

Developer Consultation Session

2024 Town-wide DC Background Study: Draft Development Charges Rates



TOWN OF COLLINGWOOD

Monday, April 8, 2024

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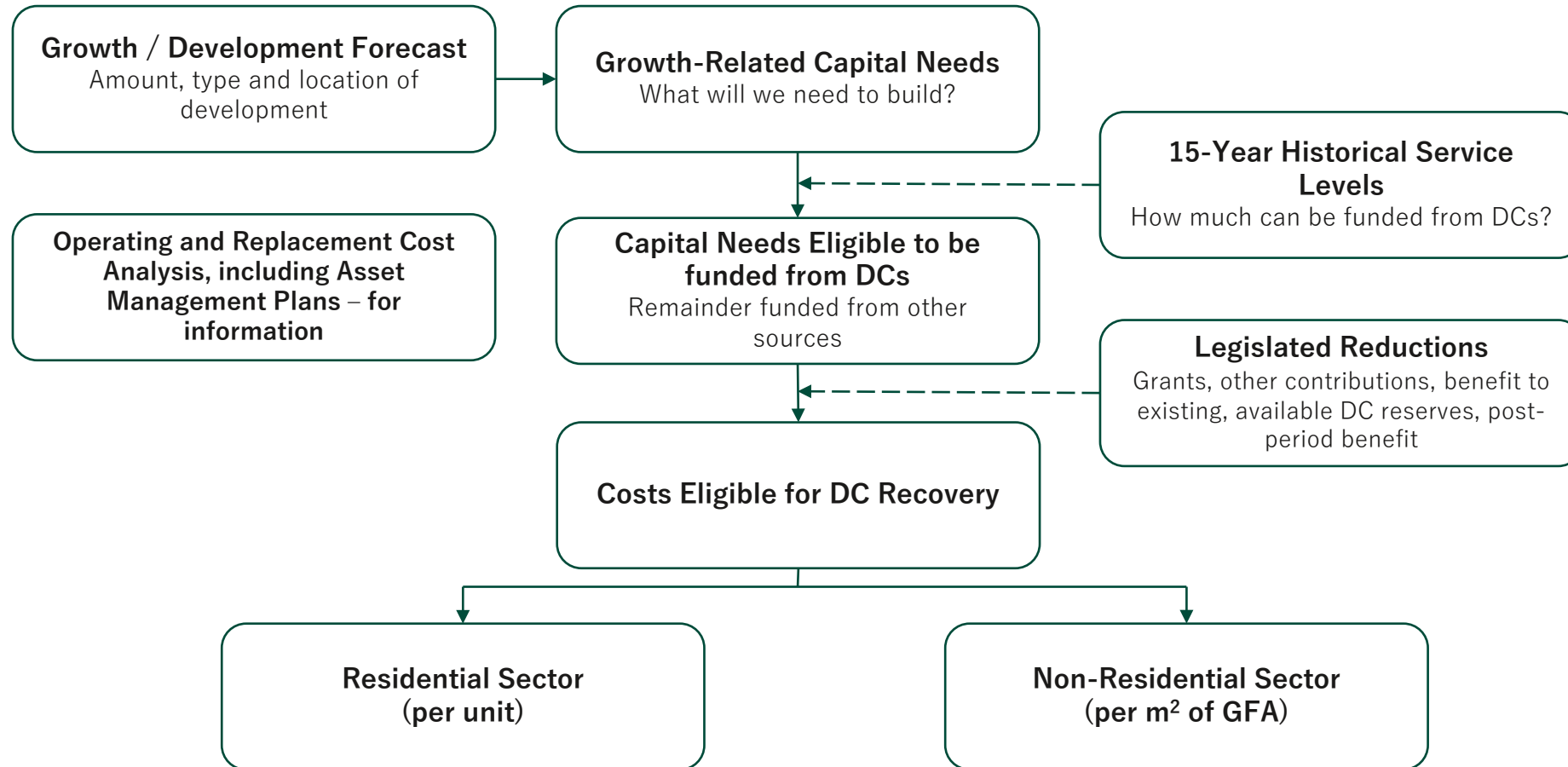
Agenda

- Development Charges Act (DCA) and Study Process
- Eligible Development Charge (DC) Services
- Development Forecast
- Capital Program Summary
- Draft Development Charge Rates
- Rate Comparison
- Next Steps

Development Charges Act (DCA) Requirements

- Current life of DC by-law is 5-years (By-law 2019-054 expires September 1, 2024), future DC by-laws will expire 10-years after it comes into force
- Services included within By-law 2019-054: Administration, Fire Protection Services, Indoor Recreation Services, Library Services, Outdoor Recreation Services, Police Protection Services, Roads and Related and Transit
- Two DC Studies will be prepared as part of this process:
 - 2024 Water Treatment Plant DC Background Study (released February 21, 2024)
 - 2024 Town-wide DC Background Study (targeted release April 15, 2024)

Development Charges Study Process



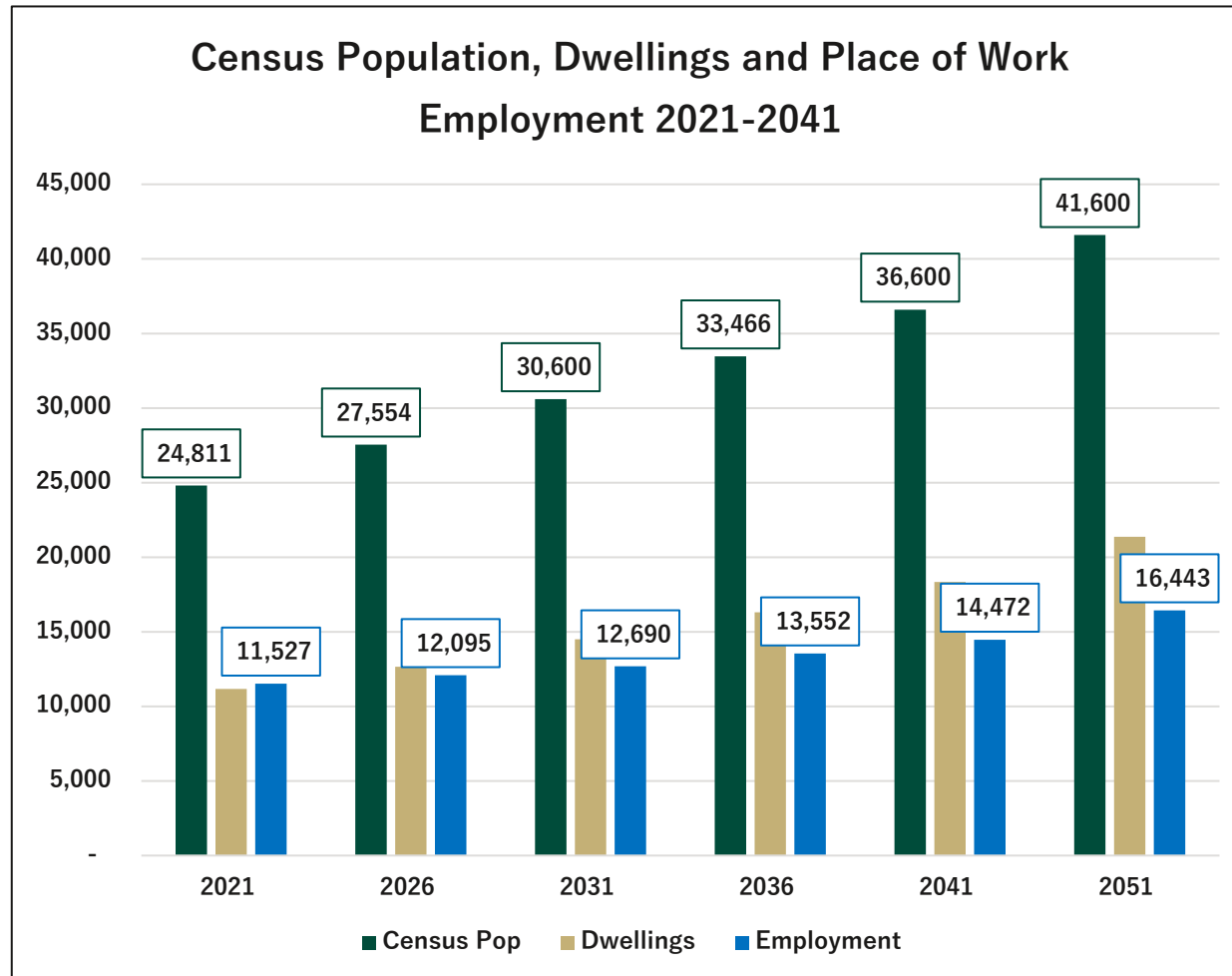
Services Included in 2024 DC Background Studies

Town-Wide General Services	Town-wide Engineered Services
<ul style="list-style-type: none">▪ Library▪ Outdoor Recreation▪ Indoor Recreation▪ Administration*▪ Transit▪ Fire Protection▪ By-law Services ** <p>* Administration (Studies) is now ineligible but likely to be reinstated</p> <p>** By-law Services is new</p> <p>*** Police services removed</p>	<ul style="list-style-type: none">▪ Services Related to a Highway: Roads and Related (includes Public Works)▪ Wastewater services (linear infrastructure)▪ Wastewater Treatment Plant▪ Water services (primarily linear infrastructure)▪ Water Treatment Plant (related to Raymond A. Barker Plant expansion) * <p>*Calculated under separate DC Study</p>

Water Treatment Plant (WTP) DC Background Study

- Separate DC Study has been prepared:
 - Recovery of Raymond A. Barker Water Treatment Plant expansion
 - Based on \$270M cost estimate, with 63% funded from Town of New Tecumseth
- DC rates are calculated based on anticipated development and required servicing capacity over the 2024-2041 planning horizon
- Advance WTP DC rates prior to Town-wide update
 - Standalone service – easier to update in the future
 - Dedicated reserve fund
 - WTP DC By-law proposed to be passed in late April

Development Forecast to 2041



Census population excludes undercoverage of 2.6%
Place of work employment excludes work at home

- Informed by 2021 Census data, Simcoe County Municipal Comprehensive Review (MCR) and new Official Plan
- 15-year historical planning period – 2009-2023
- Planning periods:
 - 2024-2033 – General Services
 - 2024-2041 – Engineered Services

Summary 15-Year Historical Service Levels and Maximum Funding Envelopes

Service	Measure	Historical Average Service Level	Planning Horizon	Maximum Permissible Funding Envelope
Library Services	\$/capita	\$584.95	10 years	\$3.4 million
Fire Protection	\$/capita + employee	\$531.12	10 years	\$3.8 million
Outdoor Recreation	\$/capita	\$5,376.07	10 years	\$31.4 million
Indoor Recreation	\$/capita + employee	\$3,128.08	10 years	\$18.3 million
By-law Services	\$/capita + employee	\$8.78	10 years	\$62,500
Roads & Related*	\$/capita + employee	\$17,320.71	18 years	\$232.9 million

* Includes Public Works

- No service level is provided for water/wastewater infrastructure as standards are required by other legislation
- Transit is based on a planned level of service

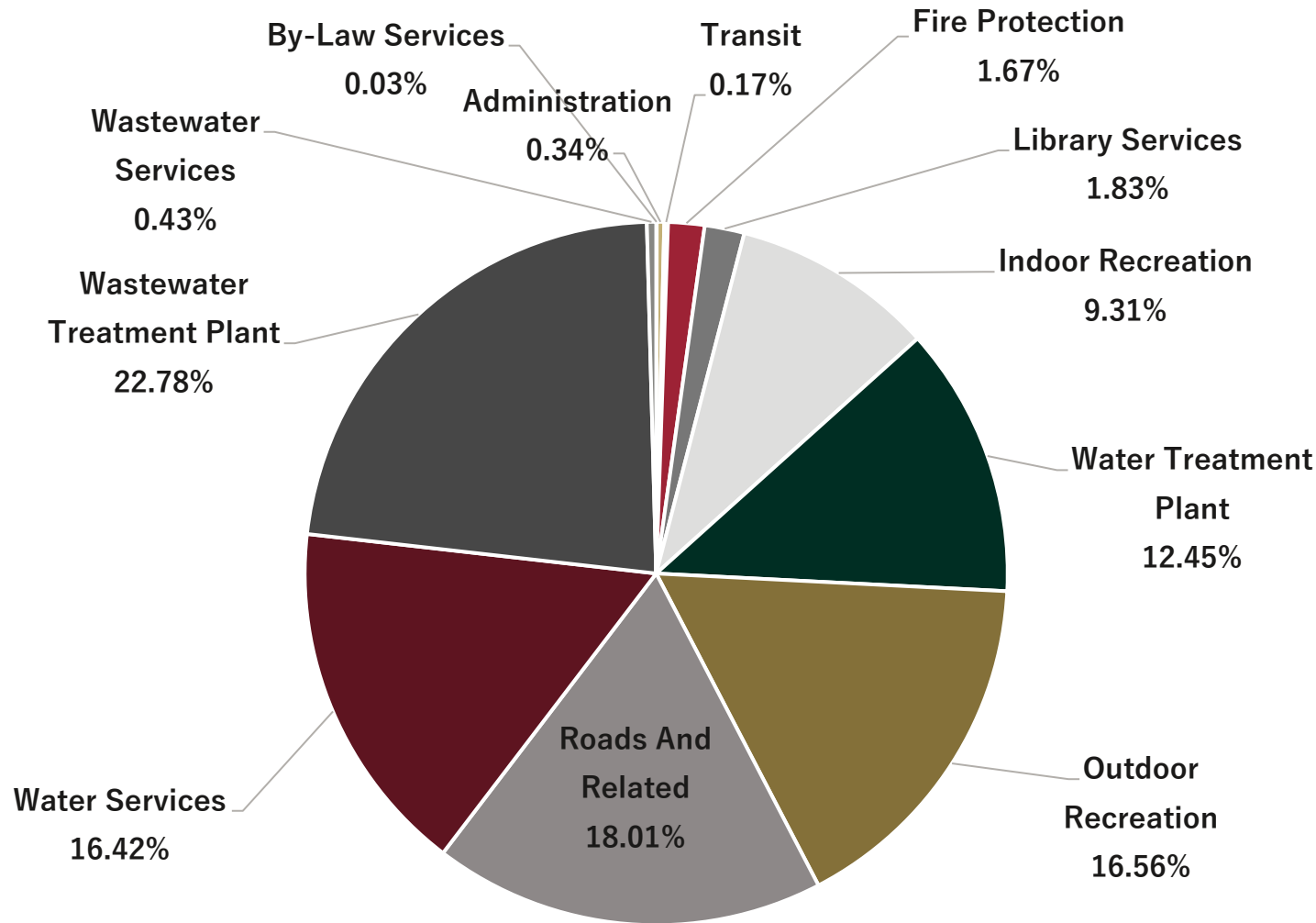
Overview of Growth-Related Capital Programs

- Capital programs informed by:
 - 2019 DC Background Study
 - 2024 Capital Budget
 - Latest capital cost estimates for Water Treatment Plant expansion
 - Updated engineering costs prepared by Tatham Engineering
 - Discussions with staff
- DC eligible costs adjusted for:
 - Grants, subsidies and other contributions
 - “Benefit to existing” or replacement elements
 - Available DC reserve funds
 - “Post Period” benefits

Town-wide Capital Program (\$millions)

General Services	Net Cost	Ineligible Shares	DC Reserves	Post-2033	2024-2033
Library	\$8.9	\$0.8	\$0.0	\$4.6	\$3.4
Fire Protection	\$18.6	\$0.9	\$0.1	\$13.8	\$3.8
By-law Services	\$0.1	\$0.0	\$0.0	\$0.1	\$0.1
Outdoor Recreation	\$71.1	\$10.8	\$0.0	\$28.9	\$31.4
Indoor Recreation	\$100.4	\$0.3	\$3.9	\$77.9	\$18.3
Administration	\$1.6	\$0.4	\$0.3	\$0.0	\$0.9
Transit	\$0.8	\$0.0	\$0.4	\$0.0	\$0.4
Engineering Service	Net Cost	Ineligible Shares	DC Reserves	Post-2041	2024-2041
Roads and Related	\$123.0	\$22.7	\$13.2	\$7.4	\$79.7
Wastewater	\$9.8	\$0.3	\$5.6	\$1.1	\$2.7
Water	\$100.8	\$13.8	\$2.8	\$15.9	\$68.2
Wastewater Treatment Plant	\$234.6	\$13.8	\$13.2	\$106.7	\$100.9
Water Treatment Plant	\$99.7	\$7.8	\$0.7	\$41.6	\$49.5
TOTAL	\$769.2 100%	\$71.6 9%	\$40.2 5%	\$298.1 39%	\$359.4 47%

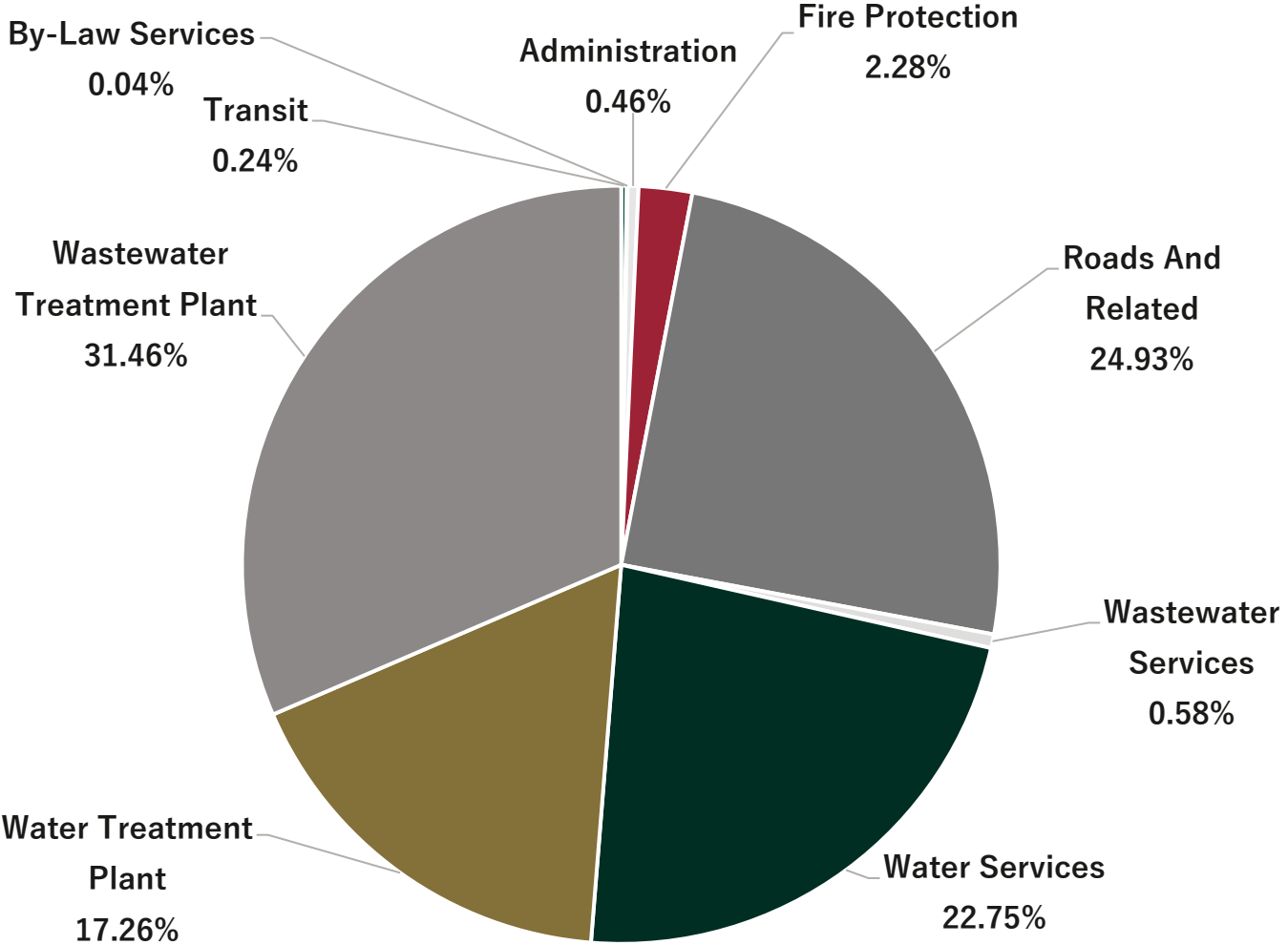
Draft Calculated Residential DC Rates



DC Per Unit (Urban)	DC Per Unit (Rural)
Singles & Semis \$76,793	Singles & Semis \$36,800
Other Multiples \$57,129	Other Multiples \$27,377
Apartments 2 Bedrooms + \$45,703	Apartments 2 Bedrooms + \$21,902
Apartment Bachelor & 1 Bedroom \$28,563	Apartment Bachelor & 1 Bedroom \$13,687

Rural excludes water and wastewater DC rates

Draft Calculated Non-Residential DC Rates



DC Per m2 of GFA
Rural: \$84.20/m ²
Urban: \$301.32/m ²

Rural excludes water and wastewater DC rates

Calculated vs Current Rates Over 5-Year Phase-In

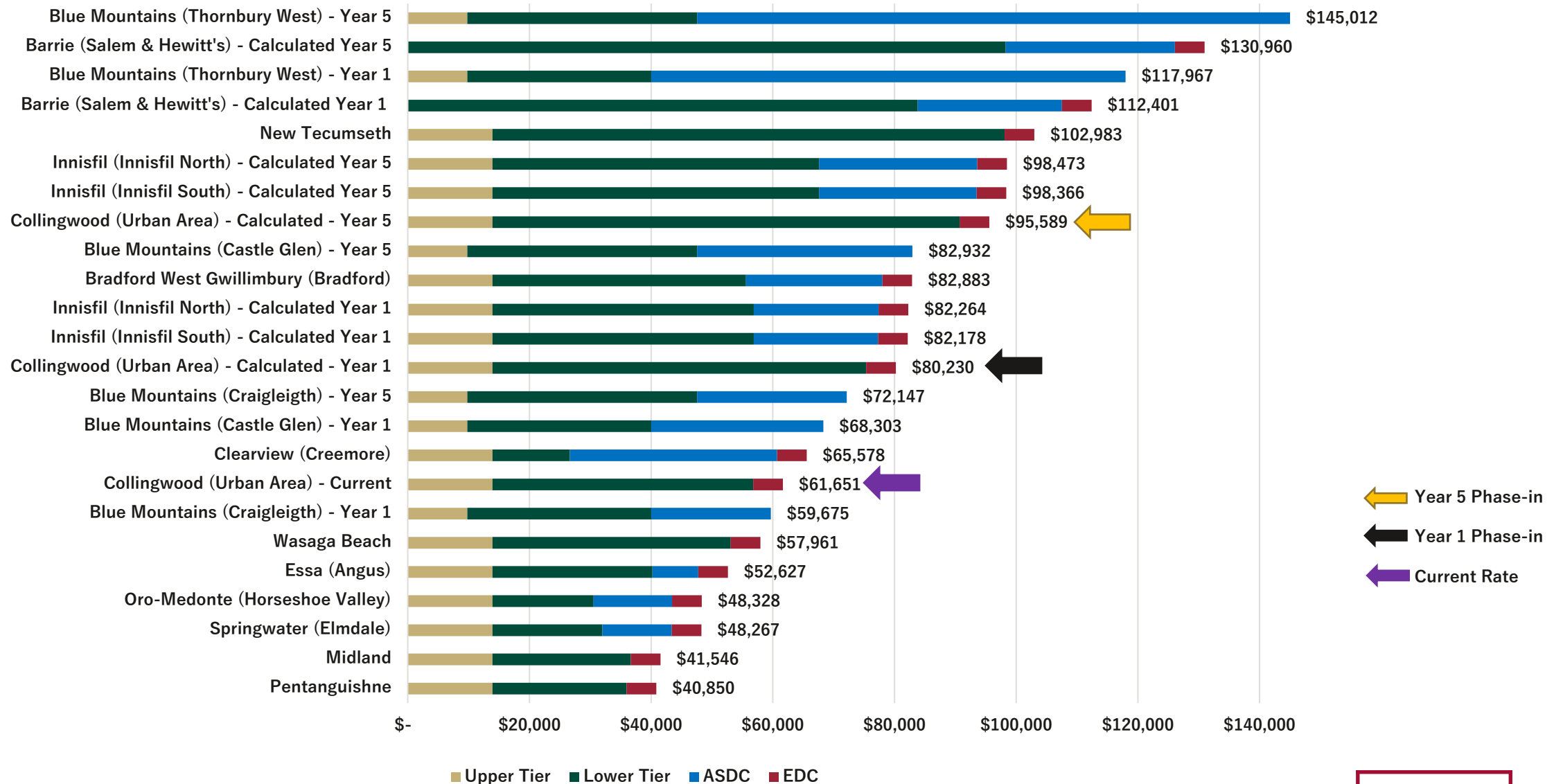
Residential \$/Single-Detached Unit	Calculated	Change (%)
Current	\$42,855	
Year 1 – 2024 (80%)	\$61,434	43%
Year 2 – 2025 (85%)	\$65,274	6%
Year 3 – 2026 (90%)	\$69,114	6%
Year 4 – 2027 (95%)	\$72,953	6%
Year 5 – 2028 (100%)	\$76,793	5%

Non-Residential \$/Square Metre	Calculated	Change (%)
Current	\$196.39	
Year 1 – 2024 (80%)	\$241.05	23%
Year 2 – 2025 (85%)	\$256.12	6%
Year 3 – 2026 (90%)	\$271.19	6%
Year 4 – 2027 (95%)	\$286.25	6%
Year 5 – 2028 (100%)	\$301.32	5%

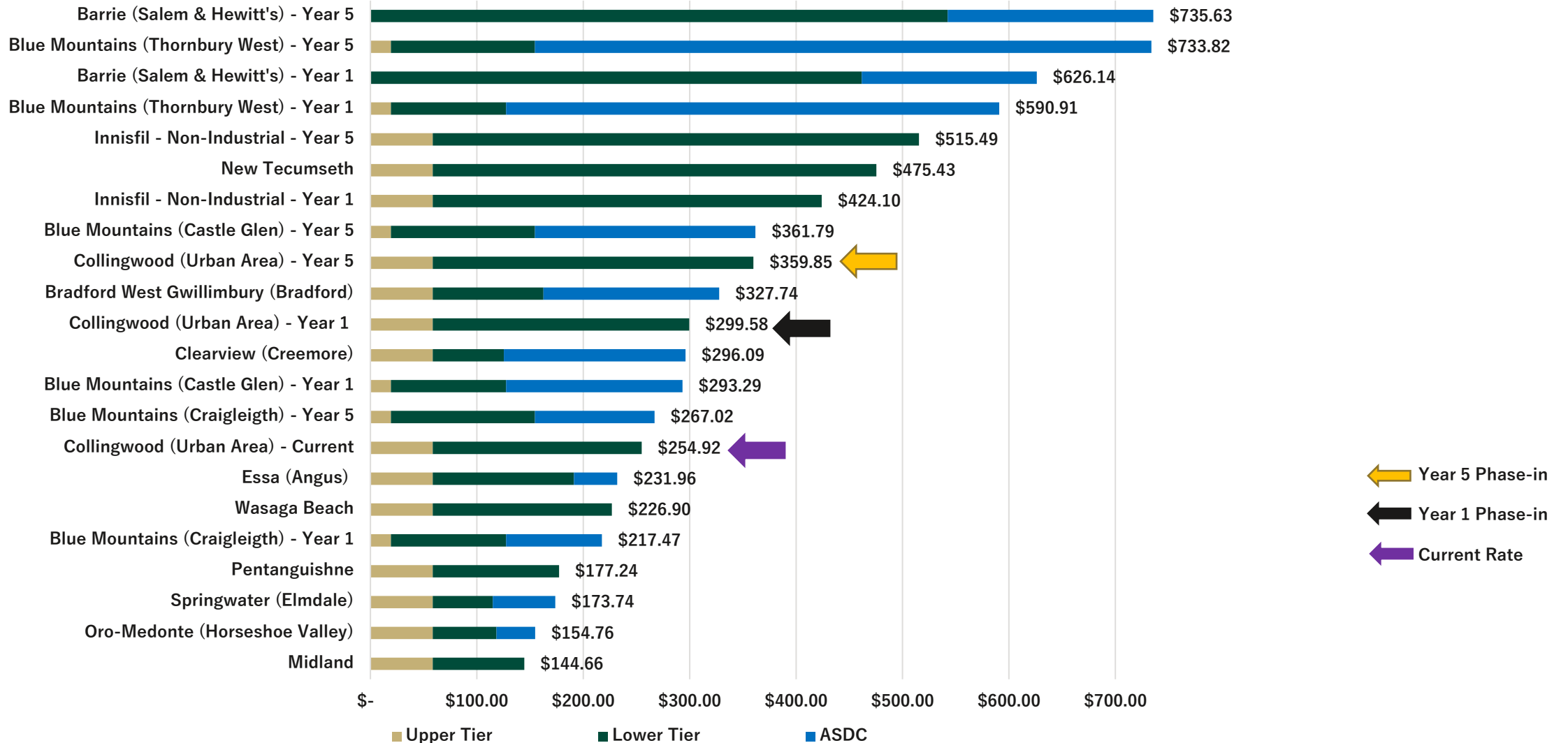
- Reasons for rate changes:
 - Updated capital program costs
 - 15-year historical service level
 - Changes to development forecast to align with recent growth management work
 - Removal/additional of services

- DCs are “frozen” at site plan or rezoning and payable at building permit (subject to interest)

Residential Rate Comparison: Single/Semi-Detached



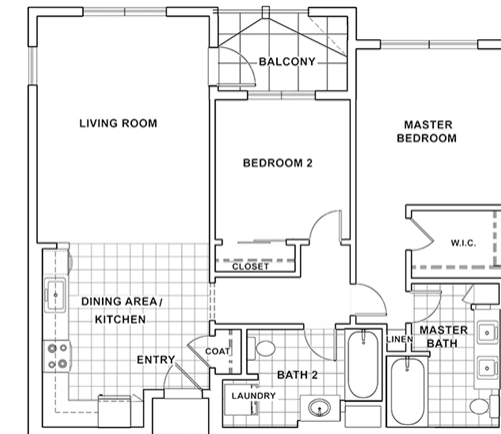
Non-Residential Rate Comparison: Retail



Recent Changes to the Development Charges Act

- New exemptions:
 - Affordable/Attainable Housing (not yet in force)
 - Additional units in existing rental housing
 - Residential intensification of existing/new units
 - Non-profit housing (defined by legislation)
 - Inclusionary Zoning (must be affordable)
- New discounts:
 - Rental housing development (defined as 4+ units) based on number of bedrooms
 - Fully calculated rates must be phased-in over 5-year period

Year	Maximum DC
1	80%
2	85%
3	90%
4	95%
5	100%



2024 DC By-law Policy Considerations

- Review and update of definitions and policies
- Statutory DC exemptions removed from DC By-law (will automatically apply based on current legislative requirements)
- Updated rules regarding timing for determining DCs in accordance with the requirements of the legislation

DC Study Timelines

Item	WTP DC Study	Town-wide DC Study
Council Information Session	March 18, 2024	March 18, 2024
Developer Consultation	April 8, 2024	April 8, 2024
Release DC Background Study to Public	February 21, 2024 (60 days before DC By-law)	April 15, 2024 (60 days before DC By-law)
Notice of Public Meeting	March 19, 2024 (20 days before meeting)	April 10, 2024 (20 days before meeting)
Statutory Public Meeting	April 8, 2024	May 6, 2024
DC By-law Passage	April 22, 2024	May 28, 2024
Notice of By-law Passage	May 2024	June 2024
Appeal Period	40 days after DC By-law passage	40 days after DC By-law passage

Questions?