



City of  
**Peterborough**

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**To:** **Members of the General Committee**

**From:** **Richard Freymond**  
**Commissioner of Corporate and Legislative Services**

**Meeting Date:** **October 28, 2019**

**Subject:** **Report CLSFS19-045B**  
**Notice of Public Meeting - Development Charge Background Study**

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## **Purpose**

A report to advise Council that a public meeting will be held Monday, October 28, 2019 at 5:30 pm in the Council Chambers to present a Development Charge Background Study and to hear public delegations.

## **Recommendation**

That Council approve the recommendation outlined in Report CLSFS19-045B dated October 28, 2019, of the Commissioner of Corporate and Legislative Services, as follows:

That Report CLSFS19-045B advising Council that a public meeting will be held on October 28, 2019 at 5:30 pm in the Council Chambers to present a Development Charge Background Study and to hear public delegations, be received.

## **Budget and Financial Implications**

There are no budget and financial implications of receiving this report. A report will be presented to the November 12, 2019 General Committee containing specific

recommendations stemming from the Development Charge Background Study which will address any issues that may arise during the October 28, 2019 public meeting.

## Background

Development Charges (DC) have been levied in the City since 1999 and resulting by-laws typically have a shelf life of five years. The DC background study process and ensuing rates fulfill several ongoing key objectives:

- to ensure that growth continues to pay for itself so that the burden arising from development related capital costs does not fall on existing residents in the form of higher taxation and user fees;
- to provide the appropriate level of DC capital funding for infrastructure required by ongoing development in the City;
- to ensure that the resulting rates are fair and equitable to all stakeholders; and do not act as an unnecessary disincentive to growth occurring in the City.

On January 1, 2020, By-law 14-134 for the General Services rates and By-law 14-135 for the Engineered Services rates, both as amended by By-law 18-034, will expire.

There are no changes proposed to the series of By-laws 17-072 to 17-079 inclusive, to impose DCs for the recovery of area-specific engineered services in each City Planning Area.

A public information session was held on October 10, 2019 to provide an overview of the Background Study, the methodology and assumptions used to calculate the development charges and provide the public with an opportunity to comment on the study and give feedback.

### October 28, 2019 Public Meeting

A public meeting will be held on October 28, 2019 at 5:30 pm in the City Council Chambers during which Hemson Consulting Limited will present a Development Charge Background Study (the Study) (attached as Appendix A) and proposed DC by-laws. Members of the public will then have an opportunity to make presentations to Council concerning the proposed new Development Charges.

The **Development Charges Act, 1997** stipulates that before passing a development charge by-law, Council shall hold at least one public meeting. The public meeting was advertised in the Peterborough Examiner on October 3, 2019 and the Background Study was available as of September 26, 2019 for pick up at the Clerk's Office and via the internet.

Council is not required to make any final decisions during the public meeting or give direction to staff. Council can ask questions of presenters for clarification. A staff report will be presented to the November 12, 2019 General Committee setting out the final recommendations and the proposed by-law, and it will address any issues raised during the public meeting.

### **Study Complies with the Act and Steering Committee Established**

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

- Chief Administrative Officer
- Commissioner of Infrastructure and Planning Services
- Commissioner of Corporate and Legislative Services
- Commissioner of Community Services
- Manager of Financial Services
- Chief Planner
- Manager of Transportation
- Financial Analyst, Special Projects
- Monique Cleary, representative from the PKHBA
- Danika Logan, representative from the PKHBA,
- Stephen Hill, community representative;
- Laura Keresztesi, community representative;
- Stefan Krzeczunowicz of Hemson Consulting Ltd

### **Development Forecast**

The development forecast used in this Development Charge Background Study is consistent with the Growth Plan for the Greater Golden Horseshoe, 2017. The Growth Plan provides population and employment projections for all upper and single-tier municipalities in the Greater Golden Horseshoe. In accordance with Provincial legislation, all affected municipalities must adopt these projections into their Official Plans.

The Study considers two planning horizons: a ten-year period from mid-year 2019 to mid-year 2028, and a thirteen-year planning horizon from mid-year 2019 to mid-year 2031. The ten-year planning period is used for the general services, and the longer planning period is used for the City-wide engineering and sewage treatment services.

The forecast has projected growth in the 2019 to 2031 period to accommodate 17,729 persons in nearly 7,018 new dwelling units. This is a decrease from 2014, the last time

the engineered services by-law was amended. In 2014, the Growth Plan projected a population increase of 21,640 and 8,400 units.

The non-residential portion of the forecast is based on the projected increase in employment levels and amount of new building space required to accommodate them. The forecast projects a growth of approximately 5,233 new employees in roughly 327,039 square metres of new non-residential building floor area. This is relatively stable in comparison to 2014, when the forecasted growth in employment was 4,790 new employees accommodated in 338,430 square metres of new non-residential building space.

A decrease in the development forecast has put upward pressure on the proposed development charge rates.

## **Development Related Capital Program**

### **General Services**

Of the \$285.7 million net capital cost, 26 per cent, or 74.0 million, is related to the Police Services capital program. This includes a new Police facility, equipment and studies.

Transit Services represents 14 per cent, or \$41.0 million of the capital program. This is related to various buildings, including Transit Services' share of the Public Works building relocation, Bus Barn, Downtown Terminal and Satellite Terminal; additional shelters, signs and additional vehicles. The Transit charge has increased substantially, principally because amendments to the DC Act and its associated Regulation passed since the enactment of the current DC by-law allow the City to base the Transit charge on the "planned level of service" rather than the "historical level of service". The City is planning for a major reorganization of its transit facilities and an expansion of its bus fleet. Significant provincial and federal grant funding is anticipated to help fund these investments. A portion of the costs associated with these works is required to meet increased ridership generated by development in Peterborough. It is noted that the legislative changes that allow the City to use a planned level of service only apply to Transit.

The next largest capital program belongs to Public Works. This capital program totals \$33.5 million and includes the Public Works share of the building relocation project, stormwater management ponds & drainage, fleet upgrades and equipment. The capital program for Parks is recovering for ongoing parkland development, additional park facilities, the City's trail network and studies. It represents 11 per cent, or \$31.5 million, of the City's total capital program for general services. The Parking capital program totals \$24.6 million and recovers solely for a structured lot in 2023. The DCs for these services continue to be limited by the average level of service provided in Peterborough over the last 10 years. The proportionately higher rate

increases for these services can be attributed to: a rise in the historical average service level in recent years as new infrastructure has been acquired; a better understanding of the quantity and quality of current infrastructure (this is particularly the case for Parking, where more appropriate unit costs for structured parking have been used to calculate service levels); and, particularly in the case of Parks, a more substantial growth-related capital program.

The capital program for Affordable Housing is recovering for the City's ongoing investment in affordable housing and the Brock Street Mission. It represents 8 per cent, or \$22.3 million, of the City's total capital program for general services.

Waste Management is a new service in the City of Peterborough's 2019 DC Background Study. It represents \$9.7 million of the City's total capital program. This includes funds for an Organics Processing Facility and additional vehicles and equipment.

### **Engineering and Sewage Treatment Services**

Scheduled roads projects in the City are based on existing master plans and studies as well as discussions with City staff. These projects include roadworks, roadway studies and other works such as sidewalks and multi-use trails. The list also includes a provision for a North/South Transportation Improvement project, the nature of which will be determined after updating the Transportation Master Plan and completing an Individual EA Study, that will have considered, in detail, the concerns expressed during The Parkway EA and will provide the City with a well rounded and documented transportation solution to accommodate growth. This also includes two projects at the City of Peterborough Airport: one to extend water and sewer services to an industrial park; the other to expand water and sewer services at the Airport proper.

The Sewage Treatment projects total approximately \$7.8 million. This program provides for the continued recovery of the Phase 3 expansion of the Waste Water Treatment Plant and an Environmental Assessment Study for future plant capacity.

## Proposed Rates

As shown in Table 1, the proposed rate for the City-wide residential rate to take effect January 1, 2020 would be 31.0% (\$23,337 to \$30,559) more than the current rate and the non-residential rate will be 39.0% (\$92.59 to \$128.68) higher.

**Table 1**  
**Current and Proposed Residential City-wide DC Rates to Take Effect January 1, 2020**

Service	Current Singles & Semis Charge	Calculated Singles & Semis Charge	Difference in Charge	
General Government	\$108	\$125	\$17	15.7%
Library Services	\$882	\$1,108	\$226	25.6%
Fire Services	\$735	\$705	(\$30)	-4.1%
Police Services	\$1	\$380	\$379	N/A
Recreation	\$2,275	\$2,108	(\$167)	-7.3%
Parks	\$1,280	\$2,433	\$1,153	90.1%
Public Works	\$389	\$744	\$355	91.3%
Parking	\$508	\$989	\$481	94.7%
Transit Services	\$398	\$2,114	\$1,716	431.2%
Affordable Housing	\$237	\$349	\$112	47.3%
Waste Management	\$0	\$142	\$142	N/A
<b>Subtotal General Services</b>	<b>\$6,813</b>	<b>\$11,197</b>	<b>\$4,384</b>	<b>64.3%</b>
Roads & Other City-Wide Engineering	\$15,458	\$18,366	\$2,908	18.8%
Sewage Treatment	\$1,064	\$996	(\$68)	-6.4%
<b>Subtotal Engineered Services</b>	<b>\$16,522</b>	<b>\$19,362</b>	<b>\$2,840</b>	<b>17.2%</b>
<b>TOTAL CHARGE PER UNIT</b>	<b>\$23,337</b>	<b>\$30,559</b>	<b>\$7,224</b>	<b>31.0%</b>

Table 2 provides a comparison of the current and calculated rates for both the City-wide Uniform charge and Area Specific Development Charge to take effect January 1, 2020, assuming the proposed rate increase is approved. The Area Specific DC rate will have an adjustment due to indexing January 1, 2020.

**Table 2**  
**Current and Proposed City-wide and Area Specific DC Rates January 1, 2020**

**Total Residential Development Charges**

Development Charges By Growth Area	Charge Per Unit Residential A - Singles & Semi			
	Calculated 2019 City-wide Uniform plus Area Charge	Current City-wide Uniform plus Area Charge	Difference in Charge	
			\$	%
1 Jackson	\$33,760	\$26,538	\$7,224	27.2%
2 Carnegie East	\$36,341	\$29,119	\$7,224	24.8%
3 Carnegie West	\$34,762	\$27,540	\$7,224	26.2%
4 Lily Lake	\$37,637	\$30,415	\$7,224	23.8%
5 Chemong - East	\$38,107	\$30,885	\$7,224	23.4%
6 Chemong - West	\$41,133	\$33,911	\$7,224	21.3%
7 Liftlock	\$38,141	\$30,919	\$7,224	23.4%
8 Coldspring	\$34,382	\$27,160	\$7,224	26.6%
9 City-Wide Dev. Area	\$30,559	\$23,337	\$7,224	31.0%

**Non-Residential Development Charges**

City-Wide Uniform Charge	Charge Per Square Metre of Gross Floor Area			
	Calculated 2019 Charge	Current Charge	Difference in Charge	
			\$	%
Total Charge	\$128.68	\$92.59	\$36.09	39.0%

*Note: Current development charges effective January 1<sup>st</sup>, 2019 to December 31<sup>st</sup>, 2019*

The large increase in proposed development charges are due to the significant number of large capital projects in which the City is looking to invest over the planning horizon. Portions of the capital forecast that are related to the replacement of existing facilities, shares of projects that benefit the existing population, or growth anticipated to occur beyond the planning period are accounted for as a reduction. After these reductions, the remaining development related capital costs are brought forward to the development charges calculation. Staff are of the opinion that although the 31.0% increase is significant, the overarching principle that “growth pays for growth,” should be adhered to.

The proposed charges are in line with comparable municipalities as shown in Table 3.

**Table 3**  
**Current and Proposed Development Charges Compared to Other Municipalities**

<b>Municipality</b>	<b>Charge per Unit - Singles &amp; Semis</b>
Belleville	\$ 12,321
Port Hope	\$ 19,125
Kawartha Lakes	\$ 20,179
Kingston	\$ 22,361
Brantford	\$ 22,785
City of Peterborough (Current)	\$ 23,337
City of Peterborough (Calculated)	\$ 30,559
London	\$ 33,136
Guelph	\$ 35,098
Barrie	\$ 39,916

<b>Municipality</b>	<b>Charge per Square Metre - Non-Residential</b>
Belleville	\$ 52.64
Brantford	\$ 75.55
City of Peterborough (Current)	\$ 92.59
Port Hope	\$ 120.23
City of Peterborough (Calculated)	\$ 128.68
Guelph	\$ 133.15
Kawartha Lakes	\$ 202.97
Kingston	\$ 210.65
London	\$ 278.74
Barrie	\$ 323.85



Submitted by,

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Attachments:

Appendix A - Development Charge Background Study