

Town of Newmarket Development Charges Council Information Session



Monday, April 8th, 2019

HEMSON
Consulting Ltd.



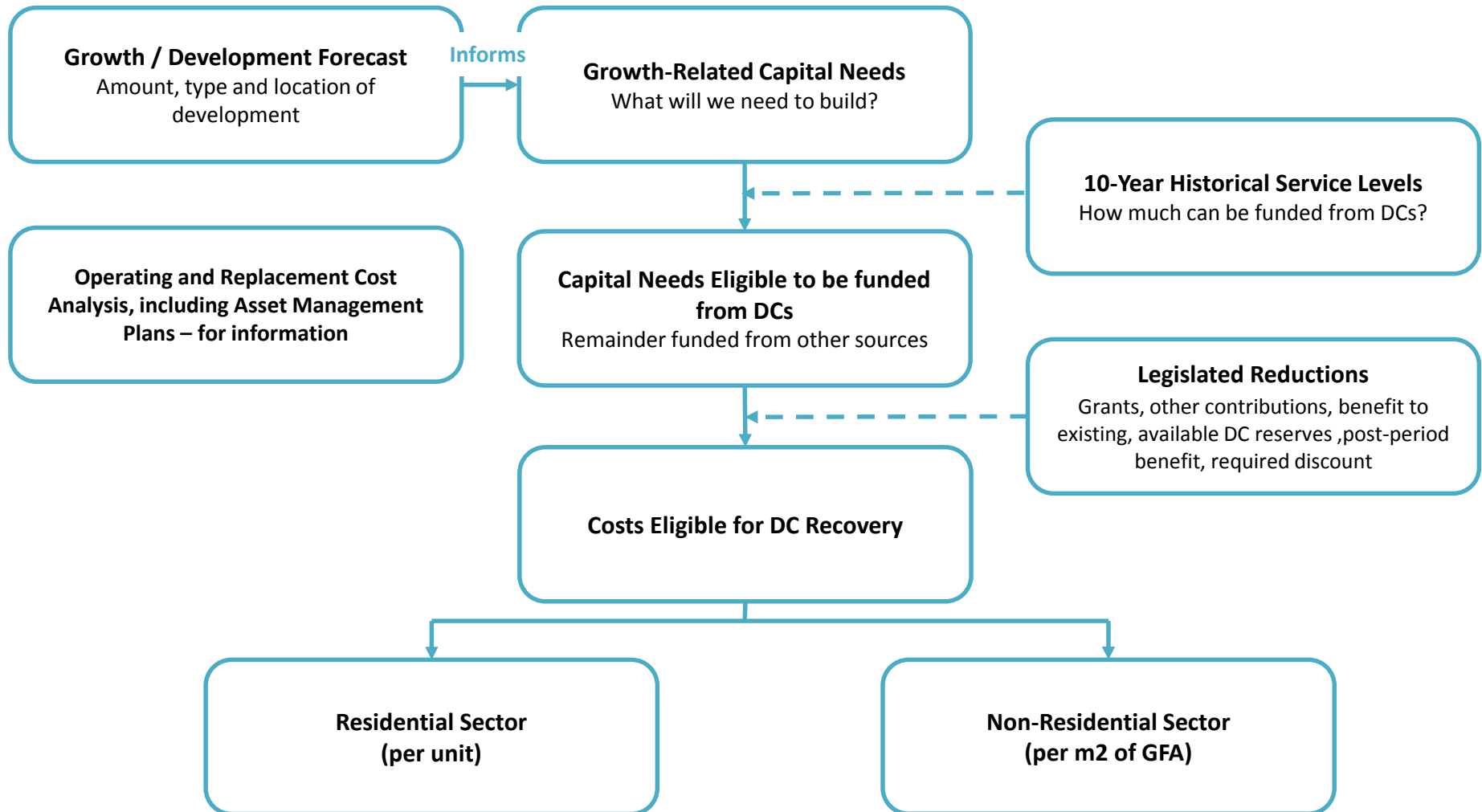
Today We Will Discuss

- Overview of the Study Process
- Development Forecast
- Capital Programs
- Preliminary Calculated Rates
- DCs and Affordability
- Next Steps

Need for Council Involvement

- Council must:
 - Adopt the capital program and the increase need for service attributable to development
 - Intend to undertake the capital program to ensure this need is met
 - Give consideration to the use of “area-rating”
 - Approve the DC rates and policies as identified in the proposed DC by-law

Overview of Study Process



Development Forecast

Growth Forecast	2018	2019 - 2028		2019 - 2031	
		Growth	Total at 2028	Growth	Total at 2031
Residential					
Total Occupied Dwellings	29,500	3,900	33,400	5,300	34,900
Total Population - Census	89,100	9,100	98,200	11,600	100,700
Non-Residential					
Employment	40,400	3,600	44,000	4,600	44,900
Non-Residential Building Space (sq.m.)		198,400		252,600	

*Rounded for presentation

Employment does not include work at home

Development-Related Capital Program Overview

- Capital programs have been developed in consultation with Town staff
- Council must express intent to undertake capital works for them to be included in DC Study
- Capital costs are required to be adjusted in accordance with DC legislation :
 - Grants, subsidies & contributions
 - Benefit to existing or replacement elements
 - Uncommitted DC reserve funds
 - 10% 'general' service deduction
 - "Post-period" benefit

Capital Program Summary (in \$000)

Service	Gross Capital Cost	Non-DC Fundable	Future DCs (Post-Period)	In-Period + Reserves
General Government	\$2,846.0	\$1,381.6	\$0.0	\$1,464.4
Library	\$33,890.0	\$18,239.0	\$10,225.9	\$5,425.1
Fire Services	\$25,643.5	\$12,564.8	\$9,629.7	\$3,448.9
Parks & Recreation	\$58,400.1	\$5,840.0	\$0.0	\$52,560.1
Yards & Fleet	\$8,867.0	\$0.0	\$5,646.4	\$3,220.6
Municipal Parking	\$10,100.0	\$5,555.0	\$1,196.2	\$3,348.8
Waste Collection and Transfer	\$922.0	\$92.2	\$414.9	\$414.9
Engineered Services	\$74,571.0	\$14,355.8	\$0.0	\$60,215.2
Total	\$215,239.5	\$58,028.3	\$27,113.1	\$130,198.1

2019 Capital Program Major Projects

Service	Major Development Related Projects
General Government	<ul style="list-style-type: none">• Development-related studies; OP Review
Library	<ul style="list-style-type: none">• New Library
Fire Services (to 2031)	<ul style="list-style-type: none">• Training Centre (Station 4-5)• New pumpers and other vehicles
Parks & Recreation	<ul style="list-style-type: none">• Mulock Estate Development (Phase 2)• Recovery of past debt (Magna Centre, Youth Centre)• Community-wide Parkland Development• Trail connections and parkland development• Fleet and Equipment

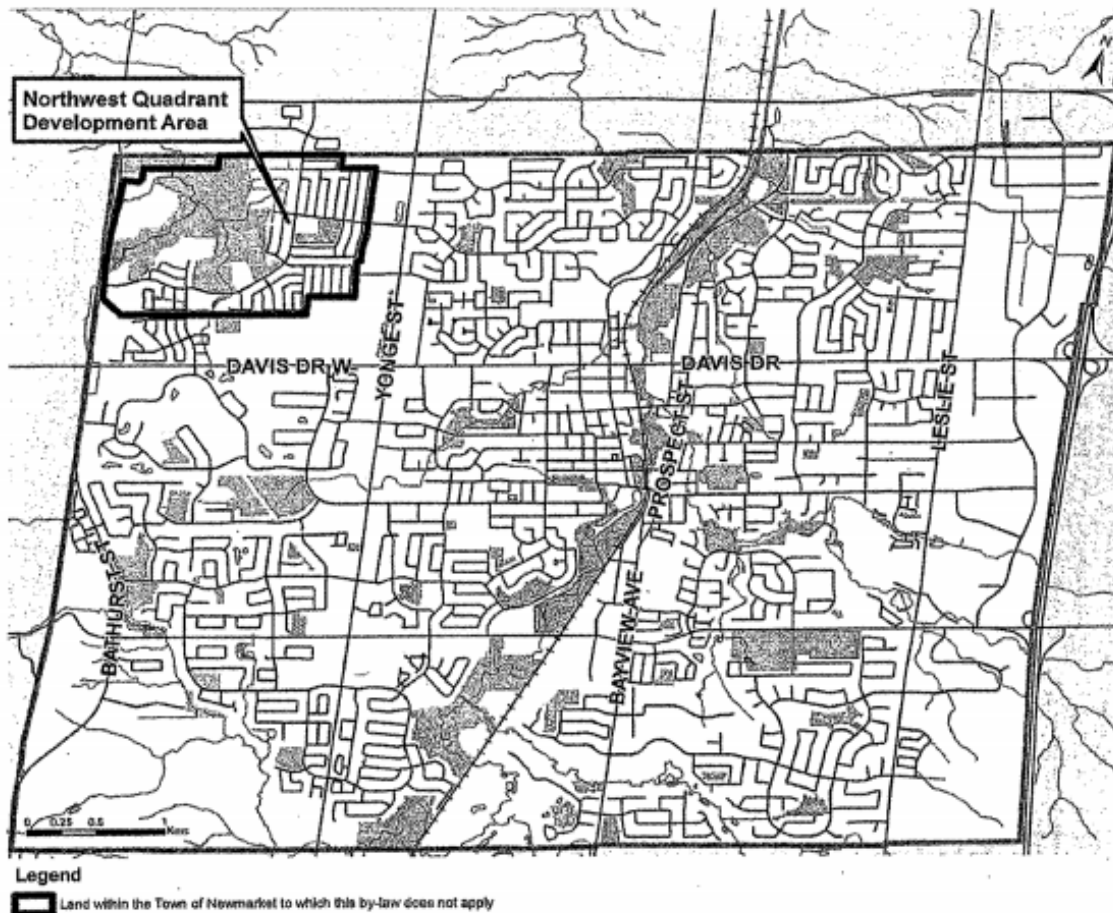
2019 Capital Program Major Projects Con't.

Service	Major Development Related Projects
Yards & Fleet	<ul style="list-style-type: none">• Facilities, fleet and equipment investments
Municipal Parking	<ul style="list-style-type: none">• 250-space downtown parking structure
Waste Collection & Transfer	<ul style="list-style-type: none">• Growth-related building and vehicle costs
Engineered Services	<ul style="list-style-type: none">• Roadworks*• Debt recovery (Harry Walker Pkwy)• Sidewalks and multiuse pathways• Water and wastewater upsizing• Engineering-related studies <p><i>*increased cost for Urban Centre Works 2024-2028 (\$14.0M) from March 18, 2019</i></p>

Preliminary Calculated DC Rates (Excl. NW Quadrant)

Service	Residential Charge By Unit Type (1)				Non-Residential Charge per Square Metre
	Singles & Semis	Rows & Other Multiples	Apartments		
			700 sq. ft. or Greater	Under 700 sq. ft.	
General Government	\$268	\$211	\$159	\$114	\$1.39
Library	\$995	\$781	\$591	\$422	\$0.00
Fire Services	\$891	\$699	\$529	\$378	\$4.69
Parks & Recreation	\$15,903	\$12,474	\$9,440	\$6,743	\$0.00
Yards & Fleet	\$861	\$675	\$511	\$365	\$4.45
Municipal Parking	\$459	\$360	\$272	\$194	\$2.38
Waste Collection & Transfer	\$165	\$129	\$98	\$70	\$0.00
Subtotal General Services	\$19,542	\$15,329	\$11,600	\$8,286	\$12.91
Town-Wide Engineered Services	\$14,765	\$11,582	\$8,765	\$6,260	\$77.01
TOTAL CHARGE PER UNIT	\$34,307	\$26,911	\$20,365	\$14,546	\$89.92
(1) Based on Persons Per Unit Of:					
	3.54	2.78	2.10	1.50	

Northwest Quadrant Development Area DC Rates



Development Charges

Singles & Semis
\$31,212

Rows & Multiples
\$24,483

Apartments: 700
sq.ft. or greater
\$18,527

Apartments: under
700 sq. ft.
\$13,234

Non-Residential
Charges Per Sq.
Metre
\$73.34

Comparison of Current Rates vs. Preliminary Rates (\$/Lrg. Apt.)

Service	Residential (\$/Large Apartment)			
	Calculated Residential Charge	Current Residential Charge	Difference in Charge	
General Government	\$159	\$275	(\$116)	-42%
Library	\$591	\$578	\$13	2%
Fire Services	\$529	\$399	\$130	32%
Parks & Recreation	\$9,440	\$7,368	\$2,072	28%
Yards & Fleet	\$511	\$744	(\$233)	-31%
Municipal Parking	\$272	\$234	\$38	16%
Waste Collection & Transfer	\$98	\$0	\$98	100%
Subtotal General Services	\$11,600	\$9,599	\$2,001	21%
Town-Wide Engineered Services	\$8,765	\$4,173	\$4,592	110%
TOTAL CHARGE PER UNIT	\$20,365	\$13,771	\$6,594	48%

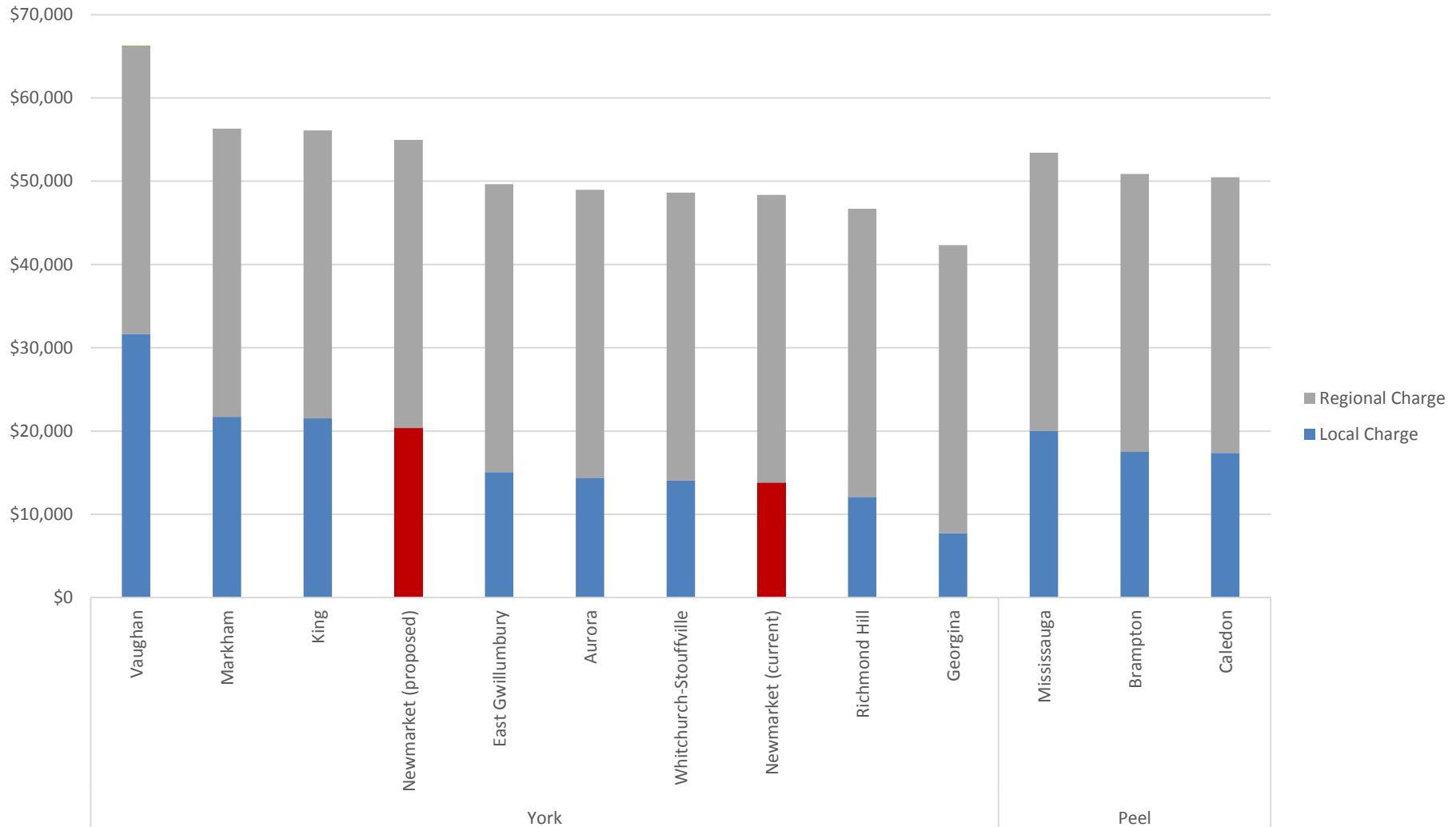
Comparison of Current Rate vs. Calc. Non-Residential Rate (\$/sqm)

Service	Non-Residential (\$/Square Metre)			
	Calculated Non-Residential Charge	Current Non-Residential Charge	Difference in Charge	
General Government	\$1.39	\$2.76	(\$1.37)	-50%
Library	\$0.00	\$0.00	\$0.00	N/A
Fire Services	\$4.69	\$4.01	\$0.68	17%
Parks & Recreation	\$0.00	\$0.00	\$0.00	N/A
Yards & Fleet	\$4.45	\$7.59	(\$3.14)	-41%
Municipal Parking	\$2.38	\$2.34	\$0.04	2%
Waste Collection & Transfer	\$0.00	\$0.00	\$0.00	N/A
Subtotal General Services	\$12.91	\$16.70	(\$3.79)	-23%
Town-Wide Engineered Services	\$77.01	\$42.16	\$34.85	83%
TOTAL CHARGE PER SQUARE METRE	\$89.92	\$58.86	\$31.06	53%

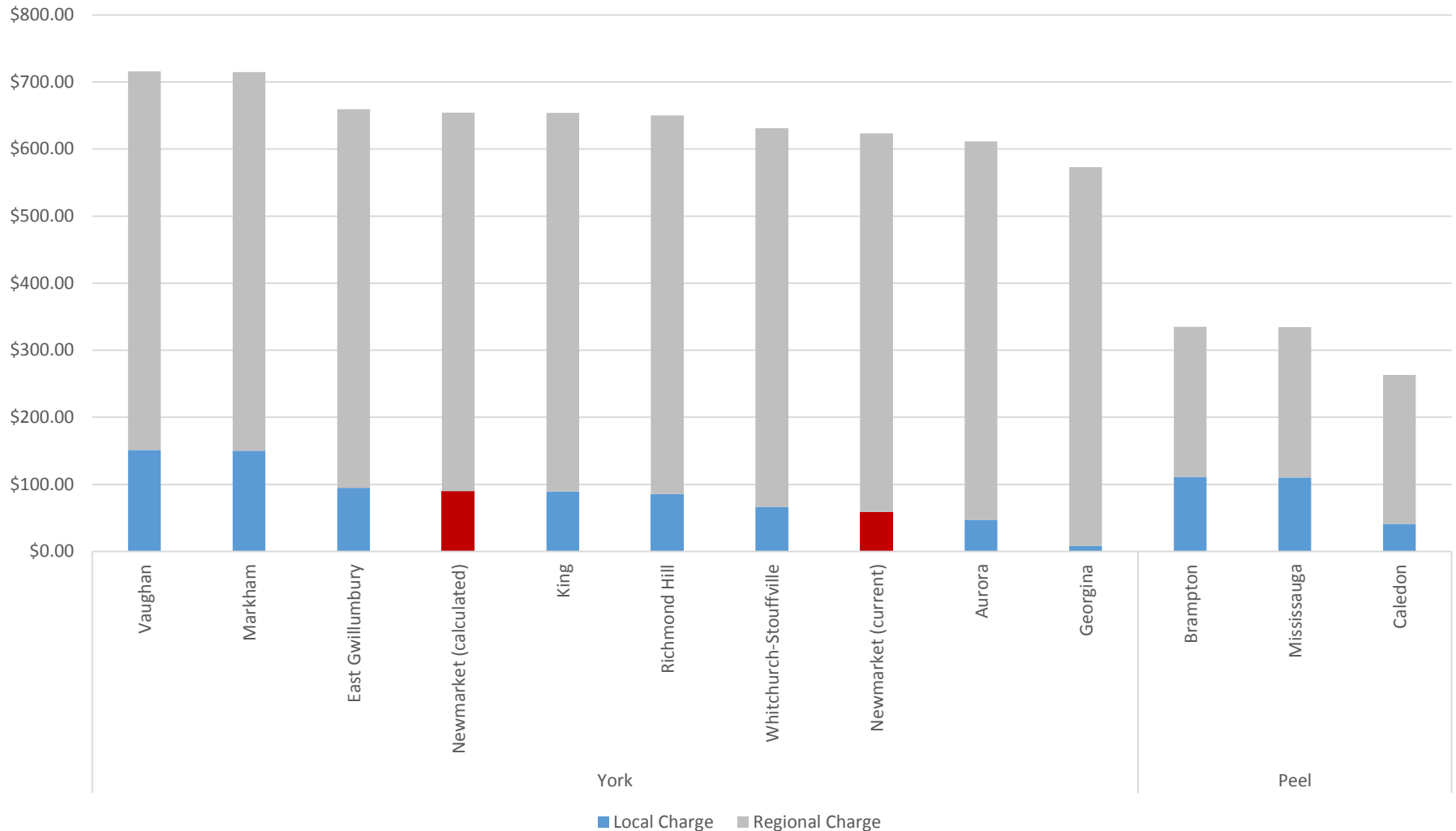
Current vs. Calculated Total Rate Large Apartment

	Draft Calculated Charge	Current Charge (Large Apartment)	Difference in Charge	
York Region	\$34,584		\$0	0%
Town-Wide	\$20,365	\$13,771	\$6,594	48%
Total Charge per Unit	\$54,949	\$48,355	\$6,594	14%

Development Charges Comparison (Large Apartment)



Non-Res. Rate Comparison (\$/Square Metre)



Recent DC Rate Increases

Municipality	Pre-Bylaw Rates	Bylaw Rates	\$ Change	% Change	Year of Bylaw
Richmond Hill (Draft)	\$18,430	\$18,430	\$0	0%	2019
Aurora	\$23,224	\$23,844	\$620	3%	2019
Orillia	\$14,857	\$17,708	\$2,851	19%	2018
Brampton (Proposed)	\$30,941	\$40,462	\$9,521	31%	2019
Region of Peel	\$36,403	\$48,499	\$12,096	33%	2015
Oakville	\$25,283	\$33,688	\$8,405	33%	2018
East Gwillimbury (Draft)	\$23,890	\$33,885	\$9,995	42%	2019
Markham	\$22,770	\$33,687	\$10,917	48%	2017
Whitchurch-Stouffville (Phased in)	\$14,400	\$21,603	\$7,203	50%	2018
Newmarket (2019)	\$22,240	\$34,307	\$12,067	54%	2019
Georgina	\$7,113	\$11,469	\$4,356	61%	2016
Whitby	\$12,708	\$20,820	\$8,112	64%	2017
York Region (2012-2018)	\$32,000	\$52,818	\$20,818	65%	2018
Toronto (final after phase-in)	\$41,251	\$80,227	\$38,976	94%	2018
Cambridge (proposed 2019)	\$11,370	\$22,356	\$10,986	97%	2019
Vaughan	\$24,998	\$49,305	\$24,307	97%	2018
King	\$12,022	\$23,840	\$11,818	98%	2015

Source: Hemson Consulting

House Prices and DC Rate Increases

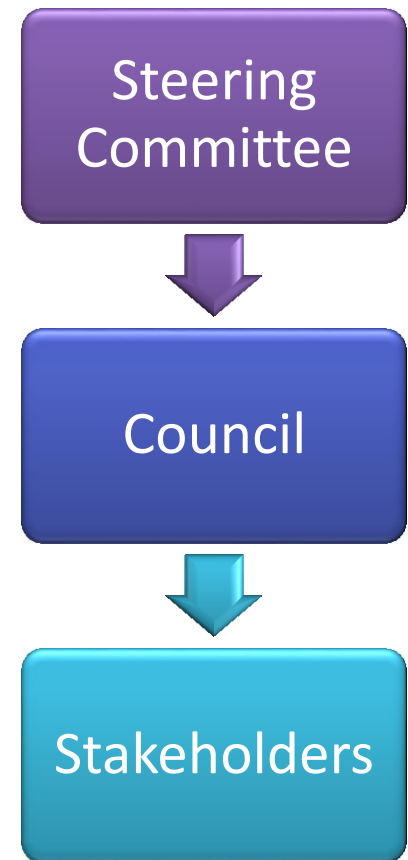
- House prices are largely influenced by a variety of market forces
- Not a strong correlation between DC rate changes and house prices
 - Increasing DCs \neq increasing house prices
 - Decreasing DCs \neq decreasing house prices

Impact of DCs on Affordability

- Town's policy for the deferral of payment of DCs and Planning Application fees within the Urban Centres
- Newmarket Downtown CIP – DC Rebate/Credit Program
- Upper Tier
 - York Region also includes a deferral policy for rental developments (36 months)
 - York Region passed by-law on March 21 enabling a CIP in urban centres intended to include affordable housing incentives

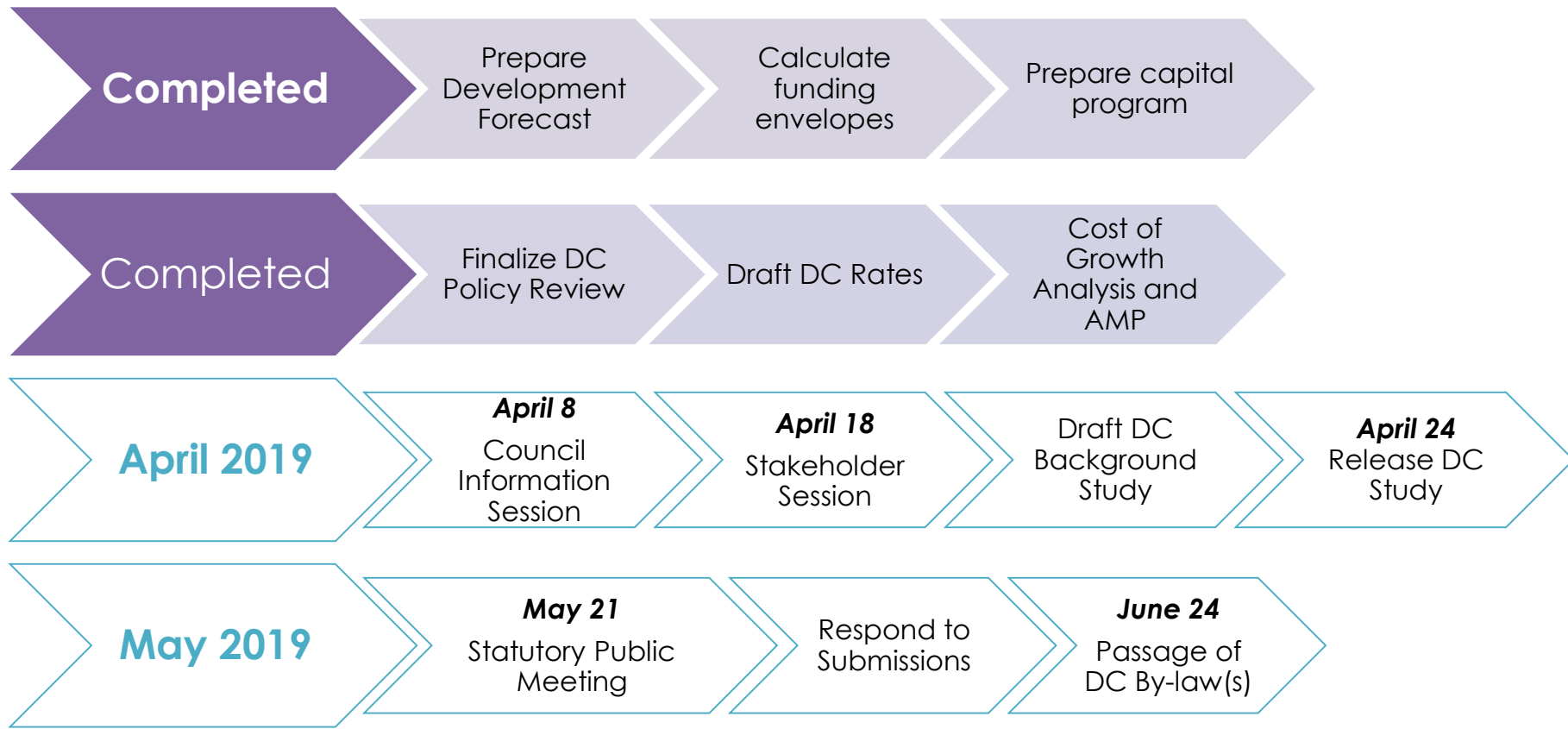
Stakeholder Consultation

- A meeting with industry stakeholders is proposed prior to the release of the 2019 DC Background Study
 - Provides opportunity to address issues/concerns early on in the process
 - Enhances communication and transparency
- Will be used to discuss key inputs of the DC Study (i.e. forecast, service levels, capital programs etc.)



Proposed Project Timeline

By-law Expires: **September 1, 2019**



Next Steps

- Consultation with Development Industry – **April 18th 2019**
- Release Background Study – **April 24th 2019**
- Public Meeting – **May 21st 2019**
- Proposed Council By-law Passage – **June 24th**
*Current by-law expires **Sept 1st 2019***