

# City of Peterborough Development Charges Study Statutory Public Meeting



**Monday, October 28<sup>th</sup>, 2019**

**HEMSON**  
Consulting Ltd.

  
peterborough

# What Are Development Charges?

- Fees imposed on development to fund “growth-related” capital costs
- DCs pay for new infrastructure and facilities to maintain service levels
- Principle is “growth pays for growth”

# What Are Development Charges?

- DCs are imposed by by-law
- Maximum life of a DC by-law is 5 years after the day it comes into force (may be repealed/amended earlier)
  - City's by-laws 14-134 (General Services) & 14-135 (Engineering Services) expire on January 1, 2020
- City & Peterborough Utilities Commission has area-specific charges that were not updated as a part of this process
- Prior to passing a by-law City must
  - undertake a background study
  - hold at least one public meeting
- Appeals adjudicated at LPAT (OMB)

# Legislative Framework For DCs Is Changing

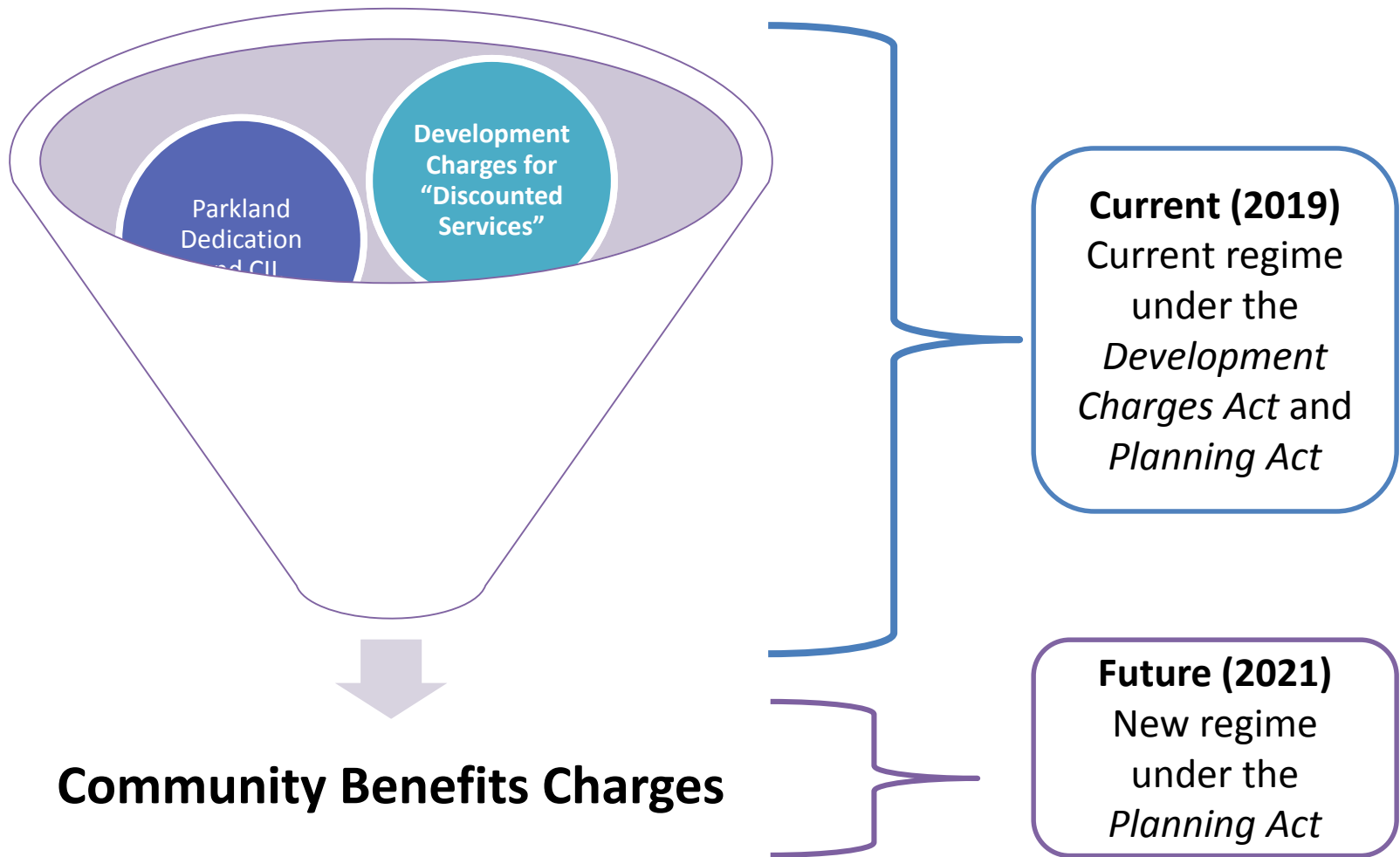
- *Development Charges Act 1997 (DCA)*  
(amended 2015 by Bill 73)
  - *Ontario Regulation 82/98* (amended 2015 by O. Reg. 428/15)
- *Bill 108: More Homes, More Choice Act*
  - Royal assent June 6, 2019
  - Many key amendments won't come into force and effect until a date to be named by proclamation (unknown)
  - Draft Regulations June 21, 2019

# DCs Levied on a Service Basis

- Eligible services now prescribed
- Can recover 100% of eligible costs for all services—previously only 90% for “soft” services
- Can set planning periods to recover costs, except for transit (10 year maximum)

Eligible Services
Water supply
Waste water
Services related to a highway
Storm water drainage and control
Electrical power
Fire protection
Policing
Paramedic
Transit
Waste diversion

# Bill 108 Community Benefits Charge Will Replace Soft Service DCs



# Community Benefits Charge Requirements

- CBCs:
  - Imposed by by-law
  - Require a “strategy” with list of projects
  - No mandatory public consultation and no right of appeal
  - Charges based on value of development site (percentages to be prescribed by Reg.)

# 18 Month Transition Window

- Transition
  - CBC authority comes into force 1 Jan, 2020
  - Prescribed end date for soft service DCs is 1 Jan 2021
  - Municipalities **can** pass new soft service DCs in the interim
- Regulations still being finalized



# Prescribed Percentage Still Uncertain

- Province proposes:
  - “a **range of percentages** will be prescribed to take into account varying values of land”
  - “that **municipal revenues historically collected** from development charges for “soft services”, parkland dedication including the alternative rate, and density bonusing are maintained.”

# 2019 DC Background Study

- Background Study released September 26<sup>th</sup>
- Rates have been amended since release
- Draft by-laws released October 15<sup>th</sup>

CITY-WIDE  
DEVELOPMENT CHARGES  
BACKGROUND STUDY

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HEMSON Consulting Ltd.

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September 26, 2019

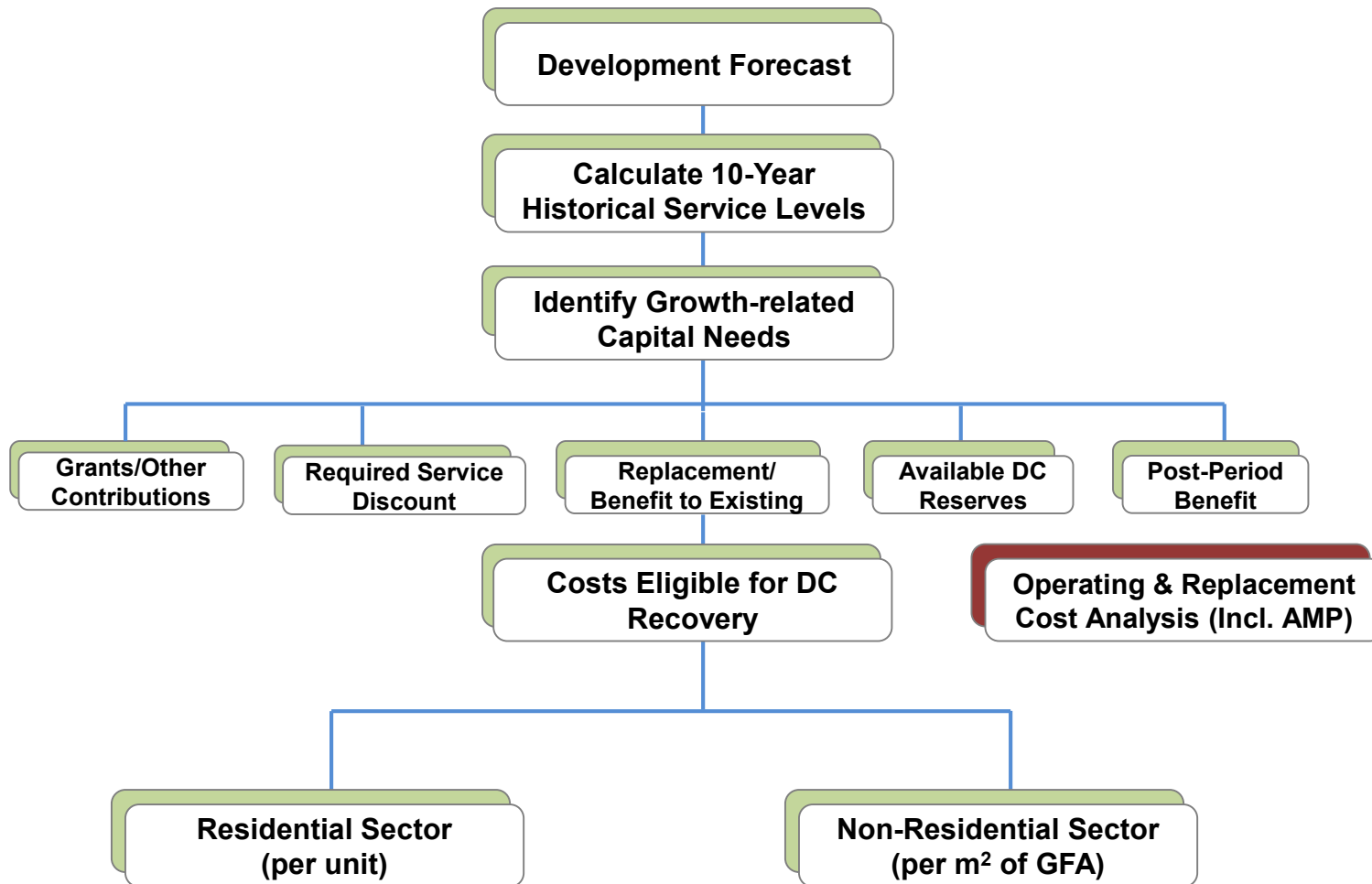
# Highly Consultative Process

- DC Steering Committee consulted at key stages
  - Citizen representatives
  - Home Builders Association
  - Senior staff
- Public Information Session held October 10<sup>th</sup>
- Website material - <https://www.peterborough.ca/en/doing-business/development-charges.aspx>

# Services Considered in Peterborough

Service	Maximum DC Cost Recovery	Planning Period Used in 2014 DC Study	Bill 108 Implications
General Government	90%	10 years	Removed
Library Services	90%	10 years	Removed
Fire Services	100%	10 years	Unchanged
Police Services	100%	10 years	Unchanged
Indoor Recreation	90%	10 years	Removed
Park Development and Facilities	90%	10 years	Removed
Public Works	100%	10 years	Unchanged
Parking	90%	10 years	Removed
Transit Services	100%	10 years	Unchanged
Affordable Housing	90%	10 years	Removed
Roads and Related	100%	To 2031	Unchanged
Sewage Treatment	100%	To 2031	Unchanged

# Steps to Calculating DCs



# Development Forecast Anchored on Growth Plan Targets

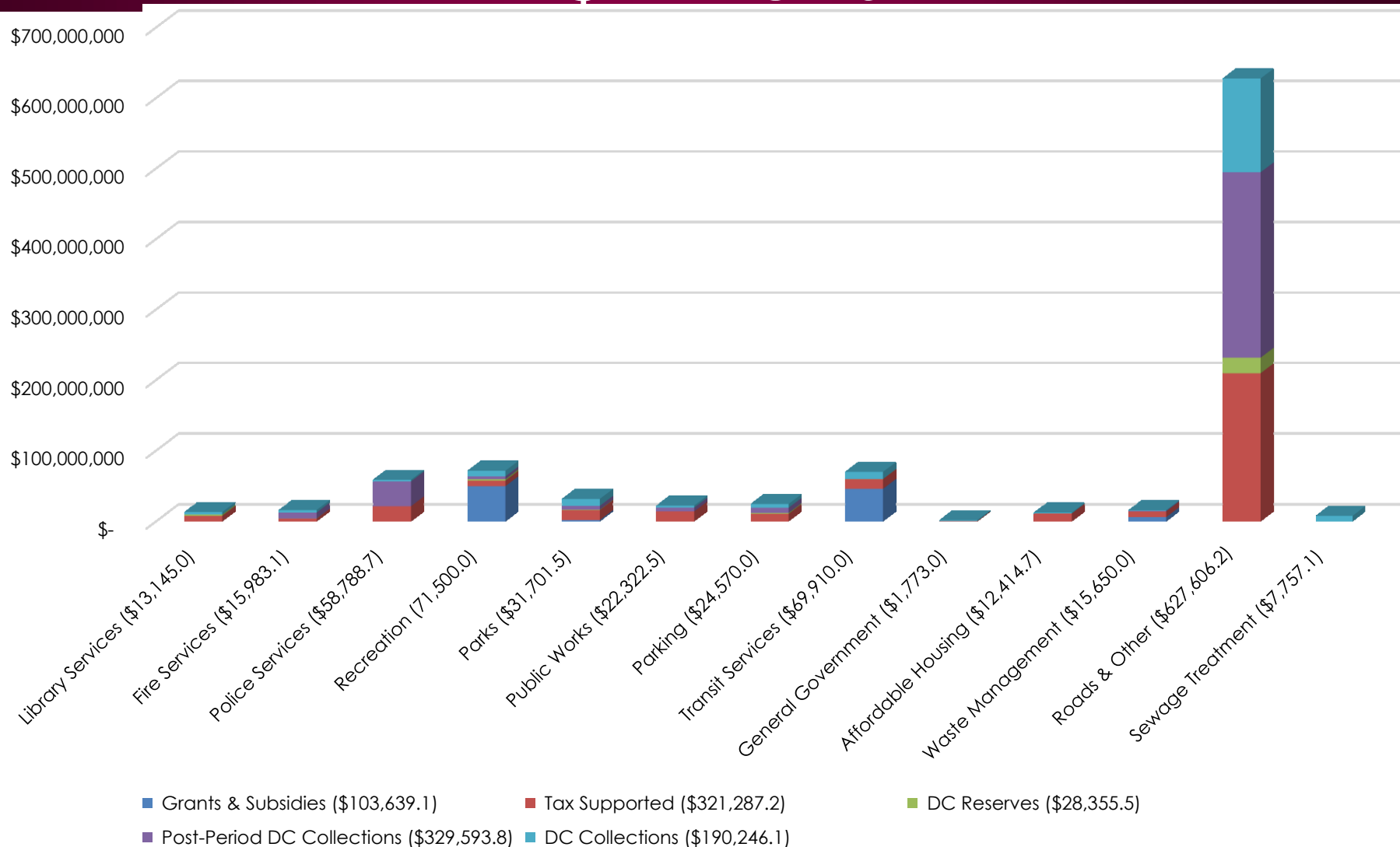
	General Services 2019-2028			Roads and Related 2019-2031	
	At 2018	Growth 2019-2028	At 2028	Growth 2019-2031	At 2031
<b>Residential Forecast</b>					
Total Dwellings	35,682	5,284	40,966	7,018	42,700
Census Population	83,265	12,120	95,385	16,089	99,354
<i>Population in New Dwellings</i>		13,373		17,729	
<b>Non-Residential Forecast</b>					
Employment	44,304	3,972	48,006	5,233	49,267
New Non-Res Building Space (m <sup>2</sup> )		256,081		321,545	

Note: Please refer to Appendix A of the 2019 DC Background Study.

# Capital Programs

- Capital programs have been compiled in consultation with City staff and capital budget and forecast documents
- Council must express its intent to carry out the capital works
- Capital costs have been adjusted in accordance with DC legislation

# Growth-Related Capital Programs In \$Millions



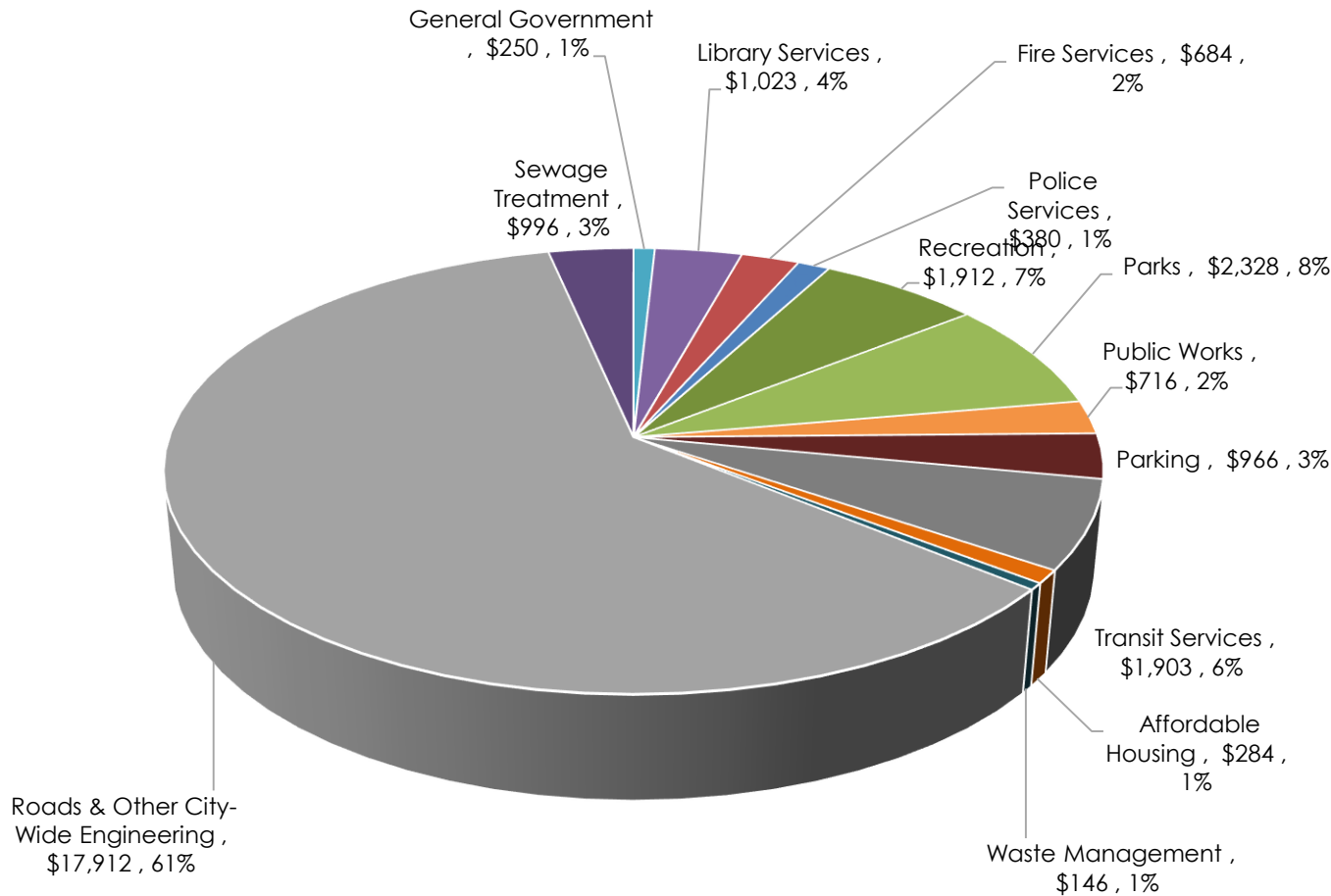
Note: Please refer to Appendices B and C of the 2019 DC Background Study for specific project information



# Amended Rates

- Reconciliation of timing and cost of works with budget documents
- Reallocation of DC reserve funds to reflect prior commitments
- Review of treatment of DC debt

# Calculated City-Wide Residential DC Rate



**Residential Charges / Unit**

**Residential A  
Singles & Semis**  
\$29,500

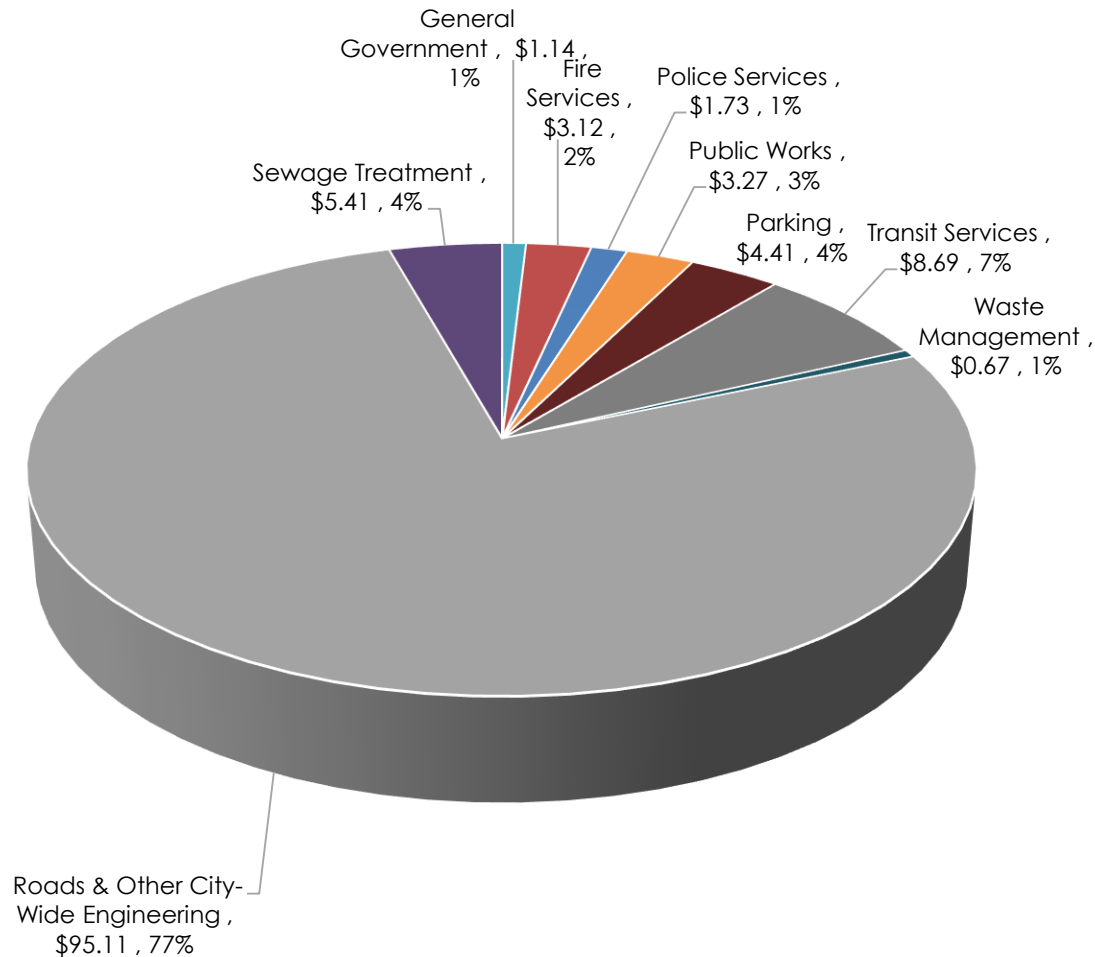
**Residential B  
Other Multiples**  
\$18,642

**Residential C  
Apartments**  
\$16,710

**Ineligible Services  
% of Charge**

23%

# Calculated City-Wide Non-Residential DC Rate



**Non-Residential  
Charge (\$/m²)**

**\$123.55**

**Ineligible Services  
% of Charge**

**4%**

# Residential Rates Are 26% Higher Than Current Rates

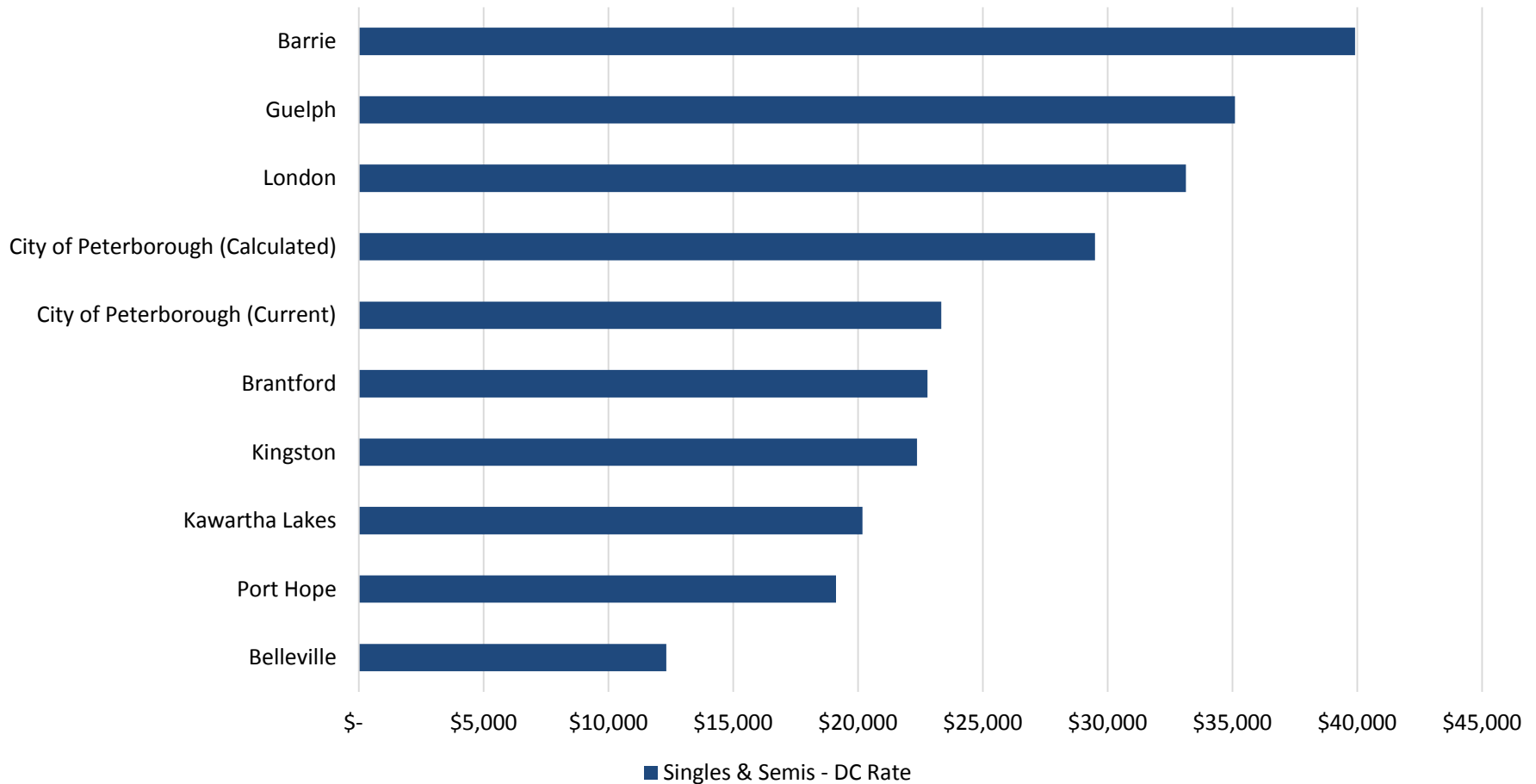
Service	Current Charge	2019 Calculated Charge	Difference (\$)
General Government	\$108	\$250	\$142
Library Services	\$882	\$1,023	\$141
Fire Services	\$735	\$684	(\$51)
Police Services	\$1	\$380	\$379
Recreation	\$2,275	\$1,912	(\$363)
Parks	\$1,280	\$2,328	\$1,048
Public Works	\$389	\$716	\$327
Parking	\$508	\$966	\$458
Transit Services	\$398	\$1,903	\$1,505
Affordable Housing	\$237	\$284	\$47
Waste Management <sup>1</sup>	\$0	\$146	\$146
Roads & Other City-wide Engineering	\$15,458	\$17,912	\$2,454
Sewage Treatment	\$1,064	\$996	(\$68)
<b>TOTAL PER SINGLE DETACHED UNIT</b>	<b>\$23,337</b>	<b>\$29,500</b>	<b>\$6,165</b>

# Non-Residential Rates Are 33% Higher Than Current Rates

Service	Current Charge	2019 Draft Calculated Charge	Difference (\$)
General Government	\$0.59	\$1.14	\$0.55
Library Services	\$0.00	\$0.00	\$0.00
Fire Services	\$4.00	\$3.12	(\$0.88)
Police Services	\$0.01	\$1.73	\$1.72
Recreation	\$0.00	\$0.00	\$0.00
Parks	\$0.00	\$0.00	\$0.00
Public Works	\$2.12	\$3.27	\$1.15
Parking	\$2.78	\$4.41	\$1.63
Transit Services	\$2.17	\$8.69	\$6.52
Affordable Housing	\$0.00	\$0.00	\$0.00
Waste Management <sup>1</sup>	\$0.00	\$0.67	\$0.67
Roads & Other City-wide Engineering	\$75.66	\$95.11	\$19.45
Sewage Treatment	\$5.26	\$5.41	\$0.15
<b>TOTAL CHARGE SQUARE METRE</b>	<b>\$92.59</b>	<b>\$123.55</b>	<b>\$30.96</b>

# Residential Rate Comparison

## Single Detached Units



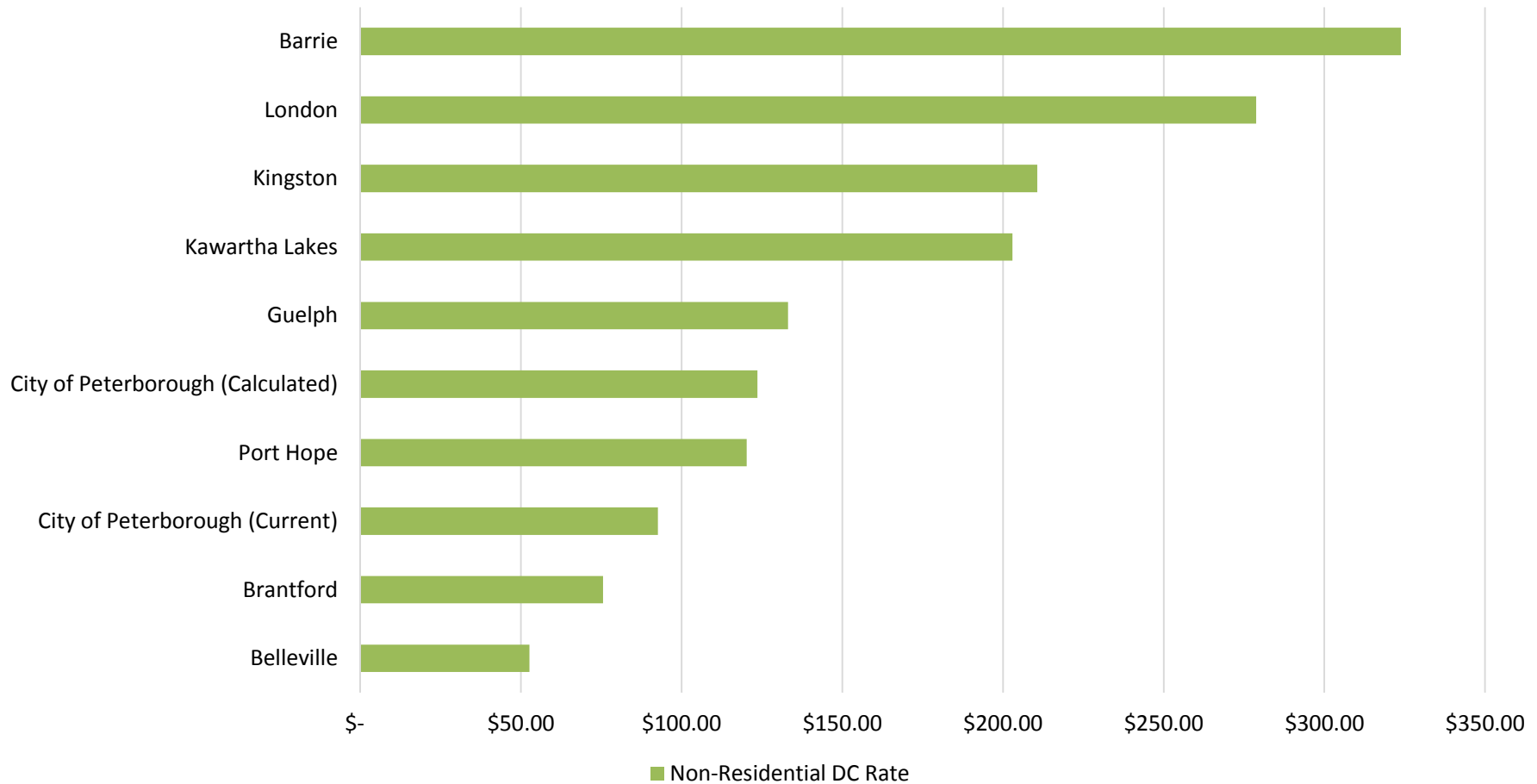
*Note: Does not include area-specific charges for any municipality*

# Area-Specific Charges in Peterborough

## Charge per Unit (Singles & Semis)

Service Area	Peterborough Utilities Commission ASDC	City of Peterborough ASDC
Jackson	\$2,636	\$3,201
Carnegie East	\$675	\$5,782
Carnegie West	\$2,186	\$4,203
Lily Lake	\$2,572	\$7,078
Chemong East	\$1,026	\$7,548
Chemong West	\$1,738	\$10,574
Littlock	\$1,761	\$7,582
Coldsprings	\$2,215	\$3,823
Auburn North	\$2,251	N/A
Outside Planning Areas	\$1,422	N/A

# Non-Residential Rate Comparison Per Square Metre



*Note: Does not include area-specific charges for any municipality*



# Area-Specific Charges in Peterborough

## Charge per Square Metre

Service Area	Peterborough Utilities Commission ASDC
Jackson	\$5.82
Carnegie East	\$5.82
Carnegie West	\$5.82
Lily Lake	\$5.82
Chemong East	\$5.82
Chemong West	\$5.82
Liftlock	\$5.82
Coldsprings	\$5.82
Auburn North	\$5.82
Outside Planning Areas	\$5.82

# DC By-law Policies Remain Unchanged

- Statutory exemptions
  - Land owned and used by City, District and school boards
  - Enlargement of existing residential dwelling and creation of additional dwelling per O.Reg. 82/89
  - Enlargement of existing industrial development (by 50% or less)
- Discretionary exemptions
  - Public Hospitals
  - Place of worship, cemetery or burial ground
  - Trent University or Sir Sandford Fleming College
  - Farm buildings
  - Central Area
    - Commercial Core Sub-Area & Waterfront Commercial Sub-Area
    - All buildings/structures
    - Minimum of 15 apartments
    - Mixed used (minimum of 15 apartments & 1,000 m<sup>2</sup> of commercial GFA)

# Feedback Received To Date

Peterborough & the Kawarthas Home Builders Association	Other Comments	
Need for some road projects (e.g. North/South Transportation Improvements)	Use of area-specific charges	Potential “double funding” of sewage treatment costs
Eligibility of Affordable Housing costs for DC funding	Impact of Bill 108 and new OP policies (intensification; housing strategies)	Higher rates for Transit
Overall increase in rates – proposed “phase-in” to mitigate increase	Need for works in growth-related capital program	Increased rates for Parks, Parking, and Affordable Housing
	Clarification on statutory cost reductions, treatment of specific capital projects, financing assumptions, asset replacement provisions	Eligibility of Affordable Housing costs for DC funding

# Timeline

- DC Background Study released – September 26<sup>th</sup>
- Public Information Session – October 10<sup>th</sup>
- Draft By-laws released – October 15<sup>th</sup>
- Statutory Public Meeting – October 28<sup>th</sup>
- Respond to written submissions
- Council By-law passage – **November 25<sup>th</sup>**
- Statutory notice requirements