core which development charges are waived/reduced or industrial development which is exempt from the payment of DC's), Developments occurring in the Designated Greenfield areas are subject to additional area-specific charges for the provision of sewer and stormwater works.

Council, in passing the following motion of June 19, 2017, have triggered a more critical review of the transitional areas. The motion read as follows:

That staff be directed to prepare a Report to explore options for exempting or discounting City-wide General and Engineering Development Charges pursuant to Section 20 of By-law's No. 12-121 and 14-134 for residential and commercial developments beyond the "Commercial Core Sub-Area" and "Waterfront Commercial Sub-Area" as defined Schedule J of the Official Plan, with priority given to a transitional redevelopment area around the Downtown and secondary consideration to mixed-use and transit corridors worthy of residential intensification.

Staff recommend that the appropriate time to respond to the motion above and this recommendation is as part of the 2019 Development Charge Background Study for General and Engineered Services.

**Recommendation 6: Calculate the gap between DC revenues and growth costs**

Response: For the 2017 Planning Area Specific Background Study, 100% of the identified costs are recoverable through development charges. The recommendation outlined by Reimagine Peterborough mostly refers to the DC Background Study associated with the general and engineered services that will take place in 2019. Growth-related costs for both General and Engineered Services are subject to certain legislated reductions and an assessment of the project's benefit to existing taxpayers. The resulting DC eligible amount is then further refined between costs that should be borne by development within the current planning horizon and development that will occur after that period of time.

The costs that are ineligible for DC funding are quantified in the City-wide General and Engineered services Background Study and generally form a component of the Background Study Appendices. It would be straightforward to express the ineligible costs on a per capita basis and will be further addressed through the forthcoming DC process.

**Recommendation 7: Assess the generality and desirability of the industrial land exemption from DCs**

Response: **The Development Charges Act** provides exemptions for development with an industrial classification under certain criteria. Whether or not all industrial land development is exempt from development charges is subject to Council discretion as they study the pros and cons of exempting industrial development to assist in attracting industry and the potential for an expanding workforce while considering the fiscal implications on the existing tax base for bearing the cost for industrial development.

**Current Central Area Community Improvement Plan**

**Recommendation 8: Add a Sustainable Buildings program to DCs through the Central Area CIP.**

Response: The Central Area CIP is not funded from Development Charges. Adding a CIP program for a Sustainable Buildings Program and accepting applications for specific incentives would be funded from the property tax base.

Staff could consider, as part of the General and Engineered Services Development Background Study in 2019, providing an exemption for a sustainable building similar to the industrial exemption. This would act as an incentive which would also be funded from the tax base.



## 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.

Submitted by,

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Attachments:

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| Appendix B | Peterborough & The Kawarthas Home Builders Association Inc.  |
| Appendix C | Planning for Affordable Growth – Submission by Reimagine<br>Peterborough dated June 19, 2017       |
| Appendix D | Peterborough & The Kawarthas Home Builders Association Inc.<br>Letter dated July 17, 2017          |

Appendix A

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

**PLANNING AREA-SPECIFIC  
DEVELOPMENT CHARGES  
BACKGROUND STUDY**

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**City of Peterborough**

**Revised Report**

**HEMSON** Consulting Ltd.  
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**July 24, 2017**

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## **EXECUTIVE SUMMARY**

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The following summarizes the findings of the City of Peterborough's 2017 Planning Area-Specific Development Charges (ASDC) Background Study.

### **A. STUDY CONSISTENT WITH DEVELOPMENT CHARGES LEGISLATION**

- This study calculates Development Charges (DC) for the City of Peterborough in compliance with the provisions of the Development Charges Act, 1997 (DCA) and its associated regulation Ontario Regulation 82/98 (O. Reg. 82/98).
- On July 30<sup>th</sup>, 2012, the Council of the City of Peterborough passed eight ASDC by-laws to impose planning area-specific development charges. The by-laws came into effect on August 1, 2012 and will expire on August 1, 2017.
- The City needs to continue implementing development charges to help fund capital projects related to development throughout Peterborough so that development continues to be serviced in a fiscally responsible manner. Adjustments to the development charge rates are required in order to reflect the revised costs associated with the infrastructure requirements.
- This report identifies the development-related capital costs, which are attributable to the development that is forecast to occur in the City to build-out of the planning areas. The costs are apportioned to types of residential development (single-detached, semi-detached, rows, apartments) in a manner that reflects the increase in the need for each service attributable to each type of built form.
- The calculated charges are the maximum charges the City may adopt for each planning area. Lower charges may be approved; however, this will require a reduction in the capital plan, or financing from other sources, likely property taxes and utility rates.

## **B. DEVELOPMENT FORECAST**

- The City's planning department have revised the area-specific development forecasts. The planning areas this background study will examine are:
  - Jackson;
  - Carnegie East;
  - Carnegie West;
  - Chemong East;
  - Chemong West;
  - Lily Lake;
  - Liftlock; and
  - Coldsprings.
- The development forecast for the planning areas consist entirely of residential units of high, medium and low density built form. Throughout all eight planning areas, 2,790 units have either been built, are under construction or have already received building permits. There is capacity for an additional 13,060 units to be constructed to build-out of the planning areas. This translates into a population in new units of approximately 34,700.

## **C. DEVELOPMENT-RELATED CAPITAL PROGRAM**

- City staff, in collaboration with Hemson Consulting, have prepared a growth-related capital program setting out projects that are required to service the anticipated development in each planning area.
- The development-related capital programs are based on a build-out planning horizon for each of the planning areas.
- The ASDCs are calculated for the provision of sanitary trunk sewers, sewage pumping stations, planning and servicing studies, stormwater management facilities, oversizing costs, recovery of negative reserve fund balances, and associated financing costs.
- The total cost associated with all of the planning area-specific development-related works amounts to \$77.72 million.
- The position of the reserve funds vary by planning area. Overall, there is a \$2.71 million deficit, which is eligible for recovery and has been added to the DC calculation.

- The total costs eligible for ASDC recovery is increased to \$80.44 million.

**D. DEVELOPMENT CHARGES ARE CALCULATED WITH REFERENCE TO THE DCA**

- The fully calculated residential charges are recommended to vary by unit type, reflecting the occupancy patterns expected in different built forms and the associated demand placed on municipal services.
- The following is a summary of the calculated development charges:

Planning Area	Development Charge By Unit Type		
	<u>Residential A</u> Singles & Semis	<u>Residential B</u> Other Multiples	<u>Residential C</u> Apartments
Jackson	\$2,026	\$1,747	\$1,188
Carnegie East	\$7,459	\$6,430	\$4,372
Carnegie West	\$5,313	\$4,580	\$3,115
Chemong East	\$7,489	\$6,456	\$4,390
Chemong West	\$8,355	\$7,203	\$4,898
Lily Lake	\$7,207	\$6,213	\$4,225
Liftlock	\$9,565	\$8,246	\$5,607
Coldsprings	\$6,175	\$5,323	\$3,620

## **I INTRODUCTION AND BACKGROUND**

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This City of Peterborough Area-Specific Development Charges (ASDC) Background Study is presented as part of a process to lead to the approval of new development charge by-laws in compliance with the Development Charges Act, 1997 (DCA) and Ontario Regulation 82/98 (O.Reg.82/98).

The DCA and O. Reg. 82/98 require that a development charges background study be prepared in which development charges are determined with reference to:

- A forecast of the amount, type and location of development anticipated in the municipality;
- A review of future capital projects, including an analysis of gross expenditures, funding sources and net expenditures incurred or to be incurred by the municipality to provide for the expected development. This includes the determination of the development and non-development-related components of the capital projects;
- An examination of the long-term capital and operating costs for the infrastructure required for each service to which the development charge by-laws relate; and
- An asset management plan to deal with all assets whose capital costs are proposed to be funded under the DC by-law, demonstrating that all assets included in the capital program are financially sustainable over their full life cycle.

This study presents the results of the review, which determines the development-related net capital costs attributable to development that is forecast to occur in the planning areas of the City. These development-related net capital costs are then apportioned among various types of residential development in a manner that reflects the increase in the need for each service.

The City of Peterborough currently levies two types of development charges for the recovery of growth-related capital costs:

1. City-wide uniform development charges – for the recovery of development-related costs for the provision of general government, library, fire, indoor recreation, parks development and facilities, and public works (building, equipment and fleet) services. The City-wide charges also recover for: the development-related costs for the provision of wastewater treatment and major



sewage collection; major roads and related services, including structures, sidewalks, streetlights and special traffic management and design features; as well as stormwater management projects (erosion control projects), and related studies.

2. Planning Area-Specific Development Charges (ASDC) – for the recovery of growth-related costs for the provision of some sanitary trunk sewers, stormwater facilities and servicing and planning studies.

The City-wide charges are levied on a uniform basis against all development in the City. The ASDC are levied on a planning area-specific basis, in addition to the eligible City-wide charges.

The DCA provides for a period of public review and comment regarding the proposed development charges. This process includes considering and responding to comments received by stakeholders and members of the public about the calculated charges and methodology used. Representatives from the Peterborough & The Kawartha Home Builders Association formed part of the project Steering Committee and were involved throughout the study process. In accordance with the DCA, and following Council's review of the study, it is intended that Council will pass new area-specific development charges for the City's planning areas.

The remainder of this study sets out the information and analysis upon which the calculated development charges are based.

Section II designates the services for which the development charges are proposed and the areas within the City to which the development charges will apply. It also briefly reviews the methodology that has been used in the background study.

Section III outlines the residential development forecasts for each planning area over a build-out planning period.

Section IV summarizes the future development-related capital costs associated with the provision of City services unique to each planning area under review.

Section V details the proposed new area-specific development charge rates for the City's eight planning areas as well as a comparison with current rates in force.

Section VI provides an examination of the long-term capital and operating cost impacts for each service included in the development charge calculation. It also

addresses the asset management provisions required to maintain the development-related components of the capital projects included in the analysis.

Finally, Section VII provides a discussion of other issues and considerations including by-law administration and local service policies.

## **II AREA-SPECIFIC APPROACH IS USED TO ALIGN DEVELOPMENT-RELATED COSTS AND BENEFITS**

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Several key steps are required when calculating a development charge. However, specific circumstances arise in each municipality that must be reflected in the calculation. In this study, we have tailored our approach to the City of Peterborough's unique circumstances, particularly with respect to each individual planning area. The planning areas this background study will examine are:

- Jackson
- Carnegie East
- Carnegie West
- Chemong East
- Chemong West
- Lily Lake
- Liftlock
- Coldsprings

The approach to the proposed development charges is focussed on providing a reasonable alignment of growth-related costs with the development that necessitates them. This background study focuses only on the City's planning areas, which is consistent with past practice and is deemed the best way to align development-related costs and benefits in the growing parts of the City of Peterborough.

### **A. PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES ARE CALCULATED**

The DCA provides municipalities with flexibility to define services that will be included in the development charges by-laws, provided that other provisions of the Act and Regulation are met. The DCA also requires that the by-laws designate the areas within which they shall be imposed. Development charges may apply to all lands in the municipality or to other designated development areas as specified in the by-laws.

For particular services, the City of Peterborough currently levies development charges on both a City-wide and area-specific basis. The City-wide development charges recover costs related to General Government (studies), Library, Fire, Police, Recreation, Parks, Public Works, Parking, Transit, Affordable Housing, Roads and Sewage Treatment. The City's current ASDCs recover development-related costs for the provision of some sanitary trunk sewers, pumping stations, stormwater facilities, and servicing and planning studies to service future growth areas in the City with

unique infrastructure and servicing needs. The area-specific approach is applied to these services to more closely align the capital costs for these services with the particular planning areas that will be serviced by the required infrastructure.

The area-specific approach can facilitate front-end financing arrangements for the designated services if the City chooses to use the front-ending provisions of the DCA. As an alternative, area-specific charges can also facilitate the use of developer group cost-sharing agreements.

## **B. KEY STEPS IN DETERMINING DEVELOPMENT CHARGES FOR FUTURE DEVELOPMENT-RELATED PROJECTS**

Several key steps are required in calculating development charges for future development-related projects. These are summarized below.

### **1. Development Forecast**

The first step in the methodology requires a development forecast to be prepared for the study period, in this case from 2017 to build-out. The forecast of the future development in the planning areas used in this study is based on the City of Peterborough's 2012 Planning Area-Specific Development Charges Study. The 2012 forecast has been updated to reflect building activity in the City over the period from 2012 to the end of 2016. In addition, the planning areas and development potential have been adjusted to reflect changes in submitted plans and servicing needs.

For each planning area, future units are forecasted based on low, medium and high density built form to build-out of the area. When calculating the development charges, the development-related net capital costs are allocated to the additional population that will occupy new housing units. As such, the population in each type of dwelling unit in each planning area is forecasted using consistent occupancy factors.

### **2. Service Categories and Historic Service Levels**

The DCA stipulates that development charges cannot be recovered for the shares of the capital program that exceed the historic ten-year average service level for each eligible service. This provision does not apply to the services considered under this study, rather engineering standards, Provincial health regulations, and environmental requirements are relied upon.

### **3. Development-Related Capital Program and Analysis of DC Eligible Costs to be Recovered Through Development Charges**

A development-related capital program has been prepared by the City's engineering department as part of the present study. The program identifies development-related

projects and gross and net municipal costs, after allowing for capital grants, subsidies or other recoveries as required by the DCA (s. 5. (2)). The capital program provides another cornerstone upon which development charges are based. The DCA requires that the increase in the need for service attributable to the anticipated development may include an increase:

... only if the council of the municipality has indicated that it intends to ensure that such an increase in need will be met. (s. 5. (1) 3.)

The development-related capital programs prepared for this study ensure that DCs are only imposed to help pay for projects that have been or are intended to be purchased or built in order to accommodate future anticipated development in each planning area. It is not sufficient in the calculation of development charges merely to have had the service in the past. There must also be a demonstrated commitment to continue to emplace facilities or infrastructure in the future. In this regard, O. Reg. 82/98, s. 3 states that:

For the purposes of paragraph 3 of subsection 5 (1) of the *Act*, the council of a municipality has indicated that it intends to ensure that an increase in the need for service will be met if the increase in service forms part of an official plan, capital forecast or similar expression of the intention of the council and the plan, forecast or similar expression of the intention of the council has been approved by the council.

Finally, in calculating DCs, the development-related net municipal costs must be reduced by ten per cent for all municipal services except roads and related services, stormwater management and fire protection services (DCA, s. 5. (1) 8.). As this study deals with sewer and stormwater management services capital costs, 100 per cent of the growth-related costs are recoverable through development charges.

#### **4. Attribution to Types of Development**

The next step in the determination of development charges is the allocation of the development-related net capital costs between the benefitting sectors. This is typically based on apportionments for different services in accordance with the demands placed and the benefits derived by the residential and non-residential sectors. As all development in the planning areas will be residential in nature, all costs are allocated to the population growth in new units, which yields a development charge per capita. The per capita charge is applied to different housing types on the basis of average occupancy, informed by the City of Peterborough Census data.

#### **5. Final Adjustment**

The final determination of the development charges results from adjustments made to growth-related net capital costs for reserve fund balances, negative or positive, and for any other outstanding funding needs.

### **III DEVELOPMENT FORECAST**

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This section provides the basis for the development forecast used in calculating the development charges for each planning area and summarizes the forecast results. This forecast is largely based on the forecast completed by the City of Peterborough for the 2012 Planning Area-Specific Development Charges Study. The 2012 forecast has been updated to reflect building activity in the City over the period from 2012 to the end of 2016. This is followed by a summary of the results of the housing unit and population forecasts by planning area.

#### **A. RESIDENTIAL DEVELOPMENT FORECAST BY PLANNING AREA**

Development charges are levied on a residential development as a charge per new unit. Therefore, a projection of both the dwelling units and population in new units is required. Table 1 provides a summary of the residential forecast for all of the planning areas within the City. The planning period for the forecast and throughout this study is from 2017 to build-out.

Table 1 shows the total number of previously approved units, which refer to units that have been built, are currently under construction, or those units that have been approved and paid ASDCs. Also shown is the future residential units by planning area that can be accommodated to build-out of each area. Map 1 shows the total build-out potential of each planning area in Peterborough. Over the planning period from 2017 to build-out, the total number of new residential units in the growth areas will increase by approximately 13,060, of which about 55% will be Low Density (singles and semi detached units), 35% will likely be Medium Density (rows and other multiples) and the balance is expected to be in High Density built form (apartments).









The dwelling unit forecast translates into a population in new units of approximately 34,700 across all planning areas. The population growth in new units was determined by applying occupancy factors to each type of dwelling unit, based on Census data. The Persons Per Unit (PPU) factors used in this study were 2.9, 2.5, and 1.7 for low, medium and high density units, respectively.

CITY OF PETERBOROUGH  
2017 PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY  
PLANNING AREA-SPECIFIC RESIDENTIAL DEVELOPMENT FORECAST

	Previously Approved	Future Residential Units	Population in New Units	
			PPU	Population
<b>Carnegie East Planning Area</b>				
Low Density	389	343	2.9	995
Medium Density	181	165	2.5	413
High Density	-	69	1.7	117
<b>Total</b>	<b>570</b>	<b>577</b>		<b>1,525</b>
<b>Carnegie West Planning Area</b>				
Low Density	-	373	2.9	1,082
Medium Density	4	179	2.5	448
High Density	-	75	1.7	128
<b>Total</b>	<b>4</b>	<b>627</b>		<b>1,658</b>
<b>Chemong East Planning Area</b>				
Low Density	342	241	2.9	699
Medium Density	56	87	2.5	218
High Density	-	91	1.7	155
<b>Total</b>	<b>398</b>	<b>419</b>		<b>1,072</b>
<b>Chemong West Planning Area</b>				
Low Density	21	876	2.9	2,540
Medium Density	-	420	2.5	1,050
High Density	-	175	1.7	298
<b>Total</b>	<b>21</b>	<b>1,471</b>		<b>3,888</b>
<b>Coldsprings Planning Area</b>				
Low Density	29	2,446	2.9	7,093
Medium Density	-	1,792	2.5	4,480
High Density	-	449	1.7	763
<b>Total</b>	<b>29</b>	<b>4,687</b>		<b>12,336</b>
<b>Jackson Planning Area</b>				
Low Density	1,289	791	2.9	2,294
Medium Density	327	240	2.5	599
High Density	-	35	1.7	60
<b>Total</b>	<b>1,616</b>	<b>1,066</b>		<b>2,953</b>
<b>Liftlock Planning Area</b>				
Low Density	93	866	2.9	2,511
Medium Density	-	416	2.5	1,040
High Density	-	173	1.7	294
<b>Total</b>	<b>93</b>	<b>1,455</b>		<b>3,845</b>
<b>Lily Lake Planning Area</b>				
Low Density	54	1,350	2.9	3,915
Medium Density	-	1,411	2.5	3,528
High Density	-	-	1.7	-
<b>Total</b>	<b>54</b>	<b>2,761</b>		<b>7,443</b>
<b>ALL GROWTH AREAS</b>				
Low Density	2,217	7,286	2.9	21,130
Medium Density	568	4,710	2.5	11,774
High Density	-	1,067	1.7	1,814
<b>Total</b>	<b>2,785</b>	<b>13,063</b>		<b>34,718</b>

# Growth Areas

## Legend

-  CARNEGIE EAST
-  CARNEGIE WEST
-  CHEMONG EAST
-  CHEMONG WEST
-  COLDSPRINGS
-  JACKSON
-  LIFTLOCK
-  LILY LAKE

Carnegie East  
1150 units

Carnegie West  
630 units

Chemong East  
820 units

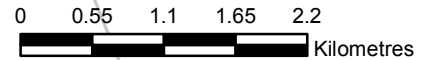
Chemong West  
1500 units

Lily Lake  
2815 units

Liftlock  
1550 units

Jackson  
2680 units

Coldsprings  
4720 units



Date Printed: May 10, 2017





## **IV THE DEVELOPMENT-RELATED CAPITAL PROGRAM**

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### **A. A DEVELOPMENT-RELATED CAPITAL PROGRAM IS PROVIDED FOR COUNCIL'S APPROVAL**

The DCA requires the Council of a municipality to express its intent to provide future capital facilities at the level incorporated in the development charges calculation. As noted in Section II, O. Reg. 82/98, s. 3 states that:

For the purposes of paragraph 3 of subsection 5 (1) of the Act, the council of a municipality has indicated that it intends to ensure that an increase in the need for service will be met if the increase in service forms part of an official plan, capital forecast or similar expression of the intention of the council and the plan, forecast or similar expression of the intention of the council has been approved by the council.

Based on the development forecasts summarized in Section III, City staff, in collaboration with the consultants, have assembled a development-related capital program setting out projects required to service anticipated growth in each of the City's planning areas.

One of the recommendations contained in this background study is for Council to adopt the development-related capital programs developed for the purposes of the area-specific development charges calculation. It is assumed that future capital budgets and forecasts will continue to bring forward the development-related projects contained herein that are consistent with the development occurring in the City. It is acknowledged that changes to the capital program presented here may occur through the City's normal capital budget process.

### **B. DEVELOPMENT-RELATED CAPITAL PROGRAM FOR THE PLANNING AREAS**

All of the works identified are proposed to be recovered through various planning area-specific development charges. There are a number of projects that provide benefit to two or more areas and the costs of these projects have been shared between the benefiting areas based on build-out development potential.

The total cost of the planning area-specific development-related works is \$77.72 million. The DC reserve funds for each planning area are distinct. Overall, City ASDC reserve funds are in a deficit position of \$2.71 million, which will be recovered through future development charges. This amount has been included in the

calculations. No grants, subsidies or alternative funding sources have been identified for any of the capital project costs. Given that the planning areas are all new with no existing development, the infrastructure works required to service development are entirely growth-related and, as such, no 'non-growth' shares have been deducted. Finally, there is no post-period allocation as all works included in the area-specific capital programs are designed to service each area to build-out. Therefore, the total development charges recoverable share of the capital program across all planning areas is \$80.44 million.

Table 2 provide a summary of the development-related costs for the planning areas.

CITY OF PETERBOROUGH  
2017 PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY  
SUMMARY OF DEVELOPMENT-RELATED CAPITAL PROGRAM

Planning Area	Development-Related Capital Forecast					
	Total Project Costs	Grants/Subsidies/ Other Contributions	Non-Growth Share	DC Reserve Adjustment	Post-Period Benefit	Total Costs Eligible for DC Recovery
Jackson	\$4,210,521	\$0	\$0	(\$2,147,496)	\$0	\$2,063,025
Carnegie East	\$2,041,475	\$0	\$0	\$1,880,891	\$0	\$3,922,366
Carnegie West	\$3,034,787	\$0	\$0	\$2,939	\$0	\$3,037,726
Chemong East	\$3,262,505	\$0	\$0	(\$494,075)	\$0	\$2,768,430
Chemong West	\$9,956,817	\$0	\$0	\$1,244,547	\$0	\$11,201,364
Lily Lake	\$16,228,929	\$0	\$0	\$2,267,562	\$0	\$18,496,491
Liftlock	\$12,696,600	\$0	\$0	(\$14,870)	\$0	\$12,681,730
Coldsprings	\$26,291,820	\$0	\$0	(\$24,706)	\$0	\$26,267,114
<b>TOTAL</b>	<b>\$77,723,454</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,714,792</b>	<b>\$0</b>	<b>\$80,438,246</b>

## **V AREA-SPECIFIC DEVELOPMENT CHARGES ARE CALCULATED IN ACCORDANCE WITH THE DCA**

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This section summarizes the calculation of development charges for each planning area by type of development. The calculation of the per capita residential charge is converted to a variable charge by housing unit type as discussed in Section II of this report.

### **A. CALCULATED RESIDENTIAL DEVELOPMENT CHARGES**

The development-related costs of the works under review are triggered by or provide direct benefit to development within eight specific planning areas. These costs are proposed to be recovered on an area-specific basis, which will yield different development charges in each specific planning area to be levied in addition to the City-wide rates in force.

Table 3 provides a summary of the development charges rate calculations by area. The table displays the DC eligible costs, the population growth in new housing units based on future development potential and the calculated development charge rates per capita and by unit type for each of the planning areas. The rate per single-detached unit ranges from a low of \$2,026 per unit in the Jackson area to a high of \$9,565 per unit in Liftlock.

As discussed, the ASDCs will be levied on new development in each of the planning areas in addition to other applicable development charges in force. These additional charges include the City-wide rate for general and engineered services, as well as the area-specific water utility charged levied by the Peterborough Utilities Commission. Table 4 summarizes all eligible development charges by planning area.

### **B. COMPARISON OF CALCULATED AND CURRENT AREA-SPECIFIC DEVELOPMENT CHARGES**

Table 5 presents a comparison of the newly calculated residential ASDCs with currently imposed development charge rates. It demonstrates that some of the planning areas experience a decrease in the charges, with increases in others. The fluctuations reflect different rates of development in recent years as well as shifting project costs.

TABLE 3

**CITY OF PETERBOROUGH  
2017 PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY  
SUMMARY OF CALCULATED DEVELOPMENT CHARGES BY PLANNING AREA**

Planning Area	Total Costs Eligible for DC Recovery	Development Potential - Population in New Units	Development Charge Per Capita	Development Charge By Unit Type		
				Residential A Singles & Semis	Residential B Other Multiples	Residential C Apartments
Jackson	\$2,063,025	2,953	\$698.62	\$2,026	\$1,747	\$1,188
Carnegie East	\$3,922,366	1,525	\$2,572.04	\$7,459	\$6,430	\$4,372
Carnegie West	\$3,037,726	1,658	\$1,832.16	\$5,313	\$4,580	\$3,115
Chemong East	\$2,768,430	1,072	\$2,582.49	\$7,489	\$6,456	\$4,390
Chemong West	\$11,201,364	3,888	\$2,881.01	\$8,355	\$7,203	\$4,898
Lily Lake	\$18,496,491	7,443	\$2,485.09	\$7,207	\$6,213	\$4,225
Liftlock	\$12,681,730	3,845	\$3,298.24	\$9,565	\$8,246	\$5,607
Coldsprings	\$26,267,114	12,336	\$2,129.31	\$6,175	\$5,323	\$3,620
Note 1: Based on Person Per Unit of				2.90	2.50	1.70

TABLE 4

**CITY OF PETERBOROUGH  
2017 PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY  
SUMMARY OF TOTAL DEVELOPMENT CHARGES BY PLANNING AREA  
CHARGE PER SINGLE DETACHED UNIT**

<b>Planning Area</b>	<b>Calculated Planning Area Specific Charge</b>	<b>Current Planning Area Specific Water Utility Charge</b>	<b>Current City-Wide Development Charge</b>	<b>Total Development Charge Payable by Planning Area</b>
Jackson	\$2,026	\$2,753	\$21,537	\$26,316
Carnegie East	\$7,459	\$731	\$21,537	\$29,727
Carnegie West	\$5,313	\$1,997	\$21,537	\$28,847
Chemong East	\$7,489	\$1,785	\$21,537	\$30,811
Chemong West	\$8,355	\$1,728	\$21,537	\$31,620
Lily Lake	\$7,207	\$3,581	\$21,537	\$32,325
Liftlock	\$9,565	\$1,637	\$21,537	\$32,739
Coldsprings	\$6,175	\$2,051	\$21,537	\$29,763

CITY OF PETERBOROUGH  
2017 PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY  
COMPARISON OF CURRENT AND CALCULATED CHARGES

Planning Area Charges	Residential Charge Per Single Detached Unit			
	Current Charge <sup>1</sup>	Calculated	Difference	
			\$/unit	%
Jackson	\$2,954	\$2,026	(\$928)	-31%
Carnegie East	\$5,336	\$7,459	\$2,123	40%
Carnegie West	\$3,879	\$5,313	\$1,434	37%
Chemong East	\$6,966	\$7,489	\$523	8%
Chemong West	\$9,758	\$8,355	(\$1,403)	-14%
Lily Lake	\$6,532	\$7,207	\$675	10%
Liftlock	\$6,997	\$9,565	\$2,568	37%
Coldsprings	\$3,528	\$6,175	\$2,647	75%

Total Applicable Development Charges <sup>2</sup>	Residential Charge Per Single Detached Unit			
	Current Charge <sup>1</sup>	Calculated	Difference	
			\$/unit	%
Jackson	\$27,244	\$26,316	(\$928)	-3%
Carnegie East	\$27,604	\$29,727	\$2,123	8%
Carnegie West	\$27,413	\$28,847	\$1,434	5%
Chemong East	\$30,288	\$30,811	\$523	2%
Chemong West	\$33,023	\$31,620	(\$1,403)	-4%
Lily Lake	\$31,650	\$32,325	\$675	2%
Liftlock	\$30,171	\$32,739	\$2,568	9%
Coldsprings	\$27,116	\$29,763	\$2,647	10%

Notes:

- 1) Rates effective January 1, 2017
- 2) Includes City-wide charge per single and semi-detached unit of: \$21,537  
Includes Planning Area-Specific Water Utility Charges

Jackson experiences the largest overall decrease from the current to calculated rate of 31 per cent. The calculated rate in Chemong West is also less than the current rate in force, representing a decrease of 14 per cent. The rates in the remaining areas are increasing over current rates. The largest increase of 75 per cent is shown in Coldsprings.

Table 5 also presents a comparison of the total applicable charge currently in force, which includes the City-wide DC and water utility charge as well as the newly calculated charges as part of this study. The City-wide rate of \$21,537 per single detached unit, which is in force as of January 1, 2017, and the water utility charges are applied to both the current and calculated ASDCs for comparison purposes.



## **VI LONG-TERM CAPITAL AND OPERATING COSTS AND ASSET MANAGEMENT PROVISIONS**

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This section provides a brief examination of the long-term capital and operating costs for the capital infrastructure to be included in the development charges by-law. Also addressed is the required asset management provisions that must be by considered.

### **A. NET OPERATING COSTS FOR CITY SERVICES TO INCREASE**

The development-related capital costs discussed herein are fully fundable from development charges. The operating costs impacts of the expanded municipal infrastructure are anticipated to be fully funded from additional tax revenues generated by the growth-related increase in the property assessment base. Furthermore, new households will generate additional sewer utility rate revenue that will be utilized to fund any incremental sewage servicing operating costs.

Council has been made aware of these factors so that they understand the financial implications of the quantum and timing of the projects included in the growth-related capital forecast as set out in this study.

### **B. ANNUAL ASSET MANAGEMENT PLAN PROVISION REQUIREMENTS**

The City's Asset Management Plan (AMP) considers the infrastructure required to service growth in Peterborough. The plan considers the state of existing infrastructure and available capacity to service growth and makes reference to the infrastructure needs required to service development in the planning areas. The plan addresses service expansion in the City from a capacity perspective and speaks to intensification, growth and future subdivision development.

The asset management provisions required for the infrastructure included in all planning area-specific capital programs put forward in this study will be incorporated into the City's corporate asset management plan as it is constructed.

Given that the timing of the infrastructure works is based on need and will be required to service development as it occurs, the annual provisions required for the eventual repair and replacement of the infrastructure is unknown at this time. The point at which useful lives will be reached is currently unknown. Therefore, regular budgeting for operations, repair and replacement currently undertaken by the City should continue.

## **VII DEVELOPMENT CHARGES ADMINISTRATION**

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### **A. DEVELOPMENT CHARGE ADMINISTRATION**

Many of the administrative requirements of the DCA will be similar to those presently followed by the City in terms of collection practices. In this regard:

- It is recommended that present practices regarding collection of development charges and by-law administration continue to the extent possible;
- As required under the DCA, the City should codify any rules regarding the application of the by-laws and any exemptions within the development charges by-law proposed for adoption;
- The City should continue to actively encourage the use of front-ending agreements or developer agreements (and services-in-lieu arrangements), whichever are practical and desirable by the development industry and the City;
- The by-laws should permit the payment of development charges in cash or through services-in-lieu agreements. However, the municipality is not obligated to enter into services-in-lieu agreements; and
- It is recommended that Council adopt the development-related capital program included in this background study, subject to annual review through the City's normal capital budget process.

### **B. LOCAL SERVICE DEFINITIONS**

The following provides the definition of “local service” under the DCA for a number of services provided by the City of Peterborough. The purpose of establishing these definitions is to determine the eligible capital costs for inclusion in the development charges calculations for the City. The functions or services deemed to be local in nature are not to be included in the determination of the development charges rates. The provision of local services is considered to be a direct developer responsibility under s.59 of the DCA and will (or may) be recovered under other agreement(s) with the landowner or developer. Although not all are applicable to this background study process, the City has “local service” policies for the following services:

- Roads and Related
- Sanitary Sewer
- Stormwater Services
- Parkland Development

## **1. Roads and Related**

### **Collector Roads**

- Collector roads internal to a development are a direct developer responsibility as a local service under s.59 of the DCA.
- Collector roads external to a development are a local service if the works are within the area to which the plan relates and therefore a direct developer responsibility under s.59 of the DCA. Otherwise, the works are included in the development charges calculations to the extent permitted under s.5(1) of the DCA.

### **Arterial Roads**

- New arterial roads and arterial road improvements are included as part of road costing funded through development charges.

### **Local Roads**

- Local roads are local services and a direct developer responsibility under s.59 of the DCA.

### **Subdivision/Site Entrances and Related**

- Entrances and all related costs (including, but not limited to: signalization, turn lanes, utility conduits and extensions, etc.), no matter the class of road, are a local service and a direct developer responsibility under s.59 of the DCA.

### **Streetlights**

- Streetlights internal to a development or site are a direct developer responsibility through local service provisions under s.59 of the DCA.
- Streetlights external to a development but related to the subject lands are a direct developer responsibility through local service provisions under s.59 of the DCA.

### **Sidewalks**

- Sidewalks internal to a development or site are a direct developer responsibility through local service provisions under s.59 of the DCA.
- Sidewalks external to a development but related to the subject lands are a direct developer responsibility through local service provisions under s.59 of the DCA.

### **Bikeways**

- Bike lanes within road allowance are included in development charges roads costs.
- Bike lanes outside road allowance are included in development charges roads costs.

### **Noise Abatement Measures**

- Noise Abatement Measures internal to a development are a direct developer responsibility through local service provisions under s.59 of the DCA.

### **Street Tree Planting**

- Street tree planting is considered a local service and a direct developer responsibility.

### **Land Acquisition for Roads Allowances**

- Land acquisition for roads is a dedication under the *Planning Act* subdivision provisions (s.51) through development lands.
- In areas with limited or no development land, acquisition needs to be included in the City development charges to the extent eligible as identified and included in the Development Charges Background Study.
- Land acquisition for grade separations (beyond normal dedication requirements) is to be included in the City development charges to the extent eligible as identified and included in the Development Charges Background Study.

## **2. Sanitary Sewer**

- Major external trunk sanitary sewers (those with sizes over 300mm) and major pumping stations are to be included in the development charges. Oversizing

within subdivisions is also to be included in the development charges above 300mm for sanitary sewers.

- Connections to trunk mains and minor pumping stations to service specific areas are to be a direct developer responsibility as a local service provision under s.59 of the DCA. Minor pumping stations are those that service a single subdivision or adjacent or adjoining subdivisions.

### 3. Stormwater Services

- The costs of stormwater management facilities (SWM) that are internal to a subdivision or are related to a single plan of subdivision are considered to be a local service under the DCA and the associated costs are not included in the development charges calculations. Local SWM facilities would typically include:
  - Storm sewer oversizing associated with local drainage areas; and
  - Storm sewer works on existing roads.
- The costs of stormwater management facilities benefiting more than one subdivision are largely to be recovered through development charges to the extent eligible as identified and included in the Development Charges Background Study.

### 4. Parkland Development

For the purpose of parkland development, local service includes the requirement for the owner to undertake preparation of the park plan, to retain necessary consultants to prepare, design and to grade plans for the park prior to development. In addition, the owner is required to provide stripping and stockpiling, leveling, topsoiling, seeding and stormwater servicing (consistent with the plan), and services to the lot line. These requirements are part of the conditions of s.51 and s.53 of the *Planning Act* agreements. The municipality also requires the owner to dedicate parkland or provide cash-in-lieu, consistent with the *Planning Act* provisions. All of these costs are deemed a direct responsibility of the developer and have not been included in the development charges calculations.

With respect to other parkland development costs, the municipal policy is to include all other components of parkland development in the development charges calculations, including parking, park furniture, signage, landscaping and walkways/trails, in addition to the necessary fields, diamonds, playground equipment, lighting, irrigation and field houses.

**APPENDIX A**

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***PLANNING AREA-SPECIFIC  
DEVELOPMENT-RELATED FORECAST AND  
DEVELOPMENT CHARGES CALCULATION***

## PLANNING AREA-SPECIFIC DEVELOPMENT-RELATED CAPITAL FORECAST AND DEVELOPMENT CHARGES CALCULATION

This appendix provides an overview of the planning area-specific development-related capital forecast and development charges calculation. The scope of work being recovered for under the area-specific development charges is similar to that in the City's 2012 Planning Area-Specific Development Charges Background Study. The proposed area-specific charges recover primarily for the following services:

- Sanitary trunk sewers;
- Sewage pumping stations;
- Planning and servicing studies;
- Negative reserve fund balances;
- Stormwater management facilities; and
- Associated financing costs of pre-emplacing infrastructure.

In some situations, the charges will recover for existing negative reserve fund balances related to area-specific projects that have already been constructed by the City.

The planning areas under review are consistent with those included in the City's previous ASDC Background Study. The boundaries have not changed, only the forecast of future development potential has been updated to reflect growth over the last five years. The planning areas under review, for which ASDCs have been calculated are:

- Jackson;
- Lily Lake;
- Liftlock;
- Coldsprings;
- Carnegie East;
- Carnegie West;
- Chemong East; and
- Chemong West.

As permitted under the Development Charges Act, 1997 (the *DCA*), the area-specific services are planned for the period from 2017 to build-out of the planning areas so that

the growth-related capital costs are apportioned over the development anticipated within the designated urban boundary. Consistent with s. 5. (1) 7 of the DCA, there is no legislated percentage reduction in the eligible growth-related capital costs for the provision of these services.

The cost, quantum and timing of the projects identified in the forecast have been provided by the Utility Services Department based on estimates prepared by City staff. Many of the estimates reflect recent tenders and project costs or are adjusted for inflation from the City's existing development charges calculations. The estimates include provision for engineering and contingencies, and associated financing costs.

The planning area boundaries are designed to represent a reasonable basis on which to calculate the area-specific development charges so that costs may be fairly attributed to the benefitting areas. In general, the areas represent development communities that can be serviced relatively independently from one another. The growth-related net capital costs required to provide services are allocated to each development area. In some cases, projects and related project costs are shared between planning areas to reflect the location of benefitting development.

The area-specific capital programs are designed to accommodate build-out of the planning areas based on previously constructed units and potential additional development as permitted under the City's Official Plan. Tables 2–9 display the capital programs and resulting development charges for the various planning areas. Table 1 provides a summary of the calculated rates.



**APPENDIX A  
TABLE 1**

**CITY OF PETERBOROUGH  
2017 PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY  
SUMMARY OF CALCULATED DEVELOPMENT CHARGES BY PLANNING AREA**

Planning Area	Development Charge Per Capita	Development Charge By Unit Type		
		<u>Residential A</u> Singles & Semis	<u>Residential B</u> Other Multiples	<u>Residential C</u> Apartments
Jackson	\$698.62	\$2,026	\$1,747	\$1,188
Carnegie East	\$2,572.04	\$7,459	\$6,430	\$4,372
Carnegie West	\$1,832.16	\$5,313	\$4,580	\$3,115
Chemong East	\$2,582.49	\$7,489	\$6,456	\$4,390
Chemong West	\$2,881.01	\$8,355	\$7,203	\$4,898
Lily Lake	\$2,485.09	\$7,207	\$6,213	\$4,225
Liftlock	\$3,298.24	\$9,565	\$8,246	\$5,607
Coldsprings	\$2,129.31	\$6,175	\$5,323	\$3,620
Note 1: Based on Person Per Unit of		2.90	2.50	1.70

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TABLE 2

CITY OF PETERBOROUGH  
2017 PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY  
JACKSON GROWTH AREA SPECIFIC PROJECTS

Jackson Growth Area						
Project Description	Cost Estimate					Total Costs
	Sewers		Studies	Reserve Fund Adjustment	Engineering & Contingency	
	Principal	Interest				
<b>Future Projects</b>						
1 Jackson North Peer Review / Planning & Servicing Studies	\$0	\$0	\$200,000	\$0	\$0	\$200,000
2 Loggerhead Marsh	\$720,000	\$0	\$0	\$0	\$144,000	\$864,000
<b>Projects Completed and Financed</b>						
3 Parkway Sanitary Trunk Sewer	\$918,372	\$353,253	\$0	\$0	\$0	\$1,271,624
4 Parkhill Sewage Pumping Station	\$1,370,233	\$408,965	\$0	\$0	\$0	\$1,779,197
5 Parkhill Road Trunk - West of Wallis to Wallis	\$73,500	\$22,200	\$0	\$0	\$0	\$95,700
6 DC Reserve Fund Recovery / (Adjustment)	\$0	\$0	\$0	-\$2,147,496	\$0	-\$2,147,496
<b>Sub-Total Jackson Growth Area</b>	<b>\$3,082,104</b>	<b>\$784,417</b>	<b>\$200,000</b>	<b>-\$2,147,496</b>	<b>\$144,000</b>	<b>\$2,063,025</b>

Notes:

- 3) Shared with Lily Lake. Costs shown above only reflect Jackson Share (32%)
- 4) Shared with Lily Lake. Costs shown above only reflect Jackson Share (35%)
- 5) Shared with Lily Lake. Costs shown above only reflect Jackson Share (5%)

Jackson Development Potential			
Unit Type	Total Future Units	PPU in New Units	Population in New Units
Low Density	791	2.90	2,294
Medium Density	240	2.50	599
High Density	35	1.70	60
<b>Total</b>	<b>1,066</b>		<b>2,953</b>

RESIDENTIAL CHARGE	Development Charge Per Capita	Charge By Unit Type		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
Jackson Growth Area	\$698.62	\$2,026	\$1,747	\$1,188

Based on Persons Per Unit Of: 2.90 2.50 1.70

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TABLE 3

CITY OF PETERBOROUGH  
2017 PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY  
CARNEGIE EAST GROWTH AREA SPECIFIC PROJECTS

Carnegie East Growth Area						
Project Description	Cost Estimate					Total Costs
	Sewers		Studies	Reserve Fund Adjustment	Engineering & Contingency	
	Principal	Interest				
<b>Future Projects</b>						
1 Bethune Street Sanitary Trunk Sewer	\$1,258,229	\$456,600	\$0	\$0	\$251,646	\$1,966,475
2 Peer Review / Servicing & Planning Studies	\$0	\$0	\$75,000	\$0	\$0	\$75,000
3 DC Reserve Fund Recovery / (Adjustment)	\$0	\$0	\$0	\$1,880,891	\$0	\$1,880,891
<b>Sub-Total Carnegie East Growth Area</b>	<b>\$1,258,229</b>	<b>\$456,600</b>	<b>\$75,000</b>	<b>\$1,880,891</b>	<b>\$251,646</b>	<b>\$3,922,366</b>

Notes:

- 1) Shared work with Carnegie West, Chemong East and Chemong West. Cost shown above only reflect Carnegie East Share (28%)

Carnegie East Development Potential			
Unit Type	Total Future Units	PPU in New Units	Population in New Units
Low Density	343	2.90	995
Medium Density	165	2.50	413
High Density	69	1.70	117
<b>Total</b>	<b>577</b>		<b>1,525</b>

RESIDENTIAL CHARGE	Development Charge Per Capita	Charge By Unit Type		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
<b>Carnegie East Growth Area</b>	\$2,572.04	\$7,459	\$6,430	\$4,372

Based on Persons Per Unit Of: 2.90 2.50 1.70

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 TABLE 4

CITY OF PETERBOROUGH  
 2017 PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY  
 CARNEGIE WEST GROWTH AREA SPECIFIC PROJECTS

Carnegie West Growth Area						
Project Description	Cost Estimate					Total Costs
	Sewers		Studies	Reserve Fund Adjustment	Engineering & Contingency	
	Principal	Interest				
<b>Future Projects</b>						
1 Bethune Street Sanitary Trunk Sewer	\$692,191	\$251,200	\$0	\$0	\$138,438	\$1,081,829
2 Carnegie West Centralized SWM Facility	\$1,003,200	\$364,000	\$0	\$0	\$200,640	\$1,567,840
3 Peer Review / Servicing & Planning Studies	\$0	\$0	\$100,000	\$0	\$0	\$100,000
4 Chemong Rd / Wolsely St Sanitary Trunk	\$182,432	\$66,200	\$0	\$0	\$36,486	\$285,118
5 DC Reserve Fund Recovery / (Adjustment)	\$0	\$0	\$0	\$2,939	\$0	\$2,939
<b>Sub-Total Carnegie West Growth Area</b>	<b>\$1,877,823</b>	<b>\$681,400</b>	<b>\$100,000</b>	<b>\$2,939</b>	<b>\$375,565</b>	<b>\$3,037,726</b>

Notes:

- 1) Shared work with Carnegie East, Chemong East and Chemong West. Cost shown above only reflect Carnegie West Share (15%)
- 4) Shared work with Chemong East and West. Cost shown above only reflect Carnegie West Share (21%)

Carnegie West Development Potential			
Unit Type	Total Future Units	PPU in New Units	Population in New Units
Low Density	373	2.90	1,082
Medium Density	179	2.50	448
High Density	75	1.70	128
<b>Total</b>	<b>627</b>		<b>1,658</b>

RESIDENTIAL CHARGE	Development Charge Per Capita	Charge By Unit Type		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
Carnegie West Growth Area	\$1,832.16	\$5,313	\$4,580	\$3,115

Based on Persons Per Unit Of: 2.90 2.50 1.70





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TABLE 6

CITY OF PETERBOROUGH  
2017 PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY  
CHEMONG WEST GROWTH AREA SPECIFIC PROJECTS

Chemong West Growth Area						
Project Description	Cost Estimate					Total Costs
	Sewers		Studies	Reserve Fund Adjustment	Engineering & Contingency	
	Principal	Interest				
<b>Future Projects</b>						
1 Bethune Street Sanitary Trunk Sewer	\$1,636,685	\$593,900	\$0	\$0	\$327,337	\$2,557,923
2 Chemong Rd / Wolsely St Sanitary Trunk	\$431,361	\$156,500	\$0	\$0	\$86,272	\$674,133
3 Chemong West Oversizing - 300 to 375	\$350,000	\$127,000	\$0	\$0	\$70,000	\$547,000
4 Chemong West SWM Ponds	\$2,353,600	\$854,000	\$0	\$0	\$470,720	\$3,678,320
5 Peer Review / Servicing & Planning Studies	\$0	\$0	\$116,746	\$0	\$0	\$116,746
6 Chemong West Servicing Study	\$0	\$0	\$100,000	\$0	\$0	\$100,000
<b>Projects Completed and Financed</b>						
7 Hilliard Street Sanitary Trunk Sewer	\$1,724,121	\$558,575	\$0	\$0	\$0	\$2,282,695
<b>Completed Projects - No Longer Financed</b>						
8 DC Reserve Fund Recovery / (Adjustment)	\$0		\$0	\$1,244,547	\$0	\$1,244,547
<b>Sub-Total Chemong West Growth Area</b>	<b>\$6,495,767</b>	<b>\$2,289,975</b>	<b>\$216,746</b>	<b>\$1,244,547</b>	<b>\$954,329</b>	<b>\$11,201,364</b>

Notes:

- 1) Shared work with Carnegie East, Carnegie West and Chemong East. Cost shown above only reflect Chemong East Share (37%)
- 2) Shared work with Carnegie West and Chemong East. Cost shown above only reflect Chemong West Share (51%)
- 7) Shared work with Chemong East. Cost shown above only reflect Chemong West Share (61%)

Chemong West Development Potential			
Unit Type	Total Future Units	PPU in New Units	Population in New Units
Low Density	876	2.90	2,540
Medium Density	420	2.50	1,050
High Density	175	1.70	298
<b>Total</b>	<b>1,471</b>		<b>3,888</b>

RESIDENTIAL CHARGE	Development Charge Per Capita	Charge By Unit Type		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
Chemong West Growth Area	\$2,881.01	\$8,355	\$7,203	\$4,898

Based on Persons Per Unit Of: 2.90 2.50 1.70

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TABLE 7

CITY OF PETERBOROUGH  
2017 PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY  
LILY LAKE GROWTH AREA SPECIFIC PROJECTS

Lily Lake Growth Area						
Project Description	Cost Estimate					Total Costs
	Sewers		Studies	Reserve Fund Adjustment	Engineering & Contingency	
	Principal	Interest				
<b>Future Projects</b>						
1 Lily Lake Centralized SWM Facility	\$4,417,600	\$1,602,900	\$0	\$0	\$883,520	\$6,904,020
2 Lily Lake Internal Oversizing to 375m	\$425,000	\$154,200	\$0	\$0	\$85,000	\$664,200
3 Lily Lake Pumping Station	\$331,320	\$120,200	\$0	\$0	\$66,264	\$517,784
4 Lily Lake Focremain	\$200,000	\$72,600	\$0	\$0	\$40,000	\$312,600
5 Lily Lake Easement Acquisition	\$30,000	\$0	\$0	\$0	\$0	\$30,000
6 Lily Lake Future Servicing Study	\$0	\$0	\$150,000	\$0	\$0	\$150,000
<b>Projects Completed and Financed</b>						
7 Parkway Sanitary Trunk Sewer	\$1,942,800	\$747,302	\$0	\$0	\$0	\$2,690,102
8 Parkhill Sewage Pumping Station	\$2,544,718	\$759,506	\$0	\$0	\$0	\$3,304,223
9 Jackson Creek Sanitary Trunk Sewer & Parkhill Road Trunk - West	\$1,271,500	\$384,500	\$0	\$0	\$0	\$1,656,000
10 DC Reserve Fund Recovery / (Adjustment)	\$0		\$0	\$2,267,562	\$0	\$2,267,562
<b>Sub-Total Lily Lake Growth Area</b>	<b>\$11,162,938</b>	<b>\$3,841,208</b>	<b>\$150,000</b>	<b>\$2,267,562</b>	<b>\$1,074,784</b>	<b>\$18,496,491</b>

Notes:

- 7) Shared work with Jackson. Cost shown above only reflect Lily Lake Share (68%)
- 9) Shared work with Jackson. Cost shown above only reflect Lily Lake Share (65%)
- 11) Shared work with Jackson. Cost shown above only reflects Lily Lake portion (95%)

Lily Lake Development Potential			
Unit Type	Total Future Units	PPU in New Units	Population in New Units
Low Density	1,350	2.90	3,915
Medium Density	1,411	2.50	3,528
High Density	-	1.70	-
<b>Total</b>	<b>2,761</b>		<b>7,443</b>

RESIDENTIAL CHARGE	Development Charge Per Capita	Charge By Unit Type		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
Lily Lake Growth Area	\$2,485.09	\$7,207	\$6,213	\$4,225

Based on Persons Per Unit Of: 2.90 2.50 1.70

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TABLE 8

CITY OF PETERBOROUGH  
2017 PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY  
LIFTLOCK GROWTH AREA SPECIFIC PROJECTS

Liftlock Growth Area						
Project Description	Cost Estimate					Total Costs
	Sewers		Studies	Reserve Fund Adjustment	Engineering & Contingency	
	Principal	Interest				
<b>Future Projects</b>						
1 Eastern Sanitary Trunk Sewer	\$5,000,000	\$1,814,300	\$0	\$0	\$1,000,000	\$7,814,300
2 Lift Lock Centralized SWM Facilities	\$2,328,000	\$844,700	\$0	\$0	\$465,600	\$3,638,300
3 Peer Review / Servicing & Planning Studies	\$0	\$0	\$150,000	\$0	\$0	\$150,000
4 Lift Lock Internal Oversizing	\$700,000	\$254,000	\$0	\$0	\$140,000	\$1,094,000
5 DC Reserve Fund Recovery / (Adjustment)	\$0	\$0	\$0	-\$14,870	\$0	-\$14,870
<b>Sub-Total Liftlock Growth Area</b>	<b>\$8,028,000</b>	<b>\$2,913,000</b>	<b>\$150,000</b>	<b>-\$14,870</b>	<b>\$1,605,600</b>	<b>\$12,681,730</b>

Liftlock Development Potential				
Total Future Units	Total Future Units	PPU in New Units	Potential	Population in New Units
Low Density	866	2.90	866	2,511
Medium Density	416	2.50	416	1,040
High Density	173	1.70	173	294
<b>Total</b>	<b>1,455</b>		<b>1,455</b>	<b>3,845</b>

RESIDENTIAL CHARGE	Development Charge Per Capita	Charge By Unit Type		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
Liftlock Growth Area	\$3,298.24	\$9,565	\$8,246	\$5,607

Based on Persons Per Unit Of: 2.90 2.50 1.70



CITY OF PETERBOROUGH  
2017 PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY  
COLDSPRINGS GROWTH AREA SPECIFIC PROJECTS

Coldsprings Growth Area						
Project Description	Cost Estimate					Total Costs
	Sewers		Studies	Reserve Fund Adjustment	Engineering & Contingency	
	Principal	Interest				
<b>Future Projects</b>						
1 Otonabee River Sanitary Force Main	\$1,966,667	\$713,600	\$0	\$0	\$393,333	\$3,073,600
2 Coldsprings Centralized SWM Facilities	\$7,499,200	\$2,721,100	\$0	\$0	\$1,499,840	\$11,720,140
3 South Park Drive Sanitary Trunk Sewer	\$1,041,667	\$378,000	\$0	\$0	\$208,333	\$1,628,000
4 Coldsprings Sewage Pumping Stations	\$5,624,400	\$2,040,800	\$0	\$0	\$1,124,880	\$8,790,080
5 Coldsprings Planning / Servicing Studies	\$0	\$0	\$150,000	\$0	\$0	\$150,000
6 675 Trunk to WWTP	\$566,667	\$0	\$0	\$0	\$113,333	\$680,000
7 Coldsprings Oversizing from 300 to 450	\$208,333	\$0	\$0	\$0	\$41,667	\$250,000
8 DC Reserve Fund Recovery / (Adjustment)	\$0	\$0	\$0	-\$24,706	\$0	-\$24,706
<b>Sub-Total Coldsprings Growth Area</b>	<b>\$16,906,933</b>	<b>\$5,853,500</b>	<b>\$150,000</b>	<b>-\$24,706</b>	<b>\$3,381,387</b>	<b>\$26,267,114</b>

Coldsprings Development Potential			
Unit Type	Total Future Units	PPU in New Units	Population in New Units
Low Density	2,446	2.90	7,093
Medium Density	1,792	2.50	4,480
High Density	449	1.70	763
<b>Total</b>	<b>4,687</b>		<b>12,336</b>

RESIDENTIAL CHARGE	Development Charge Per Capita	Charge By Unit Type		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
Coldsprings Growth Area	\$2,129.31	\$6,175	\$5,323	\$3,620

Based on Persons Per Unit Of:                      2.90                      2.50                      1.70

**APPENDIX B**

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***PROPOSED DRAFT BY-LAW***

**PROPOSED DRAFT BY-LAW**

The following provides the proposed draft planning area-specific development charges by-law. There will be one by-law for each planning area considered herein. The attached by-law is for the Jackson planning area. By-laws for all other areas will be identical, with a change in the references to the applicable planning area and the schedules, which will reflect the applicable rates.

**DRAFT**

**THE CORPORATION OF THE CITY OF PETERBOROUGH**

**BY-LAW NUMBER 17-XXX**

**BEING A BY-LAW TO ESTABLISH DEVELOPMENT CHARGES  
FOR THE CITY OF PETERBOROUGH (JACKSON GROWTH  
AREA) AND TO REPEAL BY-LAW NUMBER 12-117**

WHEREAS the City of Peterborough has and will continue to experience growth through development;

AND WHEREAS development requires the provision of physical infrastructure and other services by the City;

AND WHEREAS subsection 2(1) of the *Development Charges Act*, 1997, S.O. 1997 c.27 (the "Act") provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services arising from the development of the area to which the by-law applies;

AND WHEREAS Council has before it a report entitled "Planning Area-Specific Development Charges Background Study", prepared by Hemson Consulting Limited, for the City of Peterborough, dated **May 31, 2017**, (the "Study");

AND WHEREAS the Study was made available to the public prior to a public meeting held on **June 19, 2017**, in accordance with Section 12 of the Act, at which time Council heard comments and representations from all persons who applied to be heard (the "Public Meeting");

AND WHEREAS Council, at its meeting on **July 31, 2017**, approved and adopted the Study, including the development related capital program referred to therein, and thereby has indicated that it intends to ensure that the increase in the need for services attributable to anticipated development will be met, and has further indicated its intent that the future excess capacity identified in the Study shall be paid for by development charges or other similar charges;

AND WHEREAS Council determined that no further public meetings were required under Section 12 of the Act;

NOW THEREFORE, The Corporation of the City of Peterborough by the Council thereof hereby enacts as follows:

Definitions

1. In this By-law,

“Act” means the **Development Charges Act**, 1997, S.O. 1997, c.27;

“Board of education” has the same meaning as specified in the **Education Act**, or any successor legislation;

“building floor area” means the total of the horizontal areas of a building, as calculated by using the exterior dimensions;

“City” means the Corporation of the City of Peterborough;

“development” means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the building floor area thereof, and includes redevelopment;

“development charge” means a charge imposed pursuant to this By-law;

“dwelling unit” means one or more rooms used, designed or intended to be used together as a single and separate house-keeping unit by one person or persons living together, in which both culinary and sanitary facilities are provided for the exclusive use of such person or persons;

“farm building” means a farm building as defined in the **Ontario Building Code**;

“gross floor area” has the same meaning as that which is contained in O.Reg. 82/98 made under the Act;

“local board” means a local board as defined in the **Development Charges Act, 1997**;

“multi-suite residence” means a multi-suite residence as defined in the Zoning By-law of the City;

“owner” means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed;

“place of worship” means that part of a building or structure that is exempt from taxation as a place of worship under the **Assessment Act**, as amended, or any successor legislation;

“Residential A building” means a building containing one or two dwelling units;

“Residential B building” means a building containing more than two dwelling units, other than a Residential C building;

“Residential C building” means a building containing more than two dwelling units, each of which has access to the common corridor and entrance(s); and a multi-suite residence;

“residential use” means land, buildings or structures or portions thereof used, designed or intended to be used as living accommodation for one or more individuals;

“semi-detached dwelling or row dwelling” means a residential building which contains a single dwelling unit, that has one or two vertical walls, but no other parts, attached to other buildings;

“services” means services designated in this By-law including Schedule A to this By-law or in an agreement under section 44 of the Act, or both;

“single detached dwelling” means a residential building which contains only a single dwelling unit, and which is not attached to other buildings;

“temporary building or structure” means a building or structure constructed or erected or placed on land for a continuous period not exceeding eight months, or an addition or alteration to a building or structure that has the effect of increasing the total floor area thereof for a continuous period not exceeding eight months;

## Rules

2. For the purpose of complying with section 6 of the Act:
  - (a) the area to which this By-law applies shall be the area described in section 3 of this By-law;
  - (b) the rules developed under paragraph 9 of subsection 5(1) of the Act for determining if a development charge is payable in any particular case and for determining the amount of the charge shall be as set forth in sections 4 through 17, inclusive, of this By-law;
  - (c) the exemptions provided for by such rules shall be the exemptions set forth in sections 18 through 20, inclusive of this By-law, the indexing of charges shall be in accordance with section 15 if this By-law and the phasing in of charges shall be in accordance with subsection 16 of this By-law; and
  - (d) the redevelopment of land shall be in accordance with the rules set forth in section 21 of this By-law.

## Lands Affected

3. (a) This By-law applies to the lands designated as the **Jackson** Growth

Area on Schedule C. While every attempt has been made to accurately depict the boundaries of the Growth Areas on Schedule C, for the purposes of calculating the applicable development charge, the boundaries are considered to be conceptual. The City shall interpret the Growth Area boundaries, recognizing that the rationale for inclusion within a specific growth area is primarily related to common trunk storm and sanitary servicing systems.

- (b) This By-law shall not apply to lands which are owned by, or used for the purposes of:
  - (i) the City or a local board thereof;
  - (ii) a board of education.
- (c) The development of land within the City may be subject to one or more development charges by-laws of the City.

#### Designation of Services

- 4. It is hereby declared by Council that all development of land within the City will increase the need for services.
- 5. The development charge applicable to a development as determined under this By-law shall apply without regard to the services required or used by an individual development.
- 6. Development charges shall be imposed for the following categories of services to pay for the increased capital costs required because of increased needs for services arising from development:
  - (a) **Jackson** Growth Area Specific Engineering Infrastructure:
    - (i) Sanitary sewage works;
    - (ii) Other engineering infrastructure (as required);
    - (iii) Studies.

#### Approvals for Development

- 7. Development charges shall be imposed against all lands, buildings or structures within the area to which this By-law applies if the development of such lands, buildings or structures requires any of the following approvals:
  - (a) the passing of a zoning by-law or of an amendment thereto under section 34 of the **Planning Act**,
  - (b) the approval of a minor variance under section 45 of the **Planning**

**Act,**

- (c) a conveyance of land to which a by-law passed under subsection 50(7) of the **Planning Act** applies;
  - (d) the approval of a plan of subdivision under section 51 of the **Planning Act**;
  - (e) a consent under section 53 of the **Planning Act**;
  - (f) the approval of a description under section 50 of the **Condominium Act**, or
  - (g) the issuing of a permit under the **Building Code Act, 1992** in relation to a building or structure, except where the development entails the conversion or renovation, but not expansion, of an existing building for a change of use which does not require any of the approvals provided in subsections (a) to (f) inclusive above.
8. No more than one development charge for each service designated in section 6 shall be imposed upon any lands, buildings or structures to which this By-law applies even though two or more of the actions described in section 7 are required before the lands, buildings or structure can be developed.
9. Notwithstanding section 8, if two or more of the actions described in section 7 occur at different times, additional development charges shall be imposed in respect of any increased or additional development permitted by such actions.
10. Where a development requires an approval described in section 7 after the issuance of a building permit and no development charge has been paid, then the development charge shall be paid prior to the granting of the approval required under section 7.
11. If a development does not require a building permit but does require one or more of the approvals described in section 7, then the development charge shall nonetheless be payable in respect of any increased or additional development permitted by such approval.
12. Nothing in this By-law prevents Council from requiring, as a condition of an agreement under sections 51 or 53 of the **Planning Act**, that the owner, at his or her own expense, install such local services related to a plan of subdivision or within the area to which the plan relates, as Council may require, or that the owner pay for local connections to storm drainage facilities installed at the owner's expense, or administrative, processing, or inspection fees.



### Calculation of Development Charges

13. The development charge with respect to the use of any land, buildings or structures for residential development, or the residential portion of a mixed-use development, shall be calculated based upon the number and type of dwelling units.

### Amount of Charge - Residential

14. The development charges described in Schedule B to this By-law shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed use building or structure, on the residential component of the mixed use building or structure, according to the type of residential use. For the purposes of the calculation of the charge for a multi-suite residence, two suites shall be deemed to comprise one dwelling unit.

### Indexing of Development Charges

15. All development charges set out in Schedule B hereto shall be adjusted by the City Treasurer without amendment to this By-law annually on January 1<sup>st</sup> in each year, commencing January 1, 2018, in accordance with the most recent annual change in the Statistics Canada Quarterly, Construction Price Statistics.

### Phasing, Timing of Calculation and Payment

16. (a) Except as provided in subsection (b) hereof, the development charges set out in this By-law are payable, in full, subject to the exemptions and credits provided herein, from the effective date of this By-law.
  - (b) Subject to section 21 (with respect to redevelopment), the development charges set out in Schedule B shall be calculated as of, and may be payable, at the option of the City, with respect to a final approval of a plan of subdivision or a severance under section 51 or 53 of the *Planning Act*, which approval occurs after August 1, 2017, immediately upon entering into the subdivision or consent agreement, based upon the number and type of residential lots created and, in the case of subdivision blocks, based on the maximum zoned capacity of the block pursuant to the City's zoning by-law. When no subdivision agreement or consent agreement is required, or where the development occurs on a lot which exists on or before August 1, 2017, the development charges for each building or structure shall be calculated as of the date of the complete building permit application, and shall be payable and collected as of the date the first building permit is issued in respect of the building or structure for which the development charge

applies.

- (c) If at the time of issuance of a building permit or permits for any development for which payments have been made pursuant to subsection (b), the total number or type of residential units for which building permits have been and are being issued is greater than that used for the calculation and payment referred to in subsection (b), an additional payment shall be required and shall be calculated by multiplying the applicable rates for those units shown in Schedule B, by the difference between the number or type of units for which building permits have been and are being issued and the number or type of units for which payments have been made pursuant to subsection (b) and this subsection.
- (d) Subject to subsection (f), if following the issuance of all building permits for all development in a subdivision or for all development in a block within that subdivision that had been intended for future development and for which payments have been made pursuant to subsection (b), the total number or type of units for which building permits have been issued is less than that used for the calculation and payment referred to in subsection (b), a refund shall be payable by the City to the person who originally made the payment referred to in subsection (b), which refund shall be calculated by multiplying the amounts of the development charges in effect at the time such payments were made by the difference between the number or type of units for which payments were made pursuant to subsection (b) and the number and type of units for which building permits were issued.
- (e) Subsections (c) and (d) shall apply with necessary modifications to a development for which development charges have been paid pursuant to a condition of consent or pursuant to an agreement respecting same.
- (f) Notwithstanding subsection (b), pursuant to section 27 of the Act, the City may enter into an agreement with a person required to pay a charge pursuant to this By-law, including the provision of security for the person's obligations under such agreement, providing for all or part of the development charge to be paid before or after it otherwise would be payable. The terms of such agreement shall then prevail over the provisions of this By-law.
- (g) Where a development charge 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.
- (h) Any refunds payable pursuant to subsections (d) and (e) shall be calculated and paid without interest.

### Payment by Services

17. The City, may in an agreement pursuant to Section 38 of the Act, permit an owner to provide services in lieu of the payment of all or any portion of a development charge. The City shall give the owner who performed the work a credit towards the development charge in accordance with the agreement, subject to the requirements of the Act.

### Rules with Respect to Exemptions for Intensification of Existing Housing

18. This By-law does not apply with respect to approvals related to the residential development of land, buildings or structures that would have the affect only of,
- (a) permitting the enlargement of an existing dwelling unit;
  - (b) creating one or two additional dwelling units in an existing single detached dwelling, where the total gross floor area of the additional unit or units does not exceed the gross floor area of the existing dwelling unit;
  - (c) creating one additional dwelling unit in an existing semi-detached or row dwelling where the gross floor area of the additional unit does not exceed the gross floor area of the existing dwelling unit; or
  - (d) creating one additional dwelling unit in any other existing residential building, where the total gross floor area of the additional unit does not exceed the gross floor area of the smallest existing dwelling unit in the building.

### Other Exemptions

19. Notwithstanding anything else contained in this By-law, development charges shall not be imposed with respect to lands, buildings or structures used for:
- (a) a hospital governed by the **Public Hospitals Act**, R.S.O 1990, c.P.40;
  - (b) a place of worship, or a cemetery or burial ground;
  - (c) Trent University or Sir Sandford Fleming College;
  - (d) a farm building.

### Temporary Buildings or Structures

20. (a) Temporary buildings or structures shall be exempt from the

provisions of this By-law.

- (b) In the event that a building or structure continues to exist for a continuous period exceeding eight (8) months, it shall be deemed not to be, nor ever to have been, a temporary building or structure, and the development charges required to be paid under this By-law shall be calculated and payable on the date that the building or structure is deemed not to be a temporary building or structure.
- (c) Prior to the City issuing a building permit for a temporary building or structure, the City may require an owner to enter into an agreement, including the provision of security for the owner's obligation under the agreement, pursuant to section 27 of the Act, providing for all or part of the development charge required by this section to be paid after it would otherwise be payable. The terms of such agreement shall then prevail over the provisions of this By-law.

#### Rules with Respect to the Redevelopment of Land

- 21. (a) Where there is a redevelopment of land on which there is a conversion of space proposed, or on which there was formerly erected a building or structure that has been demolished, a credit shall be allowed against the development charge otherwise payable by the owner pursuant to this By-law for the portion of the previous building or structure still in existence that is being converted or for the portion of the building or structure that has been demolished, as the case may be, calculated by multiplying the number and type of dwelling units being converted or demolished by the development charge shown in Schedule B on the date when the development charge is payable in accordance with this By-law.
- (b) A credit in respect of any demolition under this section shall not be given unless a building permit has been issued or a subdivision agreement has been entered into with the City for the development within five (5) years from the date the demolition permit was issued.
- (c) The amount of any credit hereunder shall not exceed, in total, the amount of the development charges otherwise payable with respect to the development.
- (d) The onus is on the applicant to produce evidence to the satisfaction of the City, acting reasonably, which establishes that the applicant is entitled to the credit against the payment of development charges claimed under this section.

### Interest

22. The City shall pay interest on a refund under subsection 18(3), ~~18(5)~~, or 25(2) of the Act, at the Bank of Canada rate on the date this By-law comes into force, updated on the first business day of every January, April, July and October.

### Schedules

23. The following Schedules to this By-law form an integral part of this By-law.

Schedule A: Designated Services

Schedule B: Growth Area Specific Development Charges

Schedule C: Map Delineating Growth Area Specific Development Charges Area

### By-law Registration

24. A certified copy of this By-law may be registered in the Land Registry Office against title to any land to which this By-law applies.

### Date By-law Effective

25. This By-law comes into force on August 1, 2017.

### Date By-law Expires

26. This By-law expires five years after the date it becomes effective.

### Headings for Reference Only

27. The headings inserted in this By-law are for convenience of reference only and shall not affect the construction or interpretation of this By-law.

### Severability

28. If, for any reason, any provision, section, subsection or paragraph of this By-law is held invalid, it is hereby declared to be the intention of Council that all the remainder of this By-law shall continue in full force and effect until repealed, reenacted or amended, in whole or in part or dealt with in any other way.

### Repeal

29. By-law No. 12-117 and any amendments made thereto is hereby repealed as of the date this By-law comes into force and effect.

By-law read a first, second and third time this 31<sup>st</sup> day of July, 2017.

(Sgd.) Daryl Bennett, Mayor

(Sgd.) John Kennedy, City Clerk

DRAFT

## **SCHEDULE A SERVICES**

**Jackson** Growth Area Specific Engineering Infrastructure:

- (a) Sanitary sewage works;
- (b) Other engineering infrastructure (as required);
- (c) Studies.

DRAFT

## SCHEDULE B

### JACKSON GROWTH AREA AREA SPECIFIC DEVELOPMENT CHARGES

Effective Date	Residential A	Residential B	Residential C
August 1, 2017	\$2,026	\$1,747	\$1,188

Notes:

- 1 The development charges will be indexed annually as per provisions of this by-law.
- 2 Additional development charges may be applicable to these lands

### PROPOSED CHARGES APPLICABLE IN OTHER PLANNING AREAS

#### Carnegie East

Effective Date	Residential A	Residential B	Residential C
August 1, 2017	\$7,459	\$6,430	\$4,372

#### Carnegie West

Effective Date	Residential A	Residential B	Residential C
August 1, 2017	\$5,313	\$4,580	\$3,115

#### Chemong East

Effective Date	Residential A	Residential B	Residential C
August 1, 2017	\$7,489	\$6,456	\$4,390

#### Chemong West

Effective Date	Residential A	Residential B	Residential C
August 1, 2017	\$8,355	\$7,203	\$4,898

#### Lily Lake

Effective Date	Residential A	Residential B	Residential C
August 1, 2017	\$7,207	\$6,213	\$4,225

#### Liftlock

Effective Date	Residential A	Residential B	Residential C
August 1, 2017	\$9,565	\$8,246	\$5,607

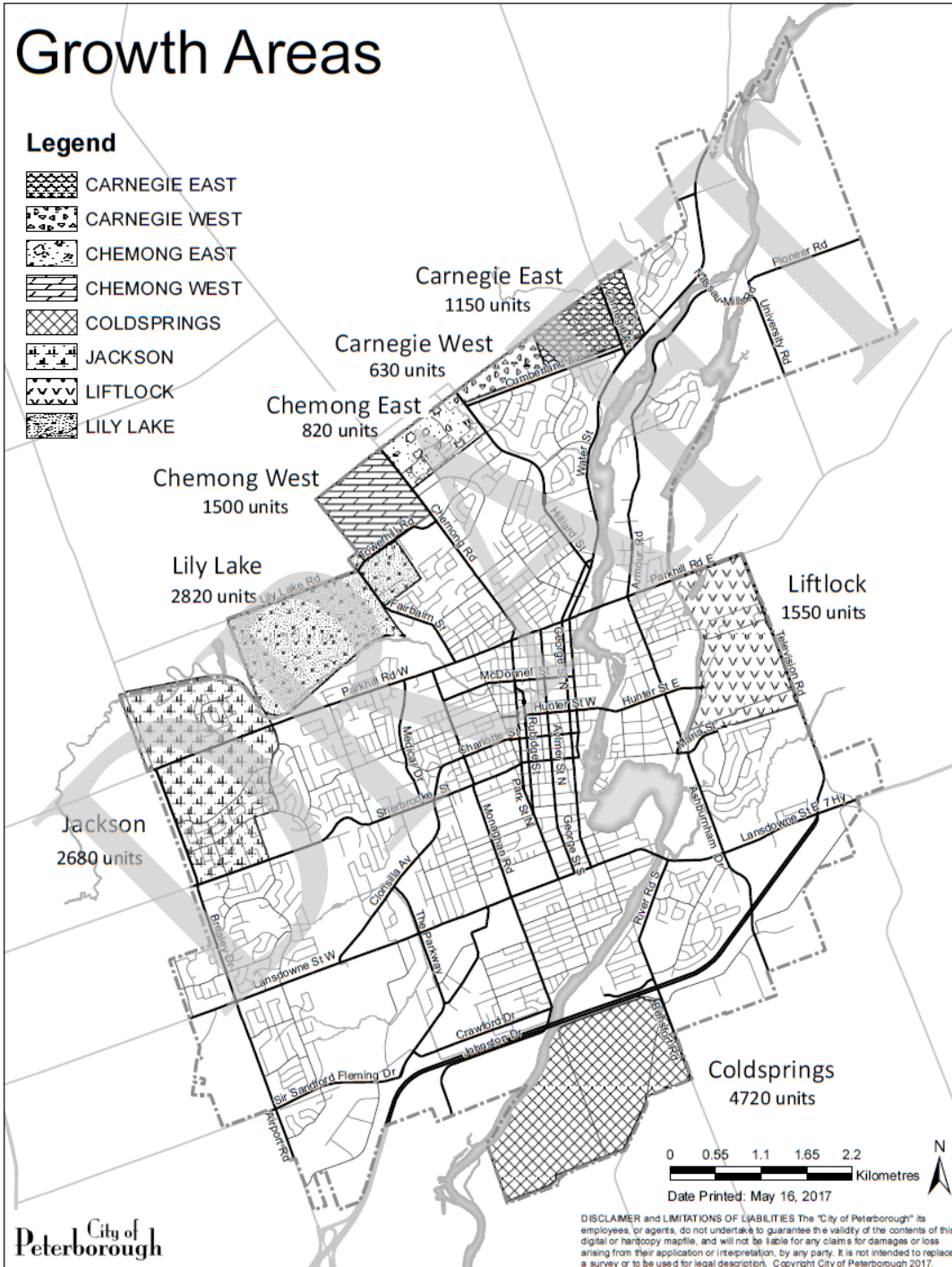
#### Coldsprings

Effective Date	Residential A	Residential B	Residential C
August 1, 2017	\$6,175	\$5,323	\$3,620



# SCHEDULE C

## PLANNING AREA SPECIFIC MAP OF PLANNING AREAS



**Appendix B**

**Peterborough & The Kawarthas Home Builders Association  
Inc.**

PKHBA Presentation to City of Peterborough Area Specific DC Bylaw – June 19<sup>th</sup>, 2017

Good evening Mayor Bennett, Counsellors, Staff, Ladies and Gentlemen. I am pleased to be able to address you today.

My name is John Milne and I am the Executive Officer of The Peterborough and the Kawarthas Home Builders Association better known as PKHBA.

PKHBA has represented the new home construction and professional renovation industry in Peterborough and the Kawarthas for over 60 years. The goal of our association is to advance the professionalism of the industry and to ensure that our members provide quality, affordable housing using environmentally sound practices.

PKHBA as well as the OHBA and CHBA, our provincial and national association partners respectively, are generally supportive of the implementation of development charges where it can be shown that growth is paying for growth. Where this is not the case, development charges amount to nothing more than a “new neighbour tax” which increases the price of housing, decreases housing affordability, negatively impacts community sustainability, and puts the Canadian dream of home ownership further out of reach for many in our community.

I am speaking today to thank the Hemson Consulting, City staff, and especially Manager of Financial Services Richard Freymond for inviting us to participate in the Steering Committee Meetings leading up to the release of this background study. We see this as a positive example of how we can continue to work collaboratively with the City on issues that affect our members and the community at large.

At this time, PKHBA has no concerns with the work done for the background study or the maximum allowable development charge calculated for each planning area. We appreciate the task council now has before them in considering the appropriate balance between being “open for business” and encouraging new growth and development on the one hand, and funding the expansion of our community and our tax-payer base through additional legislated charges which increase the cost of new housing on the other hand.

Once again I would like to thank the City for inviting us to sit on the Steering Committee for this matter. We are always happy to provide local insight and information into new home construction and professional renovation issues in the area and look forward to further strengthening the relationship between the City and PKHBA as we work together to provide safe, healthy, durable, efficient and affordable housing in our community.

Thank you.

**Appendix C**

**Planning for Affordable Growth – Submission by Reimagine  
Peterborough dated June 19, 2017**



## **PLANNING FOR AFFORDABLE GROWTH**

Submission to the City of Peterborough on Development Charges

June 19, 2017



June 19, 2017

City of Peterborough  
City Hall, 500 George St. North  
Peterborough ON K9H 3R9

Dear Peterborough Council and City Staff,

We are pleased to submit the attached comments on the City's development charges on behalf of Reimagine Peterborough.

As our City plans and builds for growth and adds new communities, the process, rate, and utilization of development charges must be forefront in planning for a fiscally sustainable city. As part of our preparation of this submission, Reimagine Peterborough discovered that the experience of other Ontario cities is instructive and the growing literature identifying flaws in the Development Charges Act and municipalities' under-costing and use of development charges is cautionary. The evidence is increasingly clear that growth that is not accurately priced at the outset does not pay for itself in the long-term.

To mitigate the effect of city taxpayers ultimately being punished financially for under-priced growth, Reimagine Peterborough recommends the City and Council prioritize the study of development charges following the completion of the Official Plan Review. It is imperative that our City adopt best practices to assess, decide, and utilize development charges to achieve modern planning objectives and to support the growth and sustainability of complete communities across the city.

Sincerely,

Ian Attridge 

Michelle Collins 

Bill Templeman 

on behalf of  
Reimagine Peterborough

## REIMAGINE PETERBOROUGH

City-making today is about so much more than just sewers and roads: it is about creating thriving, diverse and sustainable places to live, work, move, green, play, and prosper. Reimagine Peterborough is a citizens' movement to invite the incredible potential within our city to create, share, and engage on a city plan for a future that responds to the new challenges of our times. Together we hope to inspire and contribute to a wider conversation on public engagement and community planning. Let's enhance our urban planning processes for addressing the complex challenges and amazing opportunities of the 21st century! Other Ontario cities such as London, Guelph, Kingston and Toronto are embracing this holistic form of urban planning.

Reimagine Peterborough includes a growing circle of citizens from across the city who are both long-time and newer residents; they are professionals with careers in urban planning, environmental law, communications and facilitation consulting, architecture, municipal and provincial policy development, education, health care, and more. Some work full-time, some are retired, while others are navigating our precarious employment market. Many have children and loved ones whose daily lives and futures are integrated into the fabric of our city. All are volunteers, who devote hours each week towards making the Official Plan the best it can be.

We have formed at this time to assist in gathering public input, to foster cross-sectoral conversations and debates on the key challenges and opportunities facing our city in the future, and to provide background for citizens and organizations who seek to participate in this process. A robust, ongoing dialogue between City Hall and the city's citizens is essential to the success of this enormous task of shaping the city's guiding document.

We would like to support the City in embracing an integrated, holistic approach to urban planning that includes consideration of economic, environmental and social aspects of community life in addition to land-use aspects. We seek to provide constructive and collaborative input into the comprehensive review of the City of Peterborough's guiding document. Through our efforts and this submission, we invite the City in a spirit of collaboration to join in exploring the exciting possibilities that could emerge if we harness the creative thinking, expertise and enthusiasm of our community.



## INTRODUCTION

Reimagine Peterborough is pleased to provide the following submission on City of Peterborough Report CPFS17-022 regarding the Area Specific Development Charges Background Study. One of our comments here will also address the proposed revised Central Area Community Improvement Plan set out in Report PLPD17-023.

At this critical juncture in Peterborough's growth and in light of the changing nature of the city's financial capacities, Reimagine Peterborough believes Area Specific Development Charges (ASDCs) and city-wide uniform development charges merit a thorough and objective analysis that adequately address the financial implications and motivations for setting the fees.

Peterborough is on the brink of significant and rapid growth on a scale never experienced by the city. We can expect more people and economic development generated by the completion of Highway 407, general demographic trends, the lack of affordable housing in the GTA, and the overall attractiveness of a mid-size city located on the edge of Toronto and the Kawarthas.

This new wave of development will be accommodated in the downtown core, inner city and in new subdivisions. The new subdivisions will require a range of new services such as water and sewer, roads, snow removal, libraries, etc. – all the elements that a community needs to enhance the quality of life for its residents. Once built, infrastructure become community assets, but over time are ultimately financial liabilities for the City.

The development of these services will be paid for, at least in part, through development charges, which are an important revenue stream for the City. Indeed, development charges are one of the very few tools that cities in Ontario can use to raise revenue in order to pay for the capital and related costs that support its residents and businesses. Similarly, development charges can be one of the most effective and strategic tools that can be used to support a city's planning objectives. For example, policy objectives can be achieved by reducing or eliminating development charges in the downtown core and inner city areas to encourage revitalization, the retention of heritage, or redevelopment of industrial lands (as already utilized in Peterborough's Community Improvement Plans).

The challenge for Peterborough will be to deliver and pay for these new services while maintaining existing urban services. Peterborough is an older city with lots of infrastructure that needs to be replaced and/or upgraded in existing neighbourhoods. That needed work costs a lot of money. For example, the City's existing budget identifies spending needs of \$329 million on building roads and bridges, plus \$28 million per year on sanitary and stormwater management systems, and millions more on existing city facilities. The City's 2016 Capital Asset Management Plan identifies the current funding deficit for asset renewals and growth at \$14 million annually.

The experience in Peterborough, and in other Ontario cities, is that development charges do not cover the full capital costs for infrastructure, most of which has a long, sometimes 50-year life cycle. Typically, development charges represent only about 15% of total municipal capital funding for most communities and 32% of total capital funding in the high-growth Greater Toronto Area municipalities. As a result, city-wide property taxes must supplement the revenues generated by development charges. In anticipation of the looming growth and associated long-term costs, the City of Peterborough needs to price development charges in a manner that equitably addresses the servicing needs of existing residents and communities, as well as the needs of newcomers and new investors in our community.

The City has recognized this challenge in its recent staff report on development charges (CPFS17-022). We appreciate the knowledge and time that staff have shared with us. While the report offers many good suggestions, we believe that more can be done to position development charges to meet the City's future revenue needs in a fair and strategic manner without unduly burdening taxpayers. At the same time, while we acknowledge the wisdom of 'growth must pay for growth', we also acknowledge that the development community must be able to depend on a reasonable level of profit in order to sustain their business activities. Nonetheless, we need to plan for an economic future wherein disruption will be the norm, due in no small measure to climate change.

Accordingly, we offer the following recommendations to the City, some in regard to the current ASDC Study and others relating to future development charges (DC) studies. We appreciate that these issues are complicated and would welcome the opportunity for further study, discussion and engagement about this with Reimagine Peterborough and the community at large.

***Current ASDC Study and By-law***

- Recommendation 1: Clarify and Expand the Scope of the Study
- Recommendation 2: The City write the Province to encourage law reform to expand the scope of eligible services for DCs.

***Future Development Charges Studies***

- Recommendation 3: Broaden representation on Steering Committee
- Recommendation 4: Development Charges as a Strategic Planning Tool with Official Plan
- Recommendation 5: Develop specific areas and DC costing for the three major planning zones.
- Recommendation 6: Calculate the gap between DC revenues and growth costs
- Recommendation 7: Assess the generality and desirability of the industrial land exemption from DCs

***Current Central Area Community Improvement Plan***

- Recommendation 8: Add a Sustainable Buildings program to DCs through the Central Area CIP.

## **CURRENT ASDC STUDY AND BY-LAW**

### ***I - Clarify and Expand the Scope of the Study***

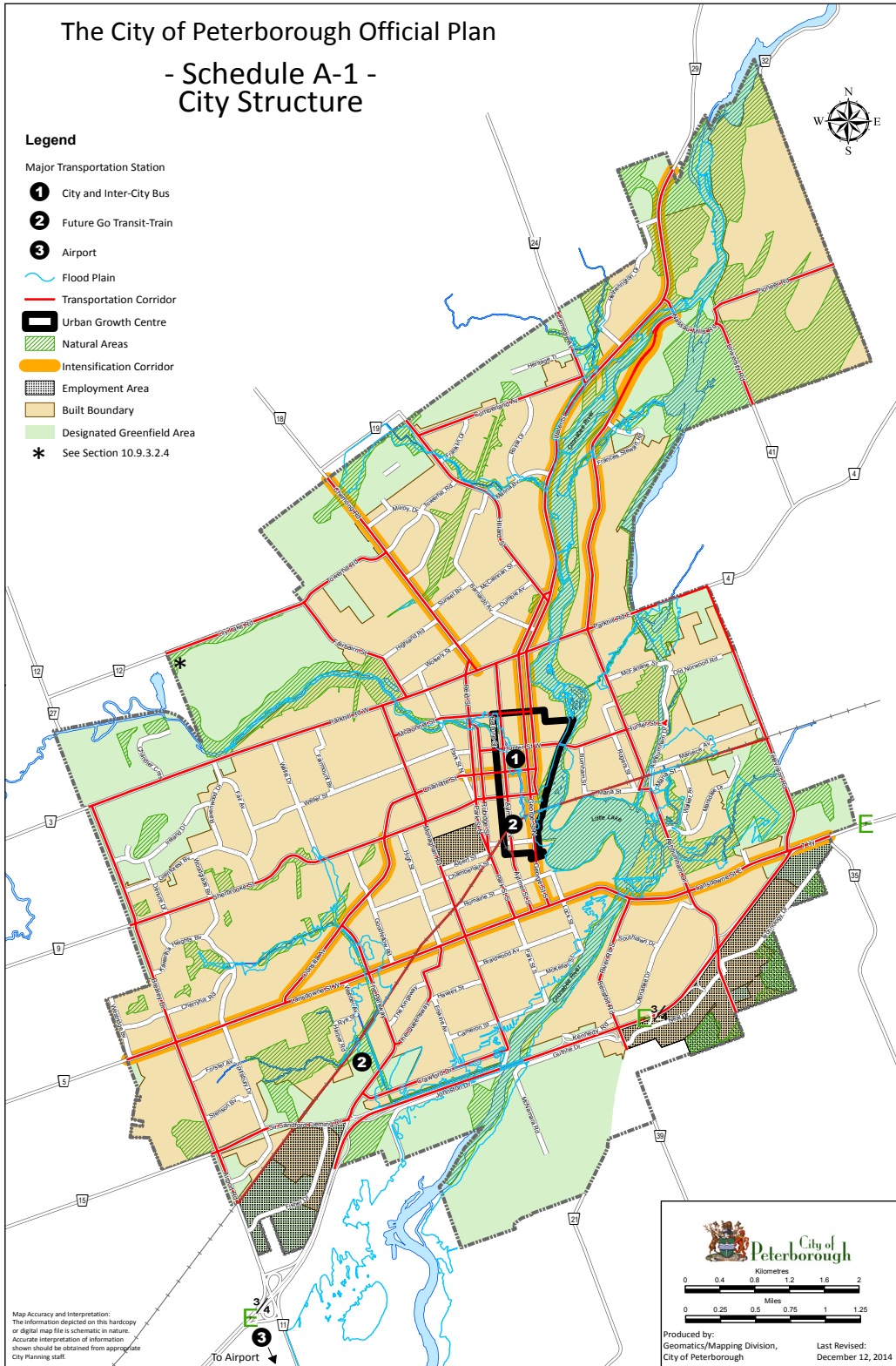
We recommend that the DC Study be expanded in scope in order to address new greenfield areas that are not represented, correlations to City Budget codes, distances and existing infrastructure capacities, mixed uses, the needs for increased climate change-related services, and the importance of having management plans in place to guide uses in major parks and natural areas.

The City staff report and ASDC Study focus on eight Designated Greenfield Areas: Jackson, Carnegie East, Carnegie West, Lily Lake, Chemong East, Chemong West, Liftlock, and Coldsprings. It is unclear why other greenfield areas are excluded from the Study. Not including these other Designated Greenfield Areas means that, should these development projects come forward over the next 5 years, the projects will be subject only to the city-wide DCs. As a result, these areas' water and sewer infrastructure will not be paid for by development charges but instead by taxpayers through property taxes. What are the expected costs to service these other areas over the forthcoming 5-year life of the current study? We suggest that such areas should be included in this ASDC study. These other greenfield areas are portrayed on the annotated map of the City's Official Plan Schedule A1, below, showing which of the City's greenfield areas are included (and which are not) in the current DC study.

# The City of Peterborough Official Plan

## - Schedule A-1 - City Structure

- Legend**
- Major Transportation Station
  - 1 City and Inter-City Bus
  - 2 Future Go Transit-Train
  - 3 Airport
  - Flood Plain
  - Transportation Corridor
  - Urban Growth Centre
  - Natural Areas
  - Intensification Corridor
  - Employment Area
  - Built Boundary
  - Designated Greenfield Area
  - \* See Section 10.9.3.2.4



Map Accuracy and Interpretation:  
The information depicted on this hardcopy or digital map file is schematic in nature. Accurate interpretation of information shown should be obtained from appropriate City Planning staff.

**City of Peterborough**

0 0.4 0.8 1.2 1.6 2  
Kilometres

0 0.25 0.5 0.75 1 1.25  
Miles

Produced by:  
Geomatics/Mapping Division,  
City of Peterborough

Last Revised:  
December 12, 2014

The ASDC Study identifies simply the name and the cost of proposed projects for each of the growth areas in Appendix A, Tables 2-9. From our discussions with staff, we understand that some of these projects have been included in City Budgets and some have not yet been presented. It would be helpful if an additional column in the tables, or an additional table, could be included in the study in order to identify the capital budget reference code applicable to each project. This will enable Council and citizens to both determine which items have already been presented in a Budget (and which have not) and to read any background and details on the project in the Budget documents.

Without detailed background on the projects, it is unclear if the study's analysis includes evaluating these growth areas' distances from and demands on all of the existing city footprint and infrastructure. For example, new pipes will connect to and increase demand on the City's existing downstream infrastructure, pumping and wastewater treatment facilities. What are the implications for these existing systems, do they have sufficient capacity to accommodate upstream growth, and are the full marginal costs of such growth included in the ASDCs?

Related to this point is that planning directions for intensified and mixed land uses in these new growth areas may now include secondary suites, and small scale commercial and institutional uses (e.g. schools, community hubs). The ASDC Study focuses on residential uses, but does it fully incorporate these other uses and needed capacities within the growth areas and their charges?

As a result of current and future intensifying impacts of climate change, Ontario cities are finding stormwater and other infrastructure costs to be significantly higher than in the recent past. This is because the infrastructure must be upgraded and upsized to protect residents and businesses as extreme weather events increase in intensity and frequency. Have these implications and more resilient infrastructure been factored into the proposed work plan and costs included in this study? The recent experience of the City of Mississauga is demonstrative of the importance of updating cost estimates of infrastructure when designing development charges. Development charges were not adequate to offset growth's additional costs, and as a result Mississauga has introduced a new levy.

Due to rapid growth, the City of Mississauga began to experience accelerated wear and tear on its stormwater infrastructure and regulations required the system to be improved. As available land for development rapidly decreased and development charge revenue diminished, how would the city pay for the maintenance of this infrastructure? In 2011, Mississauga City Council authorized staff to undertake a Stormwater Financing Study to investigate new ways to finance current and future stormwater management needs. Using the examples of other Ontario municipalities, Mississauga implemented stormwater management user charges in 2015. (From: Association of Municipalities of Ontario, "Imagining a Prosperous Future for our Communities: Proposed Action Plan", May 25, 2017, p.40)

Unlike many municipalities, the City of Peterborough does not have management plans for many of its major parks or natural areas. Developing such management plans was an action recommendation identified in the Council-approved Vision 2025 report (Objective 2.2, #3 “Prepare and implement management plans for all major natural heritage sites”). New growth in the city will contribute new open space areas as well as create new demand and pressures on existing parks and greenspace. Thus, we recommend that the current DC study add the proportionate costs of developing a management plan for major parks and natural areas to each of the growth areas to ensure that the parks created or bordering these areas have fully developed parks management plans in place at the time that these areas become inhabited. This will ensure that appropriate natural heritage, recreational and scenic objectives are integrated and addressed before extensive new uses (and potential impacts) are experienced.

Finally, the staff report concludes by reiterating the fundamental principle of development charges being that “existing taxpayers should not be required to pay for a substantial portion of the costs of growth-related infrastructure.” It would be helpful for the report to demonstrate more generally how the proposed development charges are achieving this objective, to identify what portion of the costs of growth-related infrastructure will be paid by existing taxpayers, and whether this has been accounted for in the City’s budgeting.

## **2 - The City write the Province to encourage law reform to expand the scope of eligible services for DCs**

Not all costs of growth are covered by development charges. In particular, Ontario Regulation 428/15 under the Development Charges Act states:

2.1 (1) The following are prescribed as ineligible services for the purposes of subsection 2 (4) of the Act:

1. The provision of cultural or entertainment facilities, including museums, theatres and art galleries but not including public libraries.
2. The provision of tourism facilities, including convention centres.
3. The acquisition of land for parks.
4. The provision of a hospital as defined in the Public Hospitals Act.
5. The provision of landfill sites and services.
6. The provision of facilities and services for the incineration of waste.
7. The provision of headquarters for the general administration of municipalities and local boards.

Other maximum levels of cost recovery, such as limiting some services to only 90% of their total costs, short-change municipalities and taxpayers from receiving full recovery of the costs of growth. This topic has been studied and reported extensively in Ontario.

We thus encourage the City to write to the Province, and circulate the letter to other municipalities, to indicate concern about the limited scope of what can be included in DCs and encourage law reform to expand the scope of eligible services. Such activity would follow up on the call for reform issued in the Association of Ontario Municipalities' May 2015 report on municipal fiscal sustainability and 2017 report proposing an action plan.

## ***FUTURE DEVELOPMENT CHARGES STUDIES***

### ***3 - Broaden representation on ASDC Study Steering Committee***

The Steering Committee established to oversee the study on development charges was limited to staff from City Hall, the Peterborough & Kawarthas Home Builders Association, and the study author Hemson Consulting Ltd. While it is essential that such representatives be involved, Reimagine Peterborough strongly recommends steering committee membership be broadened to include representatives from other sectors and fields to ensure a diversity of perspectives on decisions and analyses of infrastructure development costs. An independent land economist, such as from Trent University or other academic institutions, would also be a useful addition to the team, particularly in light of our recommendations below to revise approaches to applying both area-specific and city-wide DCs in Peterborough. In addition, broader representation will serve to enhance transparency and the public and Council's confidence in the process and outcome.

### ***4 - Development Charges as a Strategic Planning Tool with Official Plan***

Choices on how Peterborough grows must be made on a city-wide basis, integrating planning with the City's ability to pay for services such as roads, transit, water, sewer, snow clearing, waste collection, police, and fire.

The City has the power, which it has exercised in the past, to set differential DC rates for different types of urban development in specific areas of the city. For example, through Community Improvement Plans, the City has reduced or waived development charges in parts of the core area as a way to encourage reurbanization of older areas. The City has also waived development charges for industrial lands as a way to encourage economic development.

In essence, development charges should be considered a very powerful tool that can encourage, or discourage, specific forms of urban development and mitigate against development occurring in locations and types that are at odds with the city and community's interests, including budgetary. Therefore, it is imperative to align development charges with the City's long-term, city-wide and neighbourhood planning intentions.

The forthcoming Official Plan review offers the opportunity to analyze and direct development charges in the context of sound and current planning policy. Once the Official Plan review is completed in 2018, Reimagine Peterborough recommends the City re-assess its development charges policy in 2019 in order to correlate city-wide and area-specific DCs with the new Official Plan.



## **5 - Develop specific areas and DC costing for City's three major planning zones**

The costs of certain services are related primarily to the distance covered and density of lots. These include police, fire, and ambulance services, as well as the more typical pipes and roads. Facing continued growth, the City of Peterborough needs to explore a more sophisticated DC rate system in order that the additional or marginal costs of such services are accurately priced so as to be borne by those who benefit from them (rather than subsidized by existing taxpayers as often occurs in Ontario municipalities).

The City has at least three major planning zones: the Central (and Transitional) Area, the Built Area, and Designated Greenfield Areas. These roughly correlate to the core and progressively distant areas from that core. The further such locations are from centrally-located services, the more expensive and impactful growth and development costs become, which is why Provincial land use planning directs development toward the City's core. Given these situations, linear facilities and services (e.g. roads, fire, police, ambulance) in the current city-wide study and by-law should be reassessed in the 2019 update with their marginal costs calculated and applied within the three planning zones. This could be incorporated into a revised approach to ASDCs that would more accurately price services based on the distance from central services.

Toronto-based planning consultant Pamela Blais, in her book *Perverse Cities* (2011), outlines concepts to overcome limitations and mis-pricing of development charges. These concepts address location-related cost variations, development pattern-related costs, development type-related cost variations, and capacity-related costs for non-residential development. To integrate and address these, she suggests on page 181:

implement a two-part charge, with network infrastructure -- whose costs are related to the amount of land area serviced -- being charged on an area basis and infrastructure whose costs are related to population being charged on a population basis (or close proximity thereof), all varying (as necessary) by location.

The City of Markham provides an example of this approach, and the City of Ottawa has applied some of these concepts. Blais also suggests another approach that would apply a per hectare charge combined with a per unit charge to several different zones within a municipality. We recommend that these approaches, and those that try to send more accurate pricing signals as developed by other analysts, be further explored and developed in the 2019 DC Study.

## ***6 - Calculate the gap between DC revenues and growth costs***

As noted above, the Development Charges Act and regulations limit the scope and calculation methods for DCs. While the 2017 DC Study itemizes the types of growth projects that are eligible for 100% recovery through DCs, other types of projects covered in the area-wide DC study are subject to various limitations. Thus, we recommend that the 2019 DC Study specifically calculate this gap between growth costs and what is recovered through DCs, and that this gap be calculated on a per taxpayer basis and per new resident basis.

## ***7 - Assess the generality and desirability of the industrial land exemption from DCs***

In preparation for future DC studies, it would be worthwhile to assess whether all industrial development should be exempted from DCs. While valuable to Peterborough's economy, it may be useful to target certain areas or industrial sectors for this incentive, and enable the allocation of some of this incentive to other higher priority development needs in the city.

## **CURRENT CENTRAL AREA COMMUNITY IMPROVEMENT PLAN**

### **8 - Add a Sustainable Buildings program to DCs through the Central Area CIP**

The recent staff report PLPD17-023 on the Central Area Community Improvement Plan identifies a number of worthwhile improvements to the current CIP. We recommend that an additional program be added to this CIP, namely a \$50,000 annual incentive to build “greener” and more sustainable buildings as the Central Area and transitional area is redeveloped over time. This would support the Peterborough and the Kawarthas Economic Development direction to foster green and clean technology as an economic driver, would recognize local citizens’ expressed environmental preferences, and help distinguish Peterborough as a progressive, sustainable, attractive city.

This recommendation adopts and adapts a recommendation of the Canadian Environmental Law Association in its 2014 letter to the Ministry of Municipal Affairs and Housing regarding Development Charges:

3) Encourage complete communities that are efficient, sustainable and green. Use the development charge system to offer incentives to developers who use land efficiently and who build to a higher order green building standard, reducing water and wastewater, energy, reduces paved surfaces, employs low impact development design to reduce capital costs inputs and related infrastructure costs. These higher order land use standards should include incentives for sustainable land use within the existing urban landscape for urban agriculture and community gardens and for retail space within urban footprints for sale of food, in order to avoid creating new food deserts where people with out transportation cannot access food.

(From: <http://www.cela.ca/sites/cela.ca/files/977DevChargesSignOnLtr.pdf> )



Appendix D

**Peterborough & The Kawarthas Home Builders Association  
Inc. Letter dated July 17, 2017**



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Monday, July-17-17

The Peterborough and the Kawarthas Homes Builders Association (PKHBA) would like again thank City staff for inviting us sit on the 2017 Planning Area Specific Development Charges Study Steering Committee. We see this as a positive example of how we can continue to work collaboratively with the City to provide our expertise on issues that affect our members and the community at large.

As previously stated at the public meeting held on June 19<sup>th</sup> 2017, PKHBA has no concerns at this time with the work done for the background study or the calculations used to reach the maximum allowable charge calculated for each planning area. The needs of each area are different and we believe that the calculated charges accurately reflect the cost of growth for these areas at this time.

The task now facing Council is to decide on the appropriate balance between funding growth through the allowable development charge amounts, and contributing to housing affordability by charging less than the maximum allowable amount. PKHBA notes that any increases in development charges typically pass directly to the homeowner which will result in an increase in the cost of a new home by over \$2,500 in some areas. With increasing mortgage rates and tightening lending rules, this could be the difference between a family being able to purchase a new home and having to stay in a current rental unit which may not meet their needs.

While PKHBA believes that supporting housing affordability is one of the most important policy issues facing our community, we will not object if Council decides to levy the maximum allowable charge as shown in Table 5 of the Planning Area-Specific Development Charges Background Study – City of Peterborough dated May 31<sup>st</sup>, 2017.

Sincerely,

Garnet Northey  
President  
PKHBA

PKHBA is the voice of the residential construction and professional renovation industry in Peterborough and The Kawarthas. The industry employs over 2,200 people in Peterborough representing \$130 million in wages that contribute to the economic health of our community.

**“Building Pride In Our Community for over 60 Years”**

