

# Development Charge By-law Passage

Presented by:  
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July 18, 2019



# Legislative Framework



Development charges (DCs) finance growth related capital projects.

DCs are heavily regulated by the province. Municipalities must meet requirement to levy charges.

With Bill 108, the province proposed many significant changes to municipalities. Received Royal Assent 11 days before the Committee of the Whole meeting to adopt by-laws.

# Fog



**The adoption of the by-law was deferred from June 24<sup>th</sup> to August 26<sup>th</sup> to give staff time to seek an external legal opinion.**

In preparation of our questions, staff found the decision to defer may have created a gap between by-laws.

# Legal Options



Staff explored options to address the gap in by-laws.

In the meantime, staff received clarity on how to proceed with the changes with Bill 108.

Only feasible option was to adopt by-laws before expiry of current by-laws.

# Fog Lifted



# Development Community



Important to maintain positive relations with development community.

Once decision was made to move the adoption date, staff took the following steps:

- Notified development community of the change on July 9<sup>th</sup>
- Provided full response to outstanding written submission on July 10<sup>th</sup>
- Confirmed Special Council date July 11<sup>th</sup>
- Hosted drop-in session July 12<sup>th</sup>

**Rates will remain at the current level until September 1<sup>st</sup>.**

The Town will continue to welcome feedback and dialogue on any matters related to the new by-laws.



# Town of Newmarket Development Charges DC By-law Passage



**Thursday, July 18<sup>th</sup>, 2019**

**HEMSON**  
Consulting Ltd.

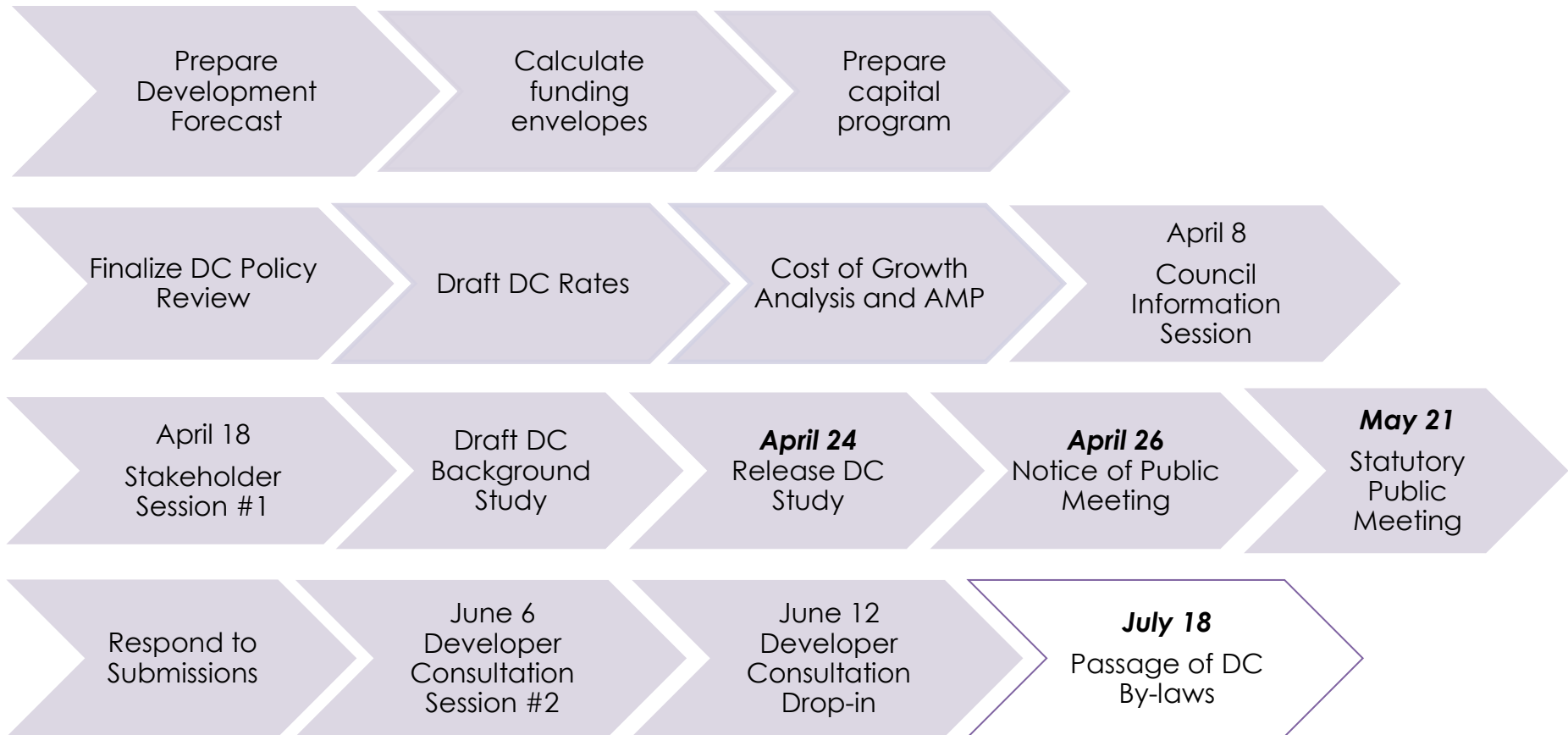


# Today We Will Discuss

- Process and Milestones
- Stakeholder Consultation
- Bill 108 Update
- Changes since the Background Study
- Phase-in Proposed
- Updated Rates
- Rate Comparison Graphs (Residential and Non-Residential)

# Project Timeline

By-laws Expire: **July 21, 2019**



Note: DCA requirements in **bold**.

# Stakeholder Consultation

- **April 18** – initial meeting with stakeholders
- **May 21** - Public Meeting
- **June 6** – follow up meeting with stakeholders
- **July 12** – Additional meeting time with staff
- Two written submissions received
  - Responses are attached to staff report

# Bill 108:

## *More Homes, More Choice Act, 2019*

- Received Royal Assent on June 6, 2019
- Portions will come into force upon proclamation
- Regulations have been released in draft
- Community Benefits Charge by-laws can be passed starting on December 31, 2020
- Discounted Service by-law will expire either:
  - When CBC by-law is passed; or
  - On December 21, 2021

# Changes Since the Background Study

- Refined inventory for Parks and Recreation and Yards and Fleet to account for DCA requirements and existing debt
- Additional 10% benefit to existing share on studies
- Updated costs and DC eligible shares for engineering works
- Overall downward adjustment to the calculated rates

# Phase-In Proposed

- Current rate will be maintained until August 31, 2019
- The fully-calculated rates will come into force on September 1, 2019 as previously proposed
- Three by-laws
  - Discounted Town-wide
  - Non-discounted Town-wide excluding North West Quadrant
  - Non-discounted North West Quadrant

# Comparison of Current Rates vs. Calculated Rates (Residential)

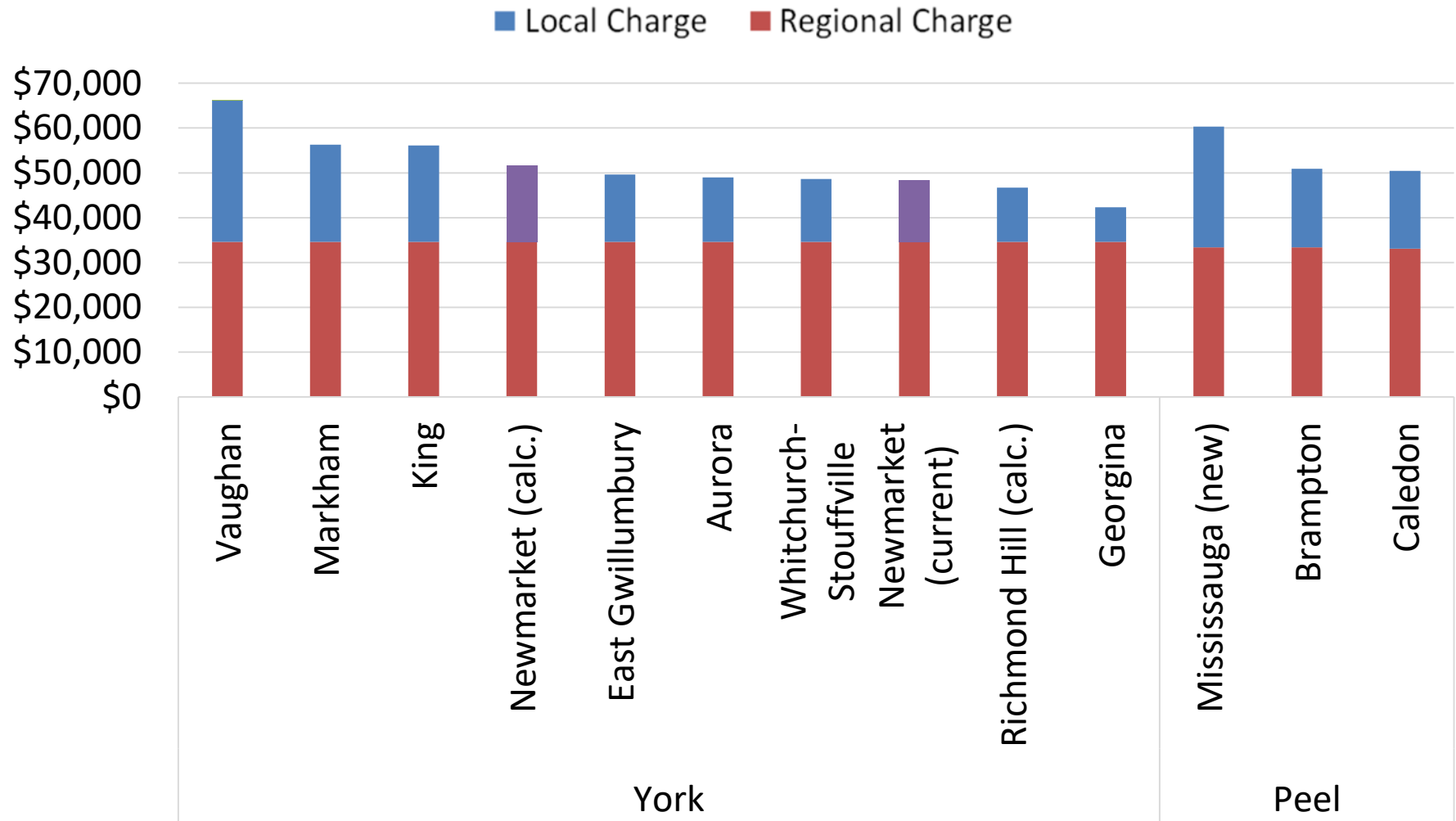
Service	Residential (\$/Large Apartment)			
	Calculated Residential Charge	Current Residential Charge	Difference in Charge	
<b>Discounted Services</b>				
General Government	\$155	\$275	(\$120)	-44%
Library	\$591	\$578	\$13	2%
Parks & Recreation	\$8,547	\$7,368	\$1,179	16%
Municipal Parking	\$270	\$234	\$36	15%
<b>Subtotal Discounted Services</b>	<b>\$9,563</b>	<b>\$8,456</b>	<b>\$1,107</b>	<b>13%</b>
<b>Non-Discounted Services</b>				
Fire Services	\$529	\$399	\$130	32%
Waste Diversion Services	\$98	\$0	\$98	100%
<b>Services Related to a Highway, Water, Wastewater &amp; Storm</b>				
Yards & Fleet	\$441	\$744	(\$303)	-41%
Town-Wide Engineered Services	\$6,527	\$4,173	\$2,354	56%
<b>Subtotal Non-Discounted Services</b>	<b>\$7,595</b>	<b>\$5,316</b>	<b>\$2,279</b>	<b>43%</b>
<b>TOTAL CHARGE</b>	<b>\$17,158</b>	<b>\$13,771</b>	<b>\$3,387</b>	<b>25%</b>



# Comparison of Current Rates vs. Calculated Rates (Non-Residential)

Service	Non-Residential (\$/Square Metre)			
	Calculated Non-Residential Charge	Current Non-Residential Charge	Difference in Charge	
<b>Discounted Services</b>				
General Government	\$1.35	\$2.76	(\$1.41)	-51%
Library	\$0.00	\$0.00	\$0.00	N/A
Parks & Recreation	\$0.00	\$0.00	\$0.00	N/A
Municipal Parking	\$2.36	\$2.34	\$0.02	1%
<b>Subtotal Discounted Services</b>	<b>\$3.71</b>	<b>\$5.10</b>	<b>(\$1.39)</b>	<b>-27%</b>
<b>Non-Discounted Services</b>				
Fire Services	\$4.69	\$4.01	\$0.68	17%
Waste Diversion Services	\$0.00	\$0.00	\$0.00	N/A
<b>Services Related to a Highway, Water, Wastewater &amp; Storm</b>				
Yards & Fleet	\$3.85	\$7.59	(\$3.74)	-49%
Town-Wide Engineered Services	\$57.55	\$42.16	\$15.39	37%
<b>Subtotal Non-Discounted Services</b>	<b>\$66.09</b>	<b>\$53.76</b>	<b>\$12.33</b>	<b>23%</b>
<b>TOTAL CHARGE PER SQUARE METRE</b>	<b>\$69.80</b>	<b>\$58.86</b>	<b>\$10.94</b>	<b>19%</b>

# Development Charges Comparison (Large Apartment)



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

