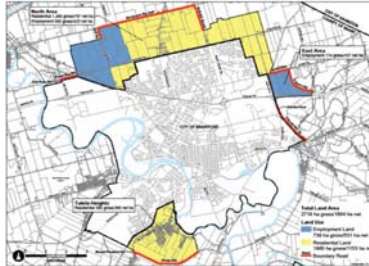


# City of Brantford

## 2019 Development Charges Study

### Public Information Centre #1



Friday, September 28<sup>th</sup>, 2018



Today we will discuss...

- Background
- What are Development Charges?
- DCs in Brantford
- Development Charges Study Process
  - Preliminary Development Forecast
  - Preliminary Service Level calculation
  - Capital Program considerations
- DC Policy Items
- Project Schedule and Next Steps
- Questions

# Background

- The City passed DC By-law 38-2014 in April 2014
  - Municipal Code Chapter 261
- By-law 38-2014 expires on April 22, 2019
- The City must pass a new by-law before expiry in order to continue collecting DCs
  - Will serve as an interim by-law while City updates its Official Plan, Transportation Master Plan, and Master Servicing Plan

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## What Are Development Charges?

- Fees imposed on development to fund “growth-related” capital costs
- DCs pay 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

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# Other Municipal Revenue Sources

- Direct developer contributions
  - Infrastructure required as part of a subdivision agreement
    - i.e. internal roads, sidewalks, streetlights, small water/sewer mains, park elements etc.
- Property taxes / water & wastewater rates
  - Long-term repair and replacement of infrastructure
  - Statutory and non-statutory reductions on DCs
  - Ineligible infrastructure

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## Overview of the *DC Act*

- Service exclusions:
  - Cultural and entertainment facilities, including museums, theatres and art galleries
  - Tourism facilities including convention centres
  - Parkland acquisition
  - Hospitals
  - Headquarters for general administration of municipalities and local boards
  - Landfill sites and solid waste incineration facilities\*

\*As amended by Bill 73

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# Overview of the *DC Act*

- Eligible capital costs:
  - Costs to acquire and improve land
  - Building and structure costs
  - Rolling stock with a useful life of 7 years or more
  - Furniture and equipment, excluding computer equipment
  - Development-related studies
  - Engineering fees, contingencies
  - Past expenditures that still need to be funded through future DCs (i.e. – debentures)
  - Interest and financing costs

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## Service Categories

- Charges levied on a service by service basis, as defined by the City
- Three service categories under the *Development Charges Act (DCA)*

	General Services	Transit, Police, Fire	Engineered Services
DC eligible cost recovery	90%	100%	100%
Maximum planning period	10 years	10 years	Unlimited

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# Brantford DC Rate Structure

Service	Statutory Maximum DC Cost Recovery	Statutory Maximum Planning Period	Planning Period Identified in 2014 DC Study
Fire Department	100%	10 years	10 years
Police Service	100%	10 years	10 years
Public Library	90%	10 years	10 years
Parks and Recreation	90%	10 years	10 years
Public Transit	100%	10 years	10 years
Municipal Parking	90%	10 years	10 years
Housing	90%	10 years	10 years
Land Ambulance	90%	10 years	10 years
Public Works: Building and Fleet	90%	10 years	10 years
Waste Management <sup>(1)</sup>	100%	10 years	N/A
General Government	90%	10 years	10 years
Roads and Related	100%	Unlimited	OP Build-Out
Water Servicing	100%	Unlimited	OP Build-Out
Wastewater Servicing	100%	Unlimited	OP Build-Out
Storm Water Servicing	100%	Unlimited	OP Build-Out

**Notes:**

(1) Waste management services will be reviewed as part of the 2018 DC Study process.

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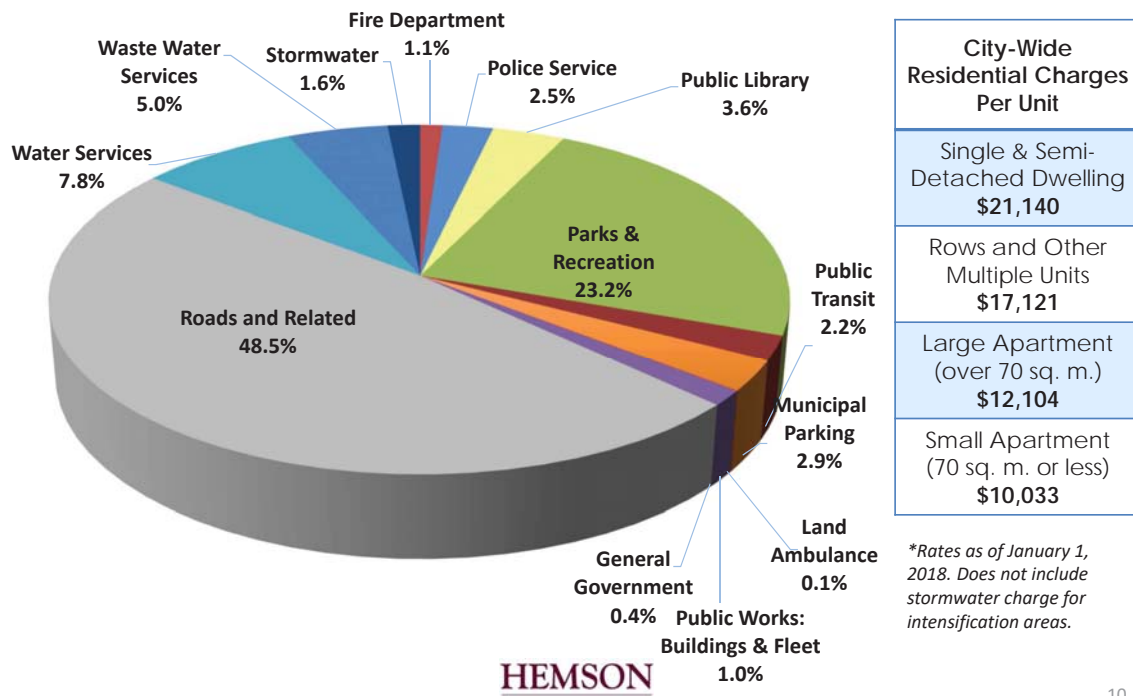
# Brantford DC Rate Structure

Location of Development	DC Rate Calculation	Current DC Rate per Single / Semi-Detached Unit
<b>City-wide</b>	Includes 100% calculated charge for all Services within DC By-law	\$21,140
<b>Intensification Area</b>	City-wide charge + additional charge for Intensification Stormwater	\$23,213
<b>Residential Infill Area</b>	Includes 50% discount from City-wide Roads & Related, Water Distribution, and Waste Water Collection Services charges	\$14,890
<b>Residential Infill and Intensification Area</b>	Residential Infill Area charge + additional charge for Intensification Stormwater	\$16,964

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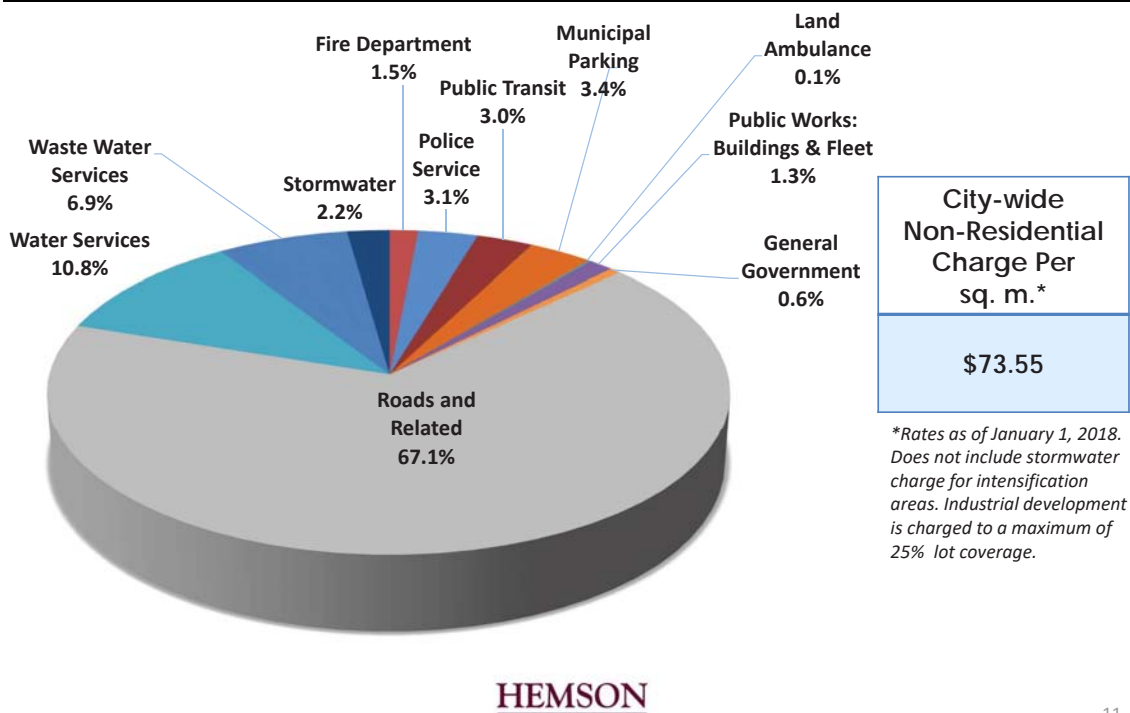
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# What Do DCs Fund in Brantford?



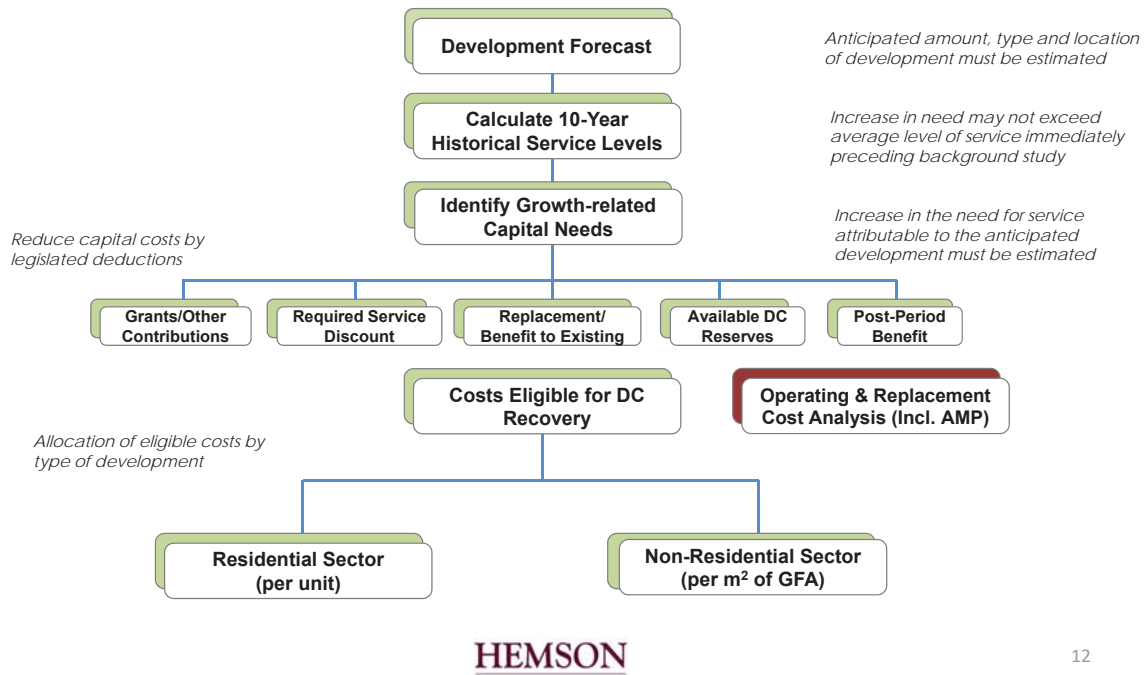
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# What Do DCs Fund in Brantford?



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# Overview of Study Process



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## Development Forecast

- Forecast of the amount, type and location of development
- Need to establish areas to which DCs apply (Municipal-wide/area-specific)
- Establish planning periods
- Types of development
  - Residential: population and dwelling units
  - Non-residential: non-residential floor space and employment

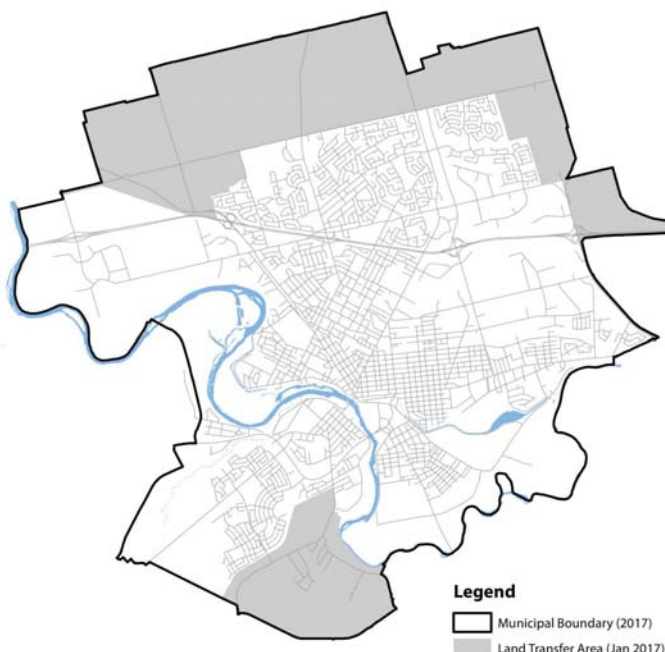
# Key Development Forecast Considerations

- Provincial Growth Plan targets for Brantford were increased in 2013 through Amendment 2
  - 2031 Population target: **139,000** (previous: 126,000)
  - 2031 Employment target: **67,000** (previous: 53,000)
- Ongoing Official Plan Update and Municipal Comprehensive Review
  - Consistent with Growth Plan targets
- 2017 municipal boundary adjustment
  - 2,719 hectares added to City
- Population and employment targets are ambitious relative to recent development trends
  - Annexed lands will be a contributor

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## 2017 Municipal Boundary Adjustment



Annexed Lands: 2016 Census	
Population	1,150
Households	445

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# Historical Housing Completions

	Single/Semi	Row	Apartment	All
<b>2012</b>	126	94	61	281
<b>2013</b>	180	142	0	322
<b>2014</b>	175	64	0	239
<b>2015</b>	208	55	211	474
<b>2016</b>	145	101	7	253
<b>2017</b>	53	96	159	308

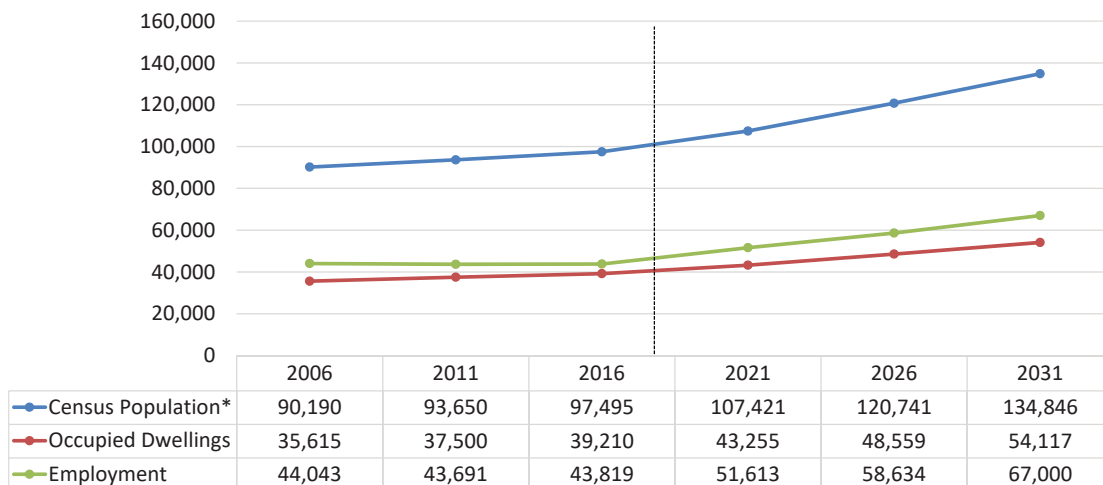
Source: CMHC

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## Preliminary Development Forecast

Population, Household, and Employment Forecast, 2006-2031



Note: Existing population, households, and employment within the annexed lands are accounted for as of 2017.

\*Census Population does not include Census net undercoverage of approx. 3%.

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# Service Levels

- Maximum allowable charge for general services based on average service level provided in preceding 10 years
- Calculated by multiplying 10-year historical average service level by the forecast growth in the 10-year planning period
- Establishes a development charges ceiling
  - DC rates for general services directly limited by ten-year historical average

## Asset Types Included in Service Level Calculation

- Buildings
- Furniture and Equipment
- Vehicles
  - Must have estimated useful life of 7+ years
- Parkland development and other park facilities
- Parking spaces
- Land
  - Excluding parkland acquisition costs

# Development-Related Capital Program

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

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## Capital Program: Key Data Sources

- Draft 10-year Capital Plan (2019-2028)
  - Currently underway
- Transportation Master Plan (2014) and Master Servicing Plan (2014)
  - Most recent available
  - Engineered services DC capital programs will have many similarities to 2014 DC study
  - DC by-law to be updated following approval of new OP, TMP, & MSP
- Other service area master plans (e.g. Parks and Recreation, Fire)

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# Calculation of Rates

- Costs to be allocated between residential and non-residential sectors
- Cash flow analysis to account for project and development timing
- Calculate charges:
  - Residential – per dwelling unit type
  - Non-residential – per square metre of GFA

# Key Steps in Passing a DC By-law

- Release DC background study 60 days prior to by-law passage (including on website) and two weeks prior to public meeting
- Advertise public meeting
- Release DC study and proposed by-law
- Hold statutory public meeting
- Receive feedback and amend proposed charges and by-law if warranted
- Determine if additional public meeting is required
- By-law passage by Council

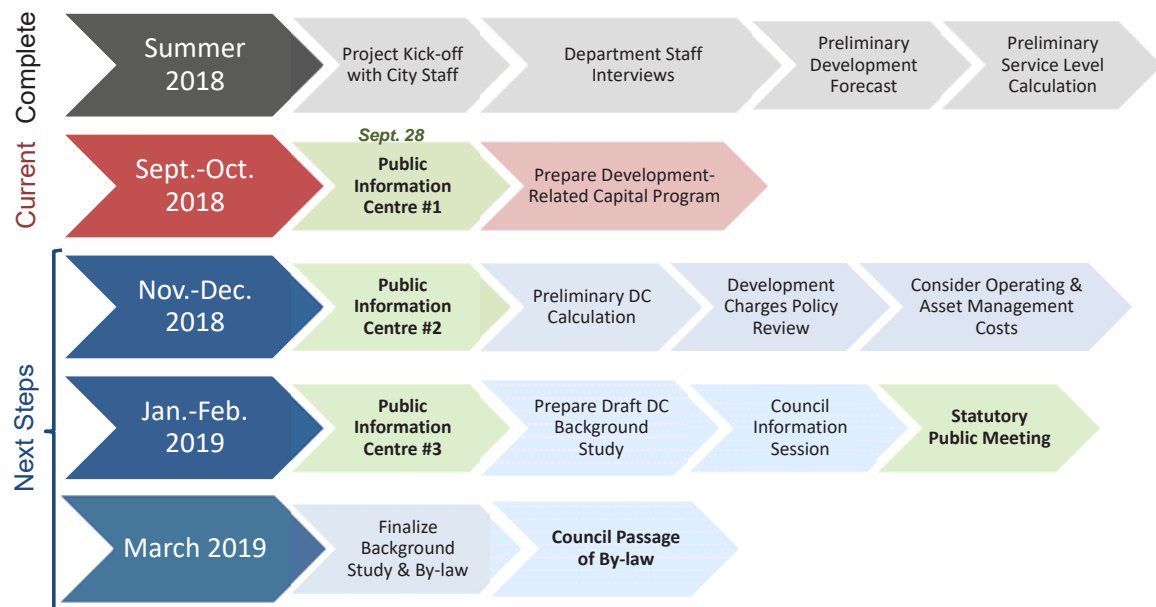
# DC Policy Considerations

- DC rate structure
- Local services policies/guidelines
- Treatment of residential infill development
- Calculation of stormwater charge for intensification area
- Phasing-in and indexing of charges
- Front end financing policies and procedures
- DC By-law exemptions

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## Study Process & Next Steps



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# Key DC Contacts

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## Questions?

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