

Monday, May 26, 2014 at 10:00 AM  
Council Chambers

Agenda compiled on 22/05/2014 at 1:26 PM

## **Declarations of Interests**

### **Presentation**

1. Mr. Craig Binning and Mr. Jason Bevan of Hemson Consulting to address the Committee with a PowerPoint presentation regarding Development Charges Review. p. 1

### **Items**

2. Joint CAO and Commissioners Corporate Services, Development Infrastructure Services and Community Services Report 2014-08 dated May 20, 2014 regarding the 2014 Development Charges Review. p. 16

The Chief Administrative Officer, the Commissioner of Corporate Services, the Commissioner of Development and Infrastructure Services and the Commissioner of Community Services recommend:

THAT Joint CAO and Commissioners of Corporate Services, Development Infrastructure Services and Community Services Report 2014-08 dated May 20, 2014 regarding the 2014 Development Charges Review be received.

### **Adjournment**

# **Town of Newmarket 2014 Development Charges Study Council Information Session**



**Monday May 26<sup>th</sup>, 2014**

**HEMSON**  
Consulting Ltd.



## **Topics**

1. Background and Purpose of Study
2. Development Forecast
3. Development-Related Capital Program
4. DC Calculation Example
5. Calculated DC rates
6. DC rate Comparisons
7. Next Steps

## Background

- Town Council passed Town-wide and area-specific DC by-laws in June and August 2009 which imposed DC rates for all eligible Town services
- On June 22<sup>nd</sup> and August 31<sup>st</sup> 2014, the Town's current DC By-laws will expire
- Prior to passage of new by-law, Town must:
  - Undertake a background study
  - Hold at least one public meeting

## Purpose of 2014 DC Study

- To update the Town's DC rates and ensure they are recovering the appropriate amount
- Pass a new DC by-law so the Town can continue to levy DCs to pay for development-related infrastructure
- To adhere to the requirements of the *Development Charges Act*

## What Are Development Charges?

- Fees imposed on new development to fund “development-related” capital costs
- Pays for new infrastructure and facilities to maintain service levels
- Principle is “growth pays for growth” so that financial burden is not borne by existing tax/rate payers

## DCs and Municipal Revenues

- Development charges
  - Fund a significant portion of development-related capital costs
- Direct developer contributions
  - Fund construction costs internal or related to a subdivision (i.e. local roads, water & sewer mains, sidewalks, streetlights)
- Property taxes and utility rates
  - Fund operating costs, long-term infrastructure repair, and replacement, and non-DC eligible costs

# Development Forecast

Soft Services Planning Horizon			Engineered Services Planning Horizon		
	At 2013	Growth 2014-2023	At 2023	Growth 2014- 2031	At 2031
Dwelling Units	28,100	3,900	32,000	8,000	36,100
Census Population	81,900	8,700	90,600	17,500	99,300
Employment	43,600	5,700	49,200	8,900	52,500
New Non-Res Space (sq.m)		265,500		399,100	

**Sources:** 2011 Census, National Household Survey, Places to Grow, Town of Newmarket OP, Growth Plan for the GGH

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## Services Considered

100% Cost Recovery :      90% Cost Recovery :

- Fire Services
- Town-Wide Engineering
- General Government
- Library
- Recreation Facilities
- Outdoor Recreation
- Yards & Fleet
- Municipal Parking

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# Growth-Related Capital Program

- DC capital program used various master servicing plans, secondary plans, and input from Town staff
- DC By-law recovers only for increased servicing needs attributable to anticipated development
- Capital costs have been adjusted in accordance with DC legislation

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## 10-Year Capital Program Highlights: General Government

Funding Envelope	Total Capital Program	Costs not Funded through This By-law	Program funded by DCs
N/A	\$3,777,000	\$1,903,700 <sup>1</sup>	\$1,873,300

*Note 1: All available DC reserves of \$342,100 are applied towards the program.*

- Development-related studies:
  - Zoning By-law and Official Plan Reviews
  - Development Charges Studies
  - Community Improvement Plan in Secondary Plan Area
  - Parks and Recreation Master Plan
  - Streetscape Master Plan
  - Mobility Hub Plans
  - Detailed Trail Improvement Plan
  - Regional Road Link Review

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# 10-Year Capital Program Highlights: Library

Funding Envelope	Total Capital Program	Costs not Funded through This By-law	Program funded by DCs
\$2,398,300	\$33,890,000	\$31,492,700 <sup>1</sup>	\$2,398,300

Note 1: All available DC reserves of \$1.8 million are applied towards the program.

- Capital Program:
  - New Library: Land acquisition and construction (2016 to 2017)
  - New collection materials

# 10-Year Capital Program Highlights: Fire Services

Funding Envelope	Total Capital Program	Costs not Funded through This By-law	Program funded by DCs
\$2,472,000	\$17,610,200	\$15,138,300 <sup>1</sup>	\$2,472,000

Note 1: All available DC reserves of \$316,000 are applied towards the program.

- Capital Program:
  - New Fire Station: Land acquisition, construction and training (2015 to 2016)
  - New Fire Station: Land acquisition and construction (2022 to 2023)
  - Vehicles and Equipment (pumper, small vehicles, bunker gear)
  - Studies (Fire Master Plan)

# 10-Year Capital Program Highlights: Recreation Facilities

Funding Envelope	Total Capital Program	Costs not Funded through This By-law	Program funded by DCs
\$15,804,200	\$70,349,700	\$54,545,500 <sup>(1)</sup>	\$15,804,200

Note 1: All available DC reserves of \$6.98 million are applied towards the program

- Capital Program:
  - Arena Replacement (2015)
  - Old Town Hall Redevelopment (2014)
  - Community Facility (2019)
  - Community Use Centre (2020)
  - Magna Facility: Furniture and Equipment
  - Debenture payments (Magna and Youth Centre)

# 10-Year Capital Program Highlights: Outdoor Recreation

Funding Envelope	Total Capital Program	Costs not Funded through This By-law	Program funded by DCs
\$12,312,500	\$41,598,100	\$29,285,600 <sup>(1)</sup>	\$12,312,500

Note 1: All available DC reserves of \$6.68 million are applied towards the program

- Capital Program:
  - Various community-wide parkland, trail and neighbourhood parks development
  - Acquisition of various parks fleet and equipment
  - Operations Centre Debt Payments

# 10-Year Capital Program Highlights: Yards & Fleet

Funding Envelope	Total Capital Program	Costs not Funded through This By-law	Program funded by DCs
\$1,586,800	\$10,759,200	\$9,172,500	\$1,586,800

Note 1: Available DC reserves of \$474,000 are used to fund all DC eligible costs.

- New projects:
  - Operations Centre Debt Payments and Modifications
  - Western Staging Facility for Operations (including land)
  - Snow Dump
  - Acquisition of various engineering fleet vehicles and equipment

# 10-Year Capital Program Highlights: Town-wide Engineering

Total Capital Program	Costs not Funded through This By-law	Program funded by DCs
\$87,137,300	\$54,134,800 <sup>(1)</sup>	\$33,002,600

Note 1: Available DC reserves of \$3.5 million are applied towards the program

- Includes road works, signalization, sidewalks, storm water management, regional-related improvements (streetscaping, pedestrian lighting, water main work) and various studies
- Urban Centres Road Network Plan is significant

# 10-Year Capital Program Highlights: Municipal Parking

Total Capital Program	Costs not Funded through This By-law	Program funded by DCs
\$10,100,000	\$8,319,900 <sup>(1)</sup>	\$1,780,100

*Note 1: Available DC reserves of \$685,000 are applied towards the program*

- Capital Program
  - Long range parking plan study for Downtown Newmarket
  - Parking structure: Land acquisition and construction

## DC Rate Calculation

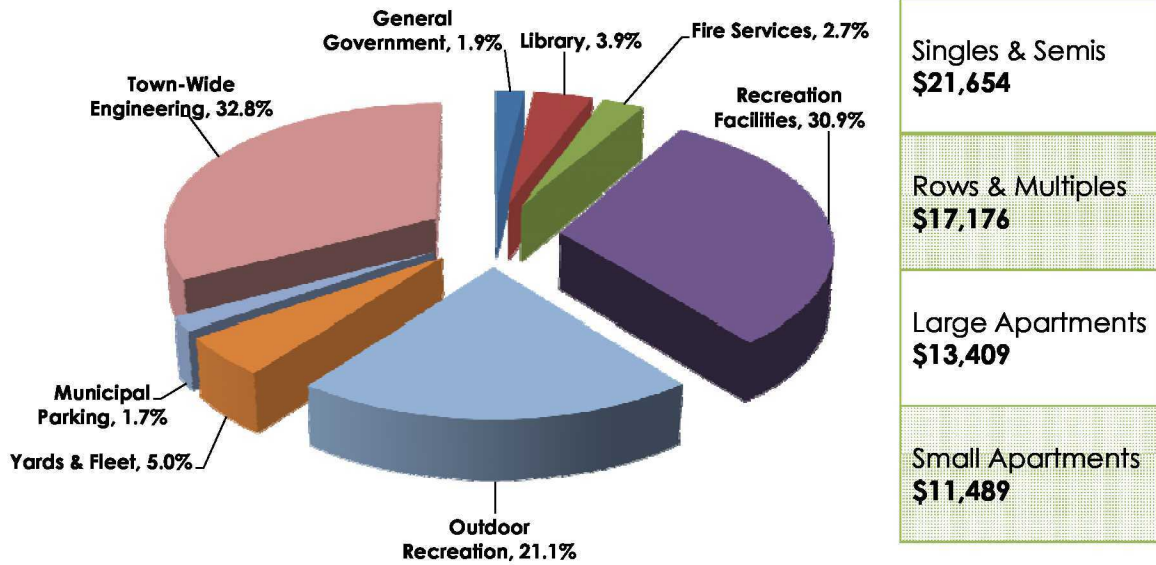
### Residential:

- Calculated as a charge per capita
- Levied as charge per unit and by unit type

### Non-Residential:

- Calculated and levied as a charge per square metre of gross floor area (GFA)

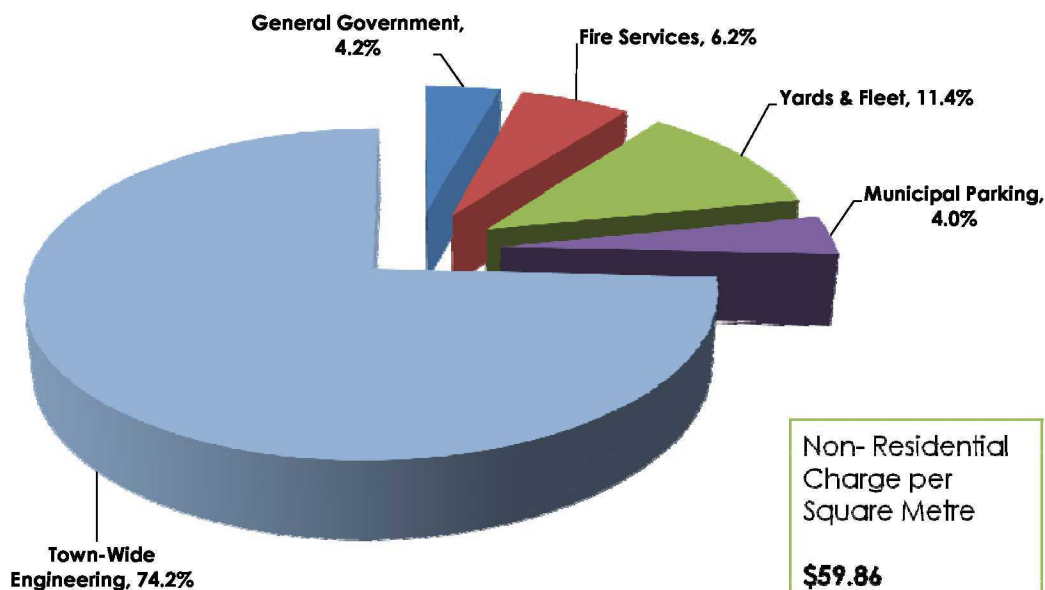
# Draft Calculated Residential DC Rates



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# Draft Calculated Non-Residential DC Rate



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## Current vs. Calculated Township-Wide Single/Semi Detached Unit

Service	Current Charge	Calculated Charge	Difference \$	Difference %
General Gov't.	\$333	\$401	\$68	20.6%
Library	\$1,285	\$837	(\$448)	-34.9%
Fire Services	\$423	\$593	\$170	40.1%
Recreation Facilities	\$5,832	\$6,683	\$851	14.6%
Outdoor Recreation	\$5,106	\$4,578	(\$528)	-10.3%
Yards & Fleet	\$456	\$1,092	\$636	139.6%
Municipal Parking	\$373	\$378	\$5	1.3%
Town-Wide Engineering	\$1,166	\$7,092	\$5,926	508.1%
<b>Total Charge</b>	<b>\$14,974</b>	<b>\$21,654</b>	<b>\$6,680</b>	<b>44.6%</b>

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## Current vs. Calculated Town-Wide Non-Residential Rate

Service	Current Charge (\$/sq.m)	Calculated Charge (\$/sq.m)	Difference \$	Difference %
General Gov't.	\$2.38	\$2.51	\$0.13	5.5%
Fire Services	\$3.01	\$3.71	\$0.70	23.3%
Yards & Fleet	\$3.25	\$6.83	\$3.58	110.2%
Municipal Parking	\$2.66	\$2.37	(\$0.30)	-11.1%
Town-Wide Engineering	\$8.40	\$44.44	\$36.04	429.0%
<b>Total Charge</b>	<b>\$19.70</b>	<b>\$59.86</b>	<b>\$40.16</b>	<b>203.8%</b>

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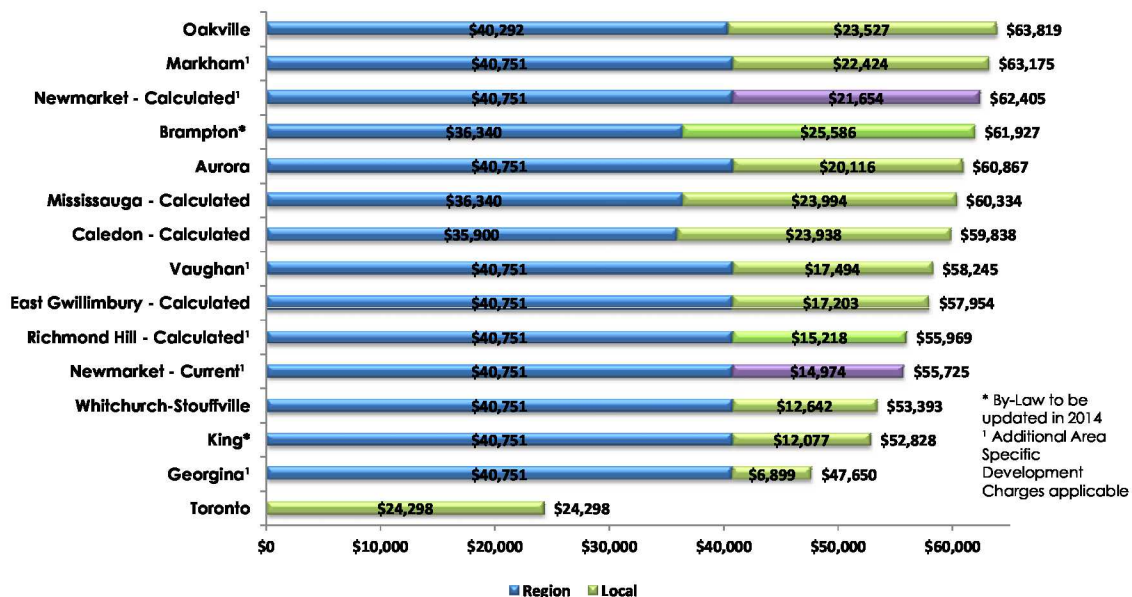
## Reasons for the Rate Increase

- Integration of Urban Centres Road Plan
- Significant Fire capital program
- Continued recovery of Operations Centre

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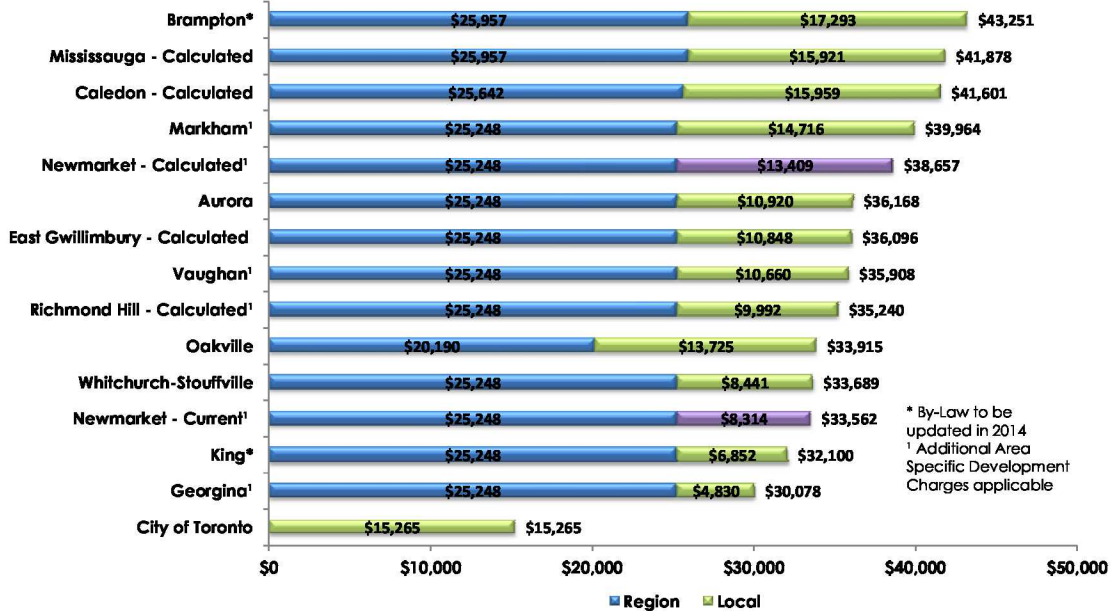
## Residential DC Rate Comparison Singles and Semi-Detached Units



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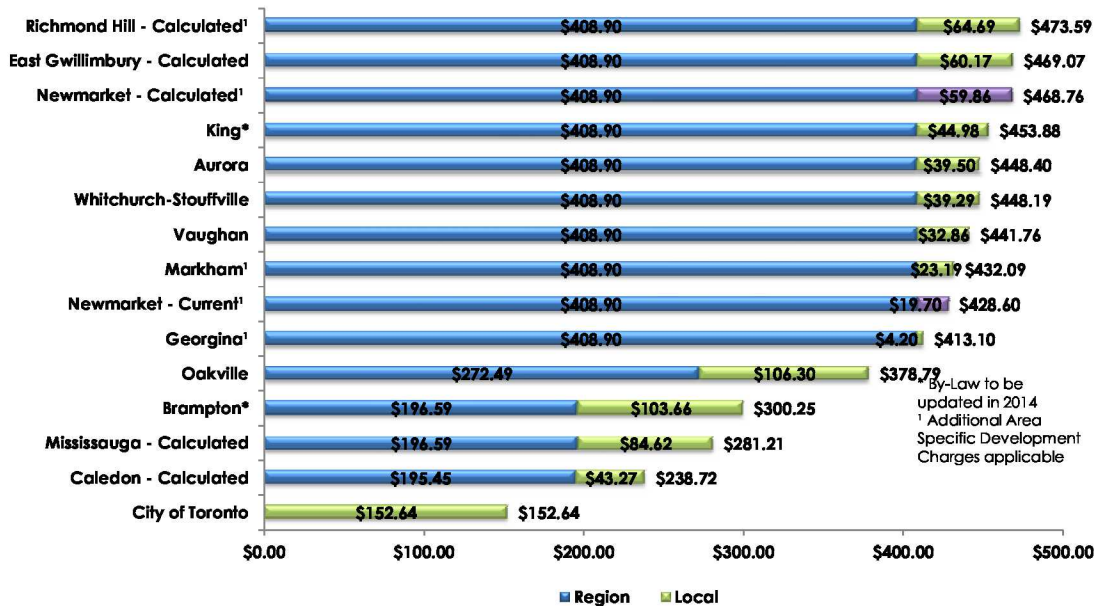
# DC Rate Comparison: Large Apartments



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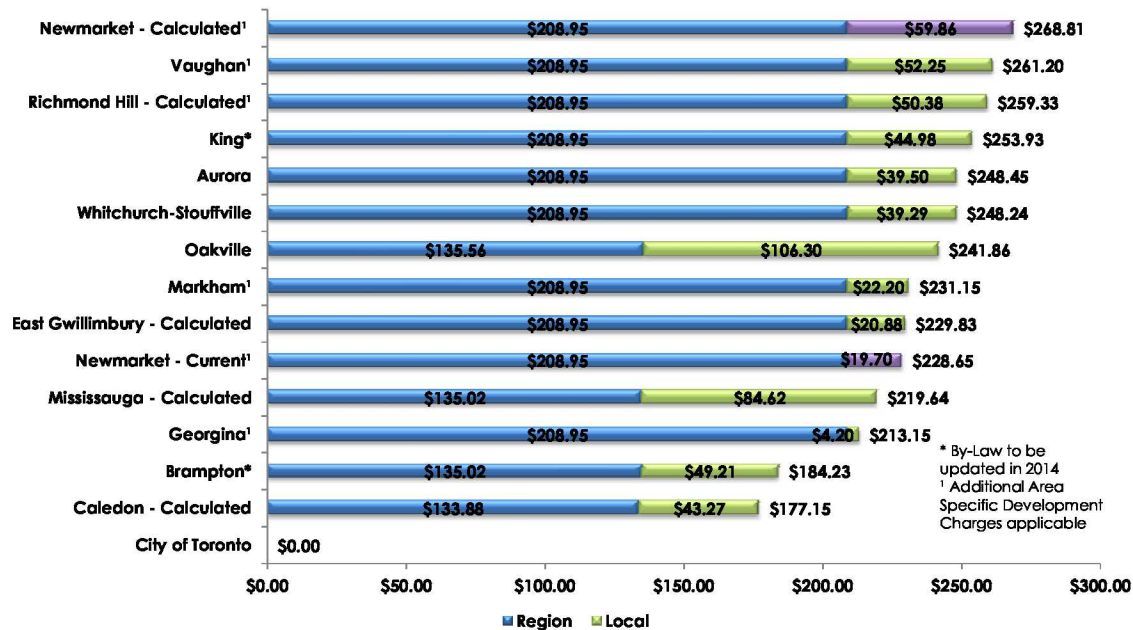
# Non-Residential (Retail) DC Rate Comparison



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# Non-Residential (Industrial) DC Rate Comparison



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## Policies

- Area-specific by-laws
- Rental unit policy
- Townhouse definitions
- Implementation options
- Others?

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## Next Steps

- Stakeholder Session June 4<sup>th</sup>
- Public Meeting June 23<sup>rd</sup>, 2014
- Respond to any verbal or written submissions
- Amend DC Study and/or calculated rates as required
- By-law Passage



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May 20, 2014

**JOINT CAO & COMMISSIONERS CORPORATE SERVICES, DEVELOPMENT  
INFRASTRUCTURE SERVICES & COMMUNITY SERVICES REPORT – 2014-08**

TO: Mayor Van Bynen and Members of Council

SUBJECT: 2014 Development Charges Review

ORIGIN: Commissioner, Corporate Services

**RECOMMENDATION:**

**THAT Joint CAO & Commissioners of Corporate Services, Development Infrastructure Services and Community Services Report #2014-08 dated May 20, 2014 regarding the 2014 Development Charges Review be received.**

**COMMENTS**

In 2009, the Town adopted three by-laws under the *Development Charges Act, 1997* ("Act") two of which, the Town-wide and Northwest Quadrant by-laws were adopted August 31, 2009 and the third, related to the Goldstein/Trinison Development Area, was adopted June 22, 2009. The Act states that unless they are expired or repealed earlier, a development charge by-law expires five years after the day it comes into force.

These by-laws impose development charges on residential and non-residential uses and they are levied against new development to pay for the costs of servicing growth. The updated Town-wide and Northwest Quadrant Development Area by-laws will be adopted in advance of the expiry dates. The by-law for the Goldstein/Trinison Development Area is no longer required and will be left to expire as any related charges for this area have been captured in subdivision agreements.

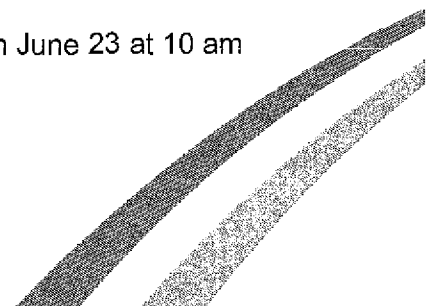
Hemson Consulting Limited was retained to prepare the Town's development charges background study and draft by-laws as part of the Capital Financing Sustainability Strategy and is presenting their draft information to Committee of the Whole on May 26, 2014.

The Town will be undertaking a development charges public process and the timeline is as follows:

Public Information Centre for the development community and interested parties scheduled on June 4 at 1 pm (Cane Room)

Background Study and draft by-law will be available on or before June 9

Statutory Public Meeting (Special Committee of the Whole) scheduled on June 23 at 10 am (Council Chambers)



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Adoption of Development Charges by-laws (Special Council) scheduled on July 21 at 1.30 pm  
(Council Chambers)

### **BUSINESS PLAN AND STRATEGIC PLAN LINKAGES**

This report links to Newmarket's key strategic directions in being Well Equipped and Managed by implementing policies and processes that reflect sound and accountable governance.

### **CONSULTATION**

During the continuing preparation of the background study, consultation has taken place with appropriate departments through staff meetings and via teleconferencing and one on one discussions with the consultant. Consultation will take place with the development community and other interested parties at a Public Information Centre scheduled for June 4, 2014 at 1:00 p.m. It is also staff's intent to have the by-laws and associated documentation reviewed by external legal counsel.

### **HUMAN RESOURCE CONSIDERATIONS**

None.

### **BUDGET IMPACT**

#### Operating Budget (Current and Future)

None with respect to the recommendations of this report.

#### Capital Budget

None

### **CONTACT**

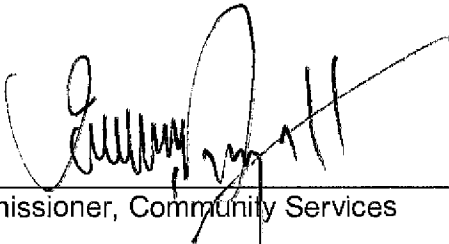
For more information on this report, contact Anita Moore, Commissioner, Corporate Services at 905-955-5300, ext. 2202 or Mike Mayes, Director, Financial Services at 905-955-5300, ext. 2102.



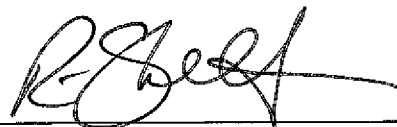
Commissioner, Corporate Services



Commissioner, Development & Infrastructure  
Services



Commissioner, Community Services



Chief Administrative Officer