

Town of Newmarket 2014 Development Charges Study Council Information Session



Monday May 26th, 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 22nd and August 31st 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

HEMSON

6

Services Considered

100% Cost Recovery :

- Fire Services
- Town-Wide Engineering

90% Cost Recovery :

- General Government
- Library
- Recreation Facilities
- Outdoor Recreation
- Yards & Fleet
- Municipal Parking

HEMSON

7

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

HEMSON

8

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 ¹ | \$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

HEMSON

9

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 ¹ | \$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 ¹ | \$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 ⁽¹⁾ | \$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 ⁽¹⁾ | \$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 ⁽¹⁾ | \$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 ⁽¹⁾ | \$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

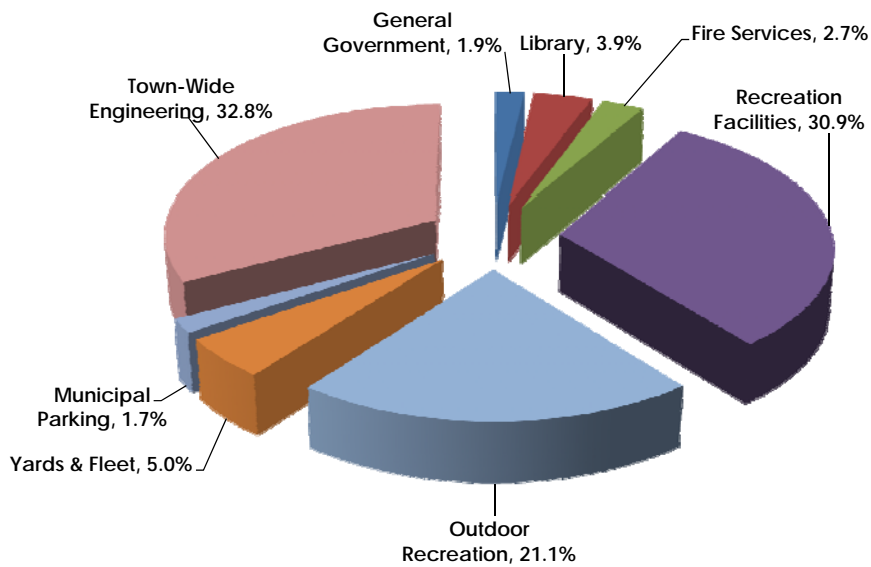
Residential:

- 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



Singles & Semis
\$21,654

Rows & Multiples
\$17,176

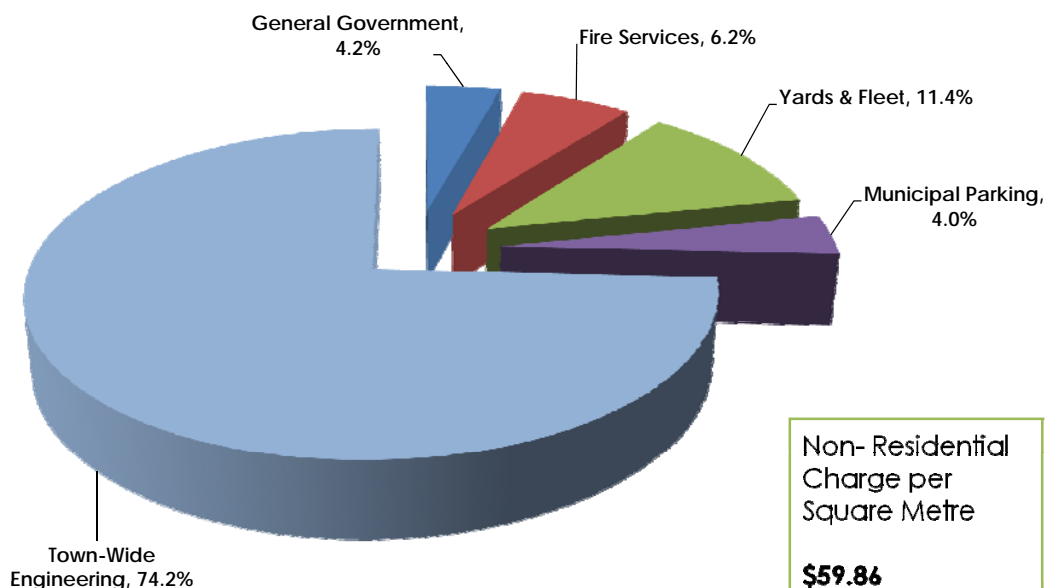
Large Apartments
\$13,409

Small Apartments
\$11,489

HEMSON

18

Draft Calculated Non-Residential DC Rate



Non- Residential
Charge per
Square Metre
\$59.86

HEMSON

19

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% |
| Total Charge | \$14,974 | \$21,654 | \$6,680 | 44.6% |

HEMSON

20

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% |
| Total Charge | \$19.70 | \$59.86 | \$40.16 | 203.8% |

HEMSON

21

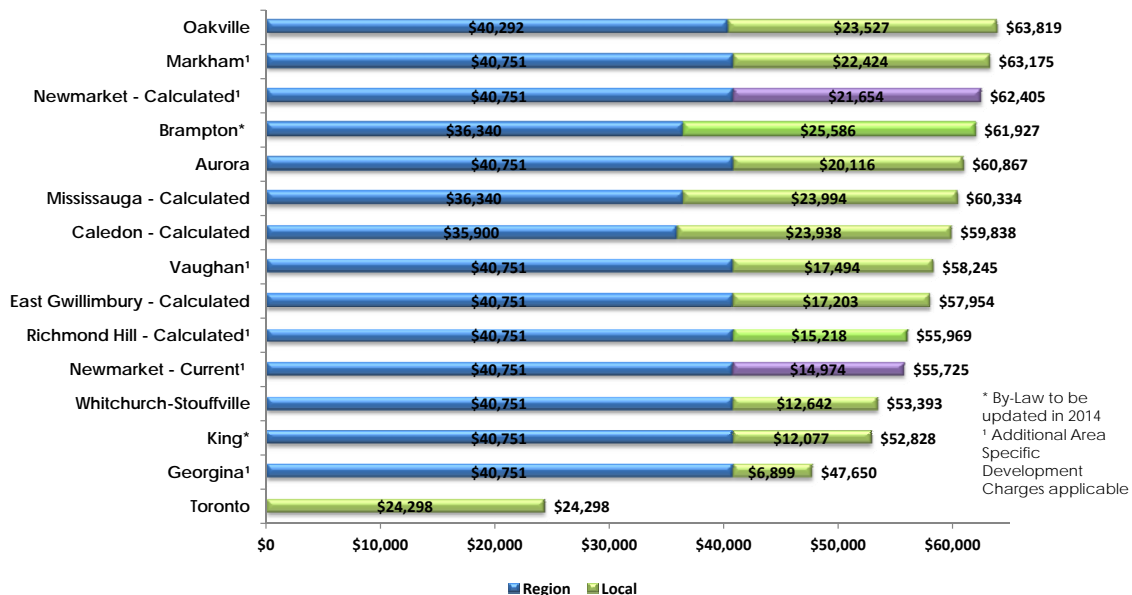
Reasons for the Rate Increase

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

HEMSON

22

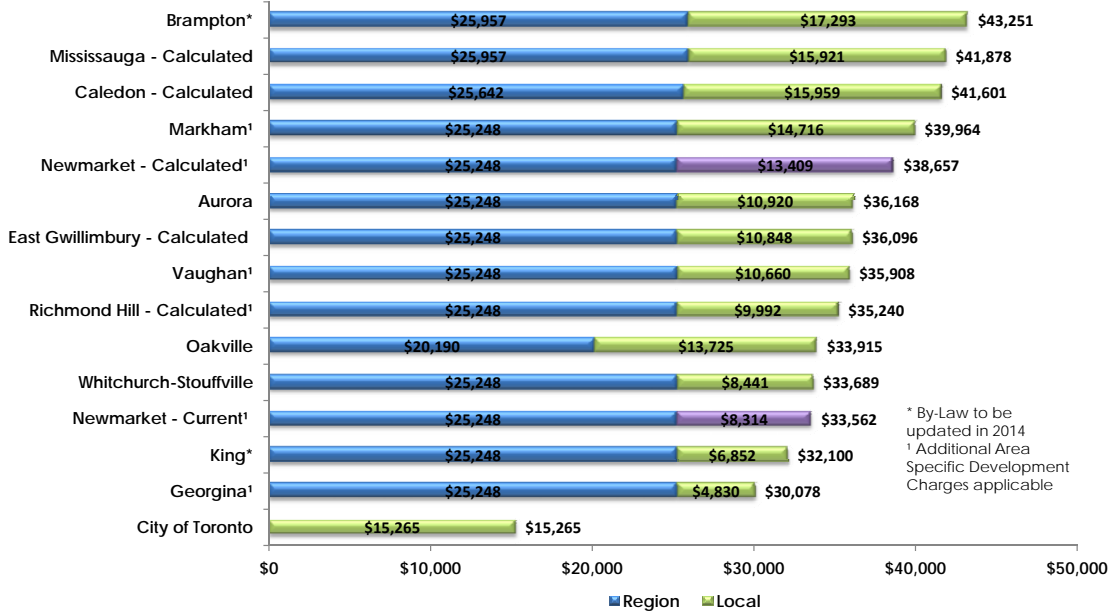
Residential DC Rate Comparison Singles and Semi-Detached Units



HEMSON

23

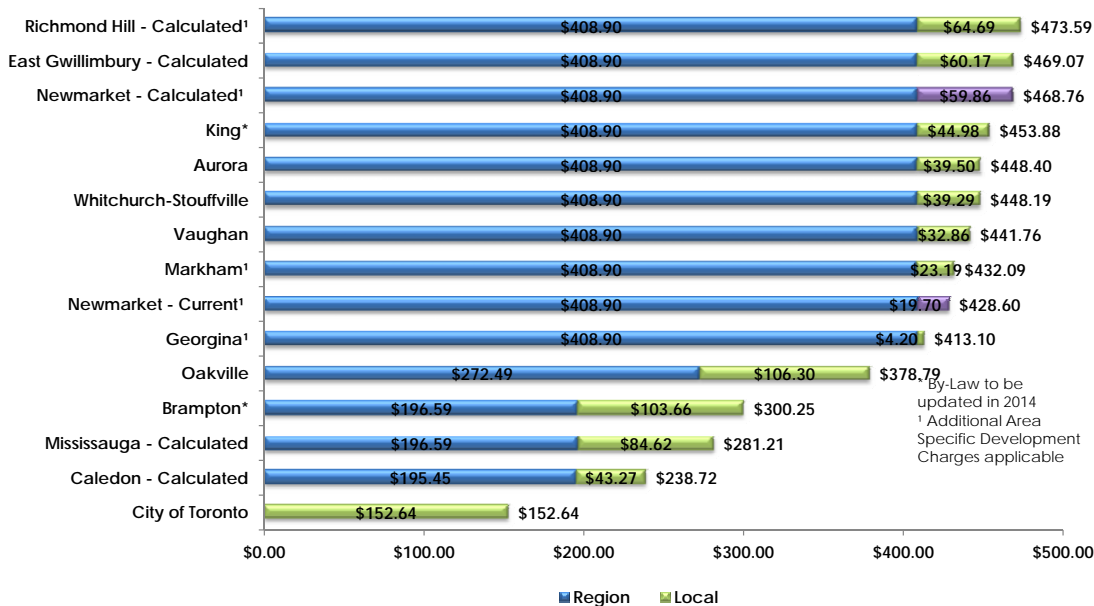
DC Rate Comparison: Large Apartments



HEMSON

24

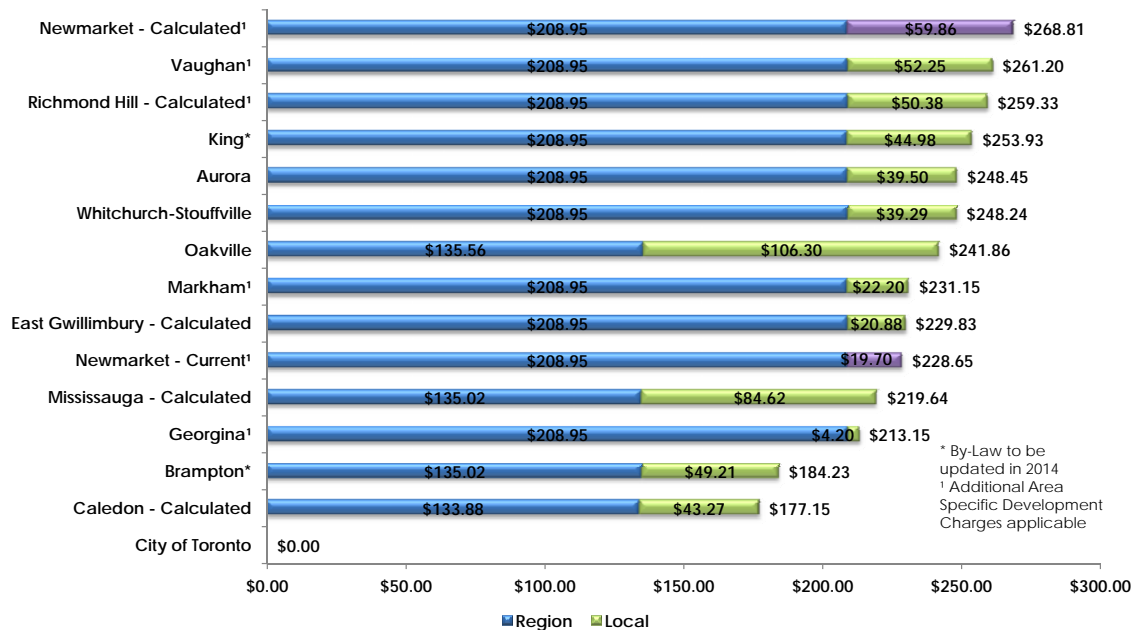
Non-Residential (Retail) DC Rate Comparison



HEMSON

25

Non-Residential (Industrial) DC Rate Comparison



HEMSON

26

Policies

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

HEMSON

27

Next Steps

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