

Peterborough Utilities Commission 2019 Development Charges Study Public Meeting



Monday, June 24th, 2019

HEMSON
Consulting Ltd.



Background

- In 2013, City Council passed a development charges by-law for the recovery of costs related to water services
- Since then, the PUC has been collecting DCs to help offset the capital costs of constructed growth-related infrastructure
- These charges are levied in addition to those imposed by the City

What Are Development Charges?

- Fees imposed on development to fund “growth-related” capital costs
- Principle is “growth pays for growth” so financial burden is not borne by existing taxpayers
- DCs are paid by anyone seeking a building permit or approval of a plan of subdivision

Bill 108: *More Homes, More Choice Act* Received Royal Assent June 6

- Changes 15 pieces of legislation including *DCA* and *Planning Act*
- Key *DCA* changes:
 - DC exemptions for secondary suites in new construction
 - DC rates frozen at site plan/rezoning application
 - DCs payable in annual installments from occupancy for non-residential development and non-profit/rental housing
 - Discounted “soft” services removed from *DCA* framework

Development Potential

Planning Area	Total Units	Population Growth
Auburn North	877	2,357
Liftlock	1,548	4,115
Coldsprings	4,716	12,421
Outside Planning Area	2,752	5,470
Lily Lake	3,030	8,232
Jackson	2,605	7,293
Carnegie East	1,147	3,105
Carnegie West	631	1,667
Chemong East	817	2,203
Chemong West	1,492	3,949
TOTAL	19,615	50,811

Growth-Related Capital Needs

3 Cost Components:

- City-wide capital costs
 - Costs shared amongst all planning areas
- Water pressure zone-specific costs
 - Costs apportioned to planning areas
- Planning area-specific costs
 - Capital programs benefiting only defined planning areas

City-Wide Capital Costs

City-Wide Projects	Total Cost
Low Lift Pump	\$110,000
Southwest Reservoir	\$6,100,000
Total	\$6,210,000

Pressure Zone-Specific Capital Costs

Pressure-Zone Specific Projects	Zone 1 (\$M)	Zone 2 (\$M)	Zone 3N (\$M)	Zone 3W (\$M)
Southwest Reservoir – TWM	\$6.8	\$5.5	\$1.7	\$7.4
Southwest Reservoir – BPS	-	\$1.1	\$0.5	\$0.5
Southwest Reservoir – River Xing	\$0.6	-	-	-
Zone 3W TWM	-	-	-	\$4.7
Total	\$7.4	\$6.6	\$2.2	\$12.6

Planning Area-specific Capital Costs

Planning Area	Total Cost
Auburn North	\$550,000
Liftlock	\$240,000
Coldsprings	\$2,682,000
Lily Lake	\$230,000
Jackson	\$250,000
Carnegie East	\$21,500
Carnegie West	\$116,000
Chemong East	\$123,000
Chemong West	\$111,000
TOTAL	\$4,323,500

Capital Cost Deductions

Total Gross Cost (\$millions)	\$ 41.51
Less: Grants & Subsidies	\$ 0.00
Less: Benefit to Existing Share	\$ 5.22
Less: Available Reserve Funds	\$ <u>(3.65)</u>
DC Recoverable Share	\$ 39.94

Current vs. Calculated Charges for Single Detached Units

Planning Area	Proposed	Existing	Difference
Auburn North	\$2,251	\$3,057	-26%
Jackson	\$2,636	\$2,907	-9%
Carnegie West	\$2,186	\$2,108	4%
Chemong West	\$1,738	\$1,825	-5%
Lily Lake	\$2,572	\$3,780	-32%
Liftlock	\$1,761	\$1,728	2%
Coldsprings	\$2,215	\$2,166	2%
Outside Planning Areas	\$1,422	\$1,522	-7%
Carnegie East	\$675	\$772	-13%
Chemong East	\$1,026	\$1,885	-46%

Current vs. Calculated Charges for Non-Residential Charge

Planning Area	Proposed	Existing	Difference
Auburn North	\$5.82	\$6.65	-12%
Jackson	\$5.82	\$6.65	-12%
Carnegie West	\$5.82	\$6.65	-12%
Chemong West	\$5.82	\$6.65	-12%
Lily Lake	\$5.82	\$6.65	-12%
Liftlock	\$5.82	\$6.65	-12%
Coldsprings	\$5.82	\$6.65	-12%
Outside Planning Areas	\$5.82	\$6.65	-12%
Carnegie East	\$5.82	\$6.65	-12%
Chemong East	\$5.82	\$6.65	-12%

Next Steps

July 8	General Committee Meeting
July 22	City Council passage of By-law
July 22	Effective date of new by-law