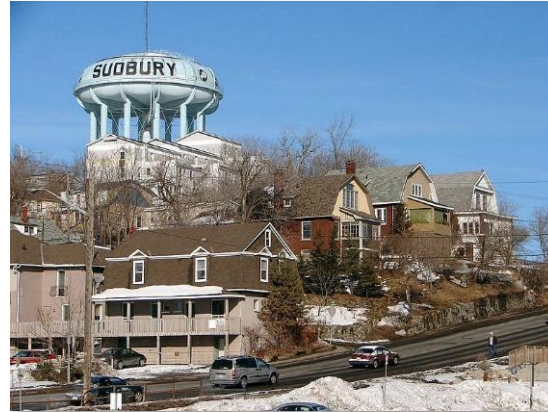


City of Greater Sudbury Development Charges Study Finance and Administration Committee 2019 DC Study and Calculated Rates



Tuesday, March 26th, 2019

HEMSON
Consulting Ltd.



Today we will discuss...

- What are Development Charges?
- DCs in Greater Sudbury
- Development Charges Study Process
 - Development Forecast
 - Capital Programs
 - Draft Calculated Rates
- DC Policy Items
- Project Schedule and Next Steps
- Questions

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 property tax/rate payers

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

Current DC By-law

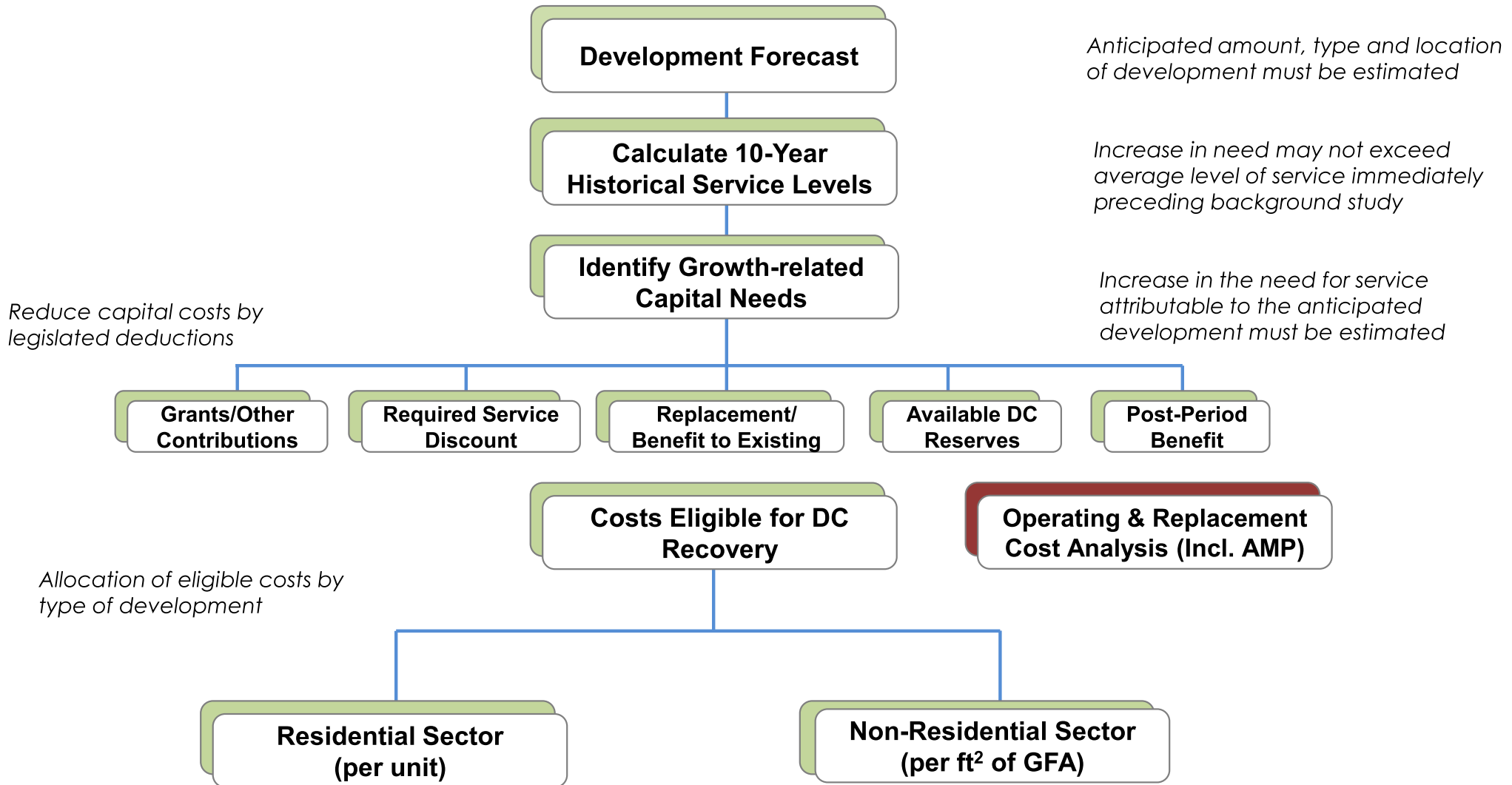
- The City passed DC By-law 2014-151 in June 2014
- By-law 2014-151 expires on June 30, 2019
- The City must pass a new by-law before expiry in order to continue collecting DCs

DC 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

Overview of Study Process



Stakeholder Engagement

- Four meetings held with DC Study Working Group
 - Comprised of development industry stakeholders
- One Statutory Public Meeting
 - Scheduled for May 7, 2019
- Solicited comments from members of the public throughout the process

Development Forecast

- Forecast is consistent with City's *Growth Outlook to 2046*
- Proposed DC Study planning period: 2019-2028

	At 2018	Growth from 2019 to 2028	Total at 2028
Total Occupied Dwellings	69,962	2,944	72,906
Census Population <i>Population Growth in New Units</i>	162,272	2,918 7,402	165,190
Place of Work Employment <i>Non-Residential Building Space (sq.ft.)</i>	76,851	2,360 1,804,390	79,211

*Note: Census population excludes Census net undercount.
Employment excludes work at home.*

Development-Related Capital Program

- Capital programs have been developed in consultation with City staff and stakeholders
- Council must express intent to undertake capital works for them to be included in DC Study
 - Subject to annual budgeting process

Draft Calculated City-Wide Residential DC Rate

Residential Charges / Unit

Single Detached

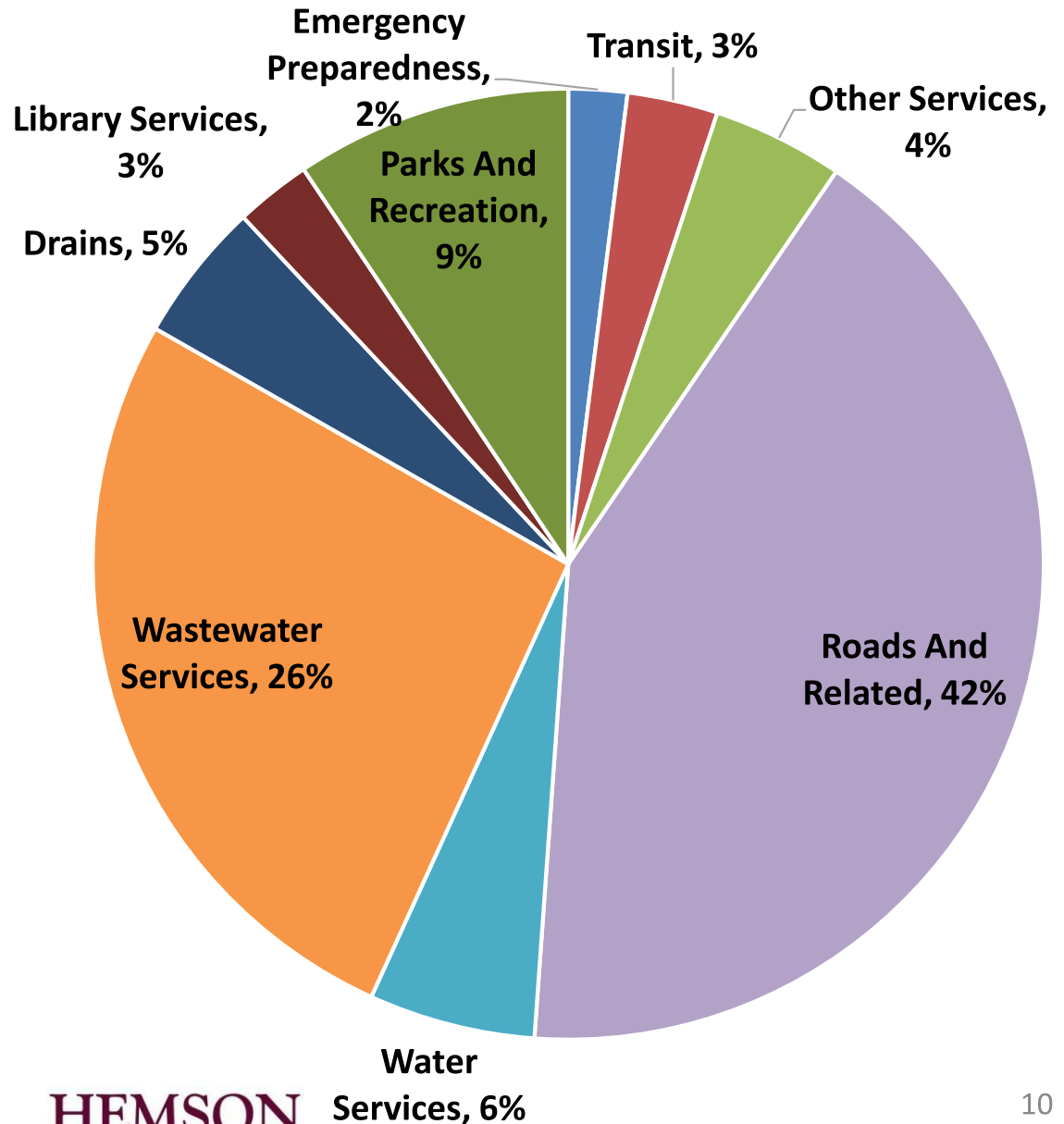
Current	Calculated
\$17,764	\$17,718

Semi Detached

Current	Calculated
\$14,108	\$14,235

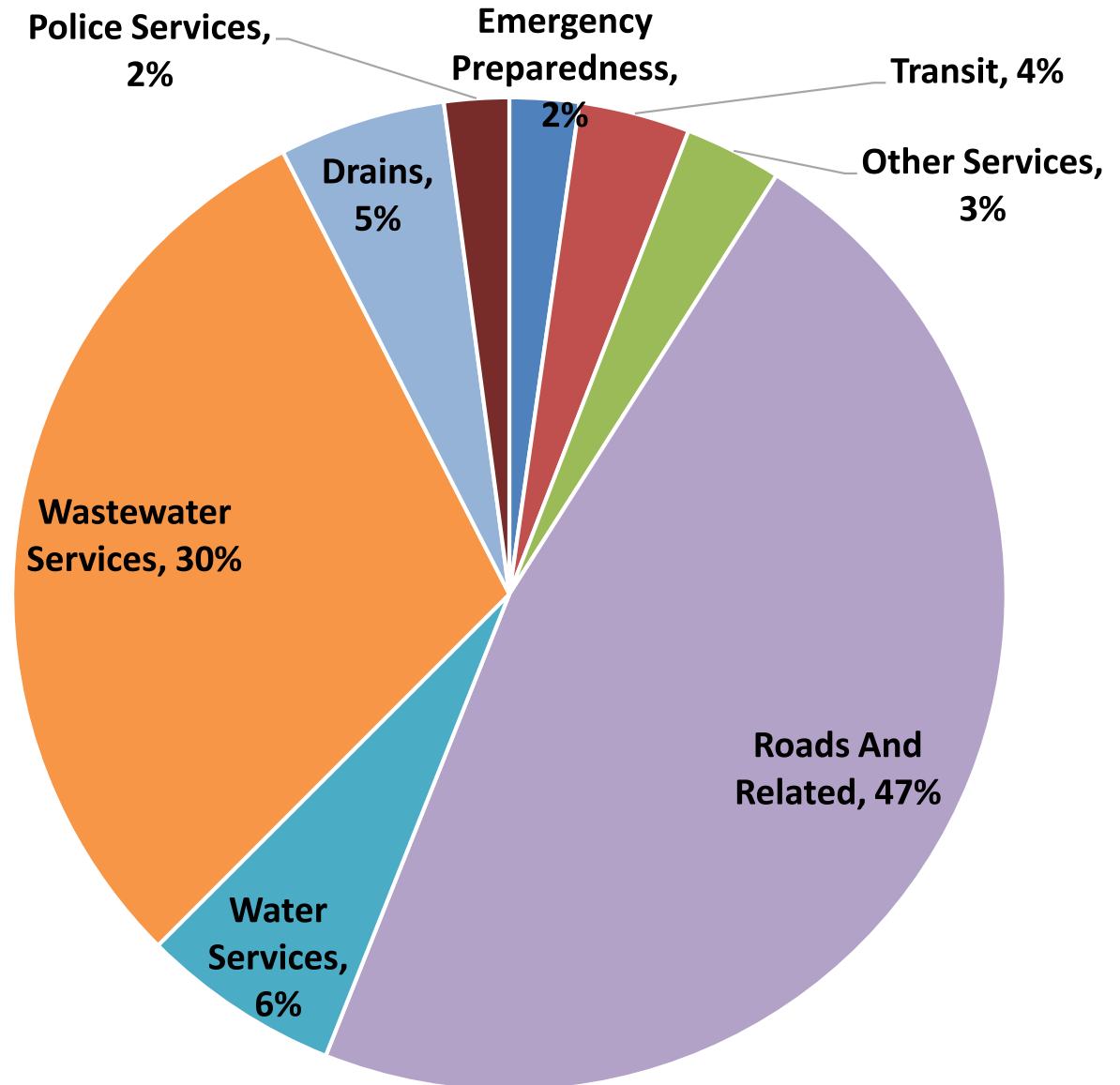
Apartment/Multiple

Current	Calculated
\$10,451	\$10,225



Draft Calculated City-Wide Non-Residential DC Rate

Non-Residential Charges (\$/sq.ft.)	
<u>Non-Industrial</u>	
Current \$9.40	Calculated \$8.89
<u>Industrial</u>	
Current \$4.92	Calculated \$5.92



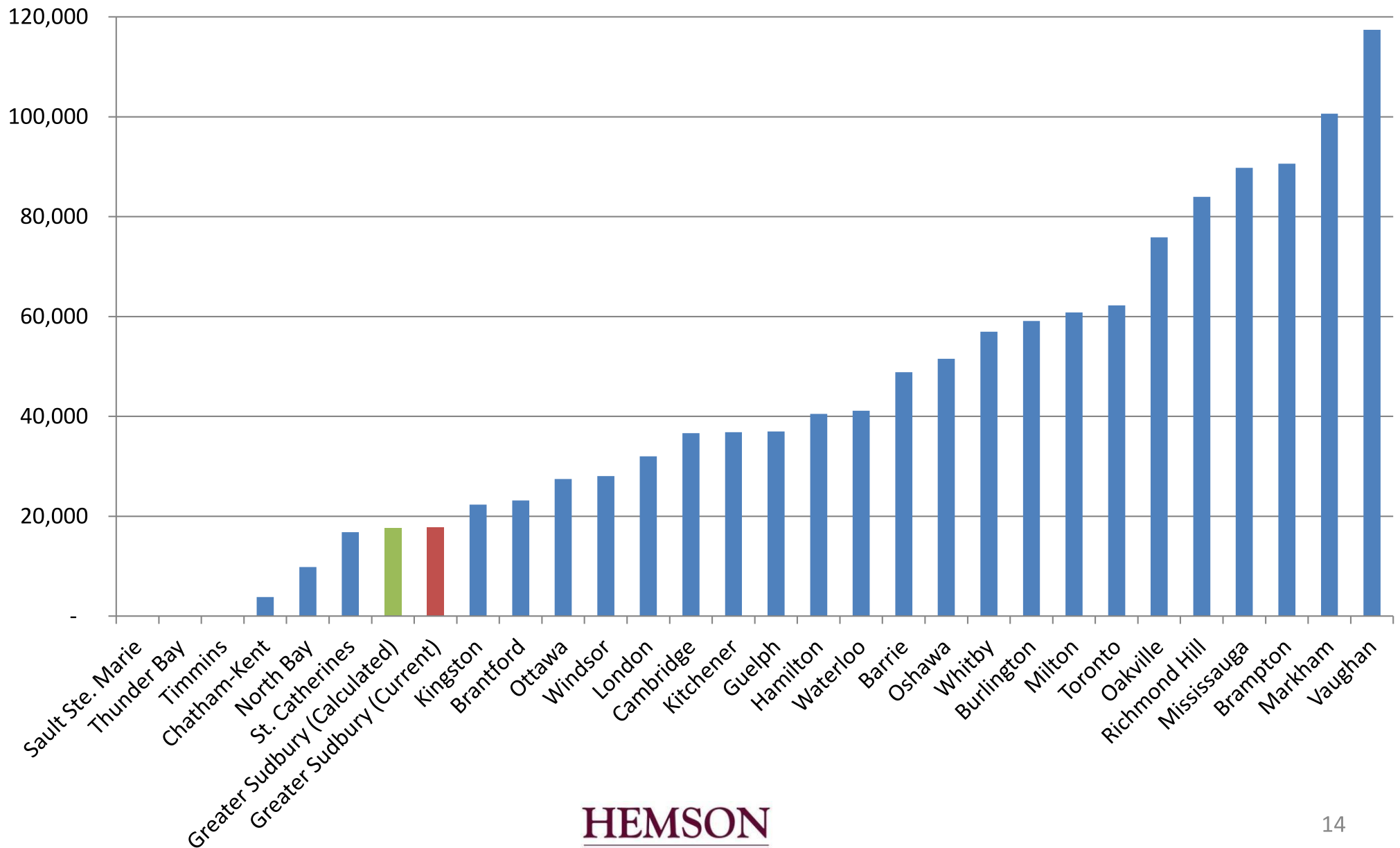
DC Revenue Forecast

Revenue Forecast Under Fully Calculated Rates 2019-2028	
Single Detached	\$29,665,000
Semi Detached	\$1,822,000
Apartments and Multiples	\$11,679,000
Industrial	\$8,075,000
Non-industrial	\$3,916,000
Total	\$55,157,000

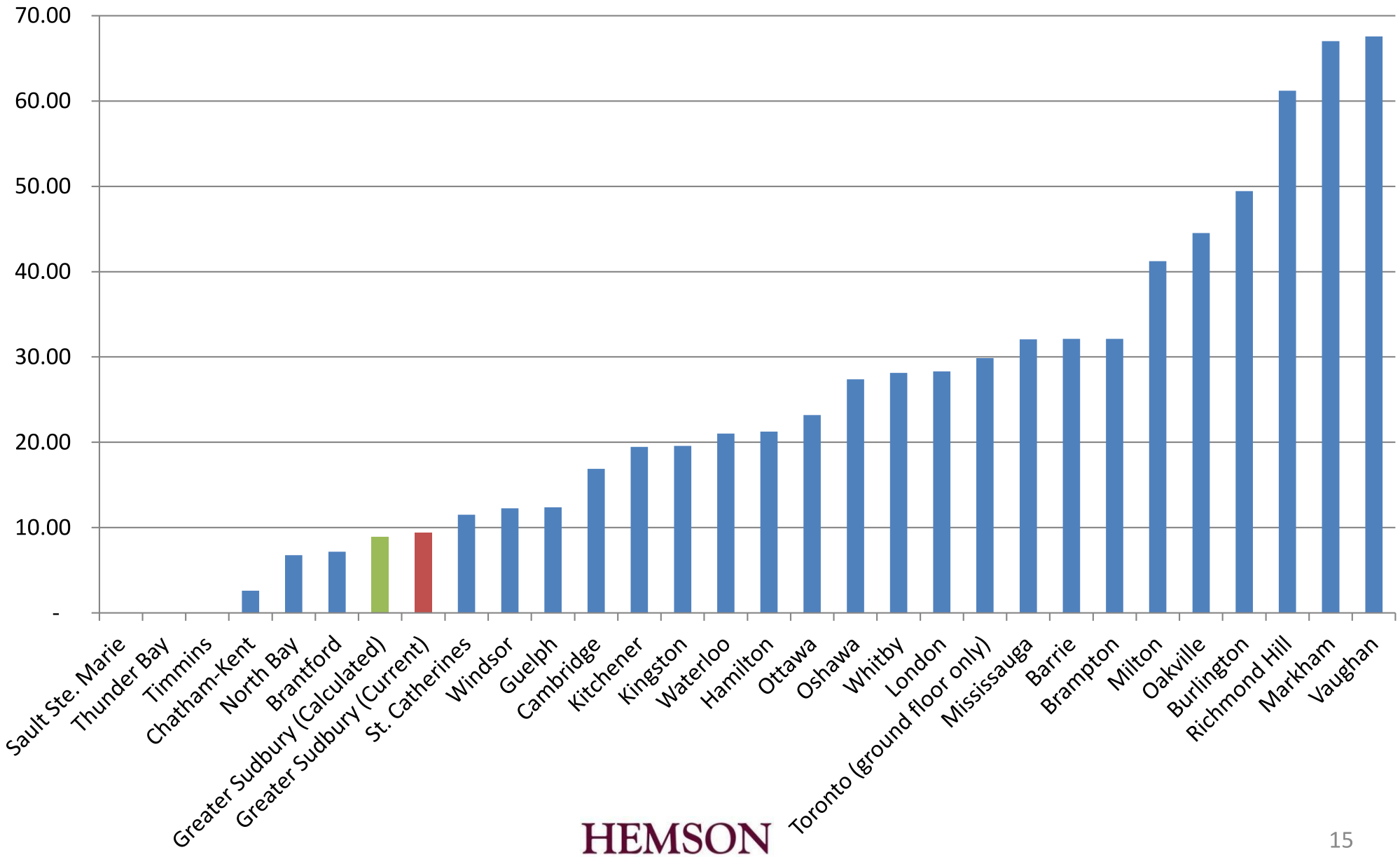
DC Rate Considerations

- Draft calculated rates are maximum permissible
- City may choose to provide discounts or exemptions
- DC revenue reductions must be funded through other sources (i.e. property taxes, water/wastewater rates)

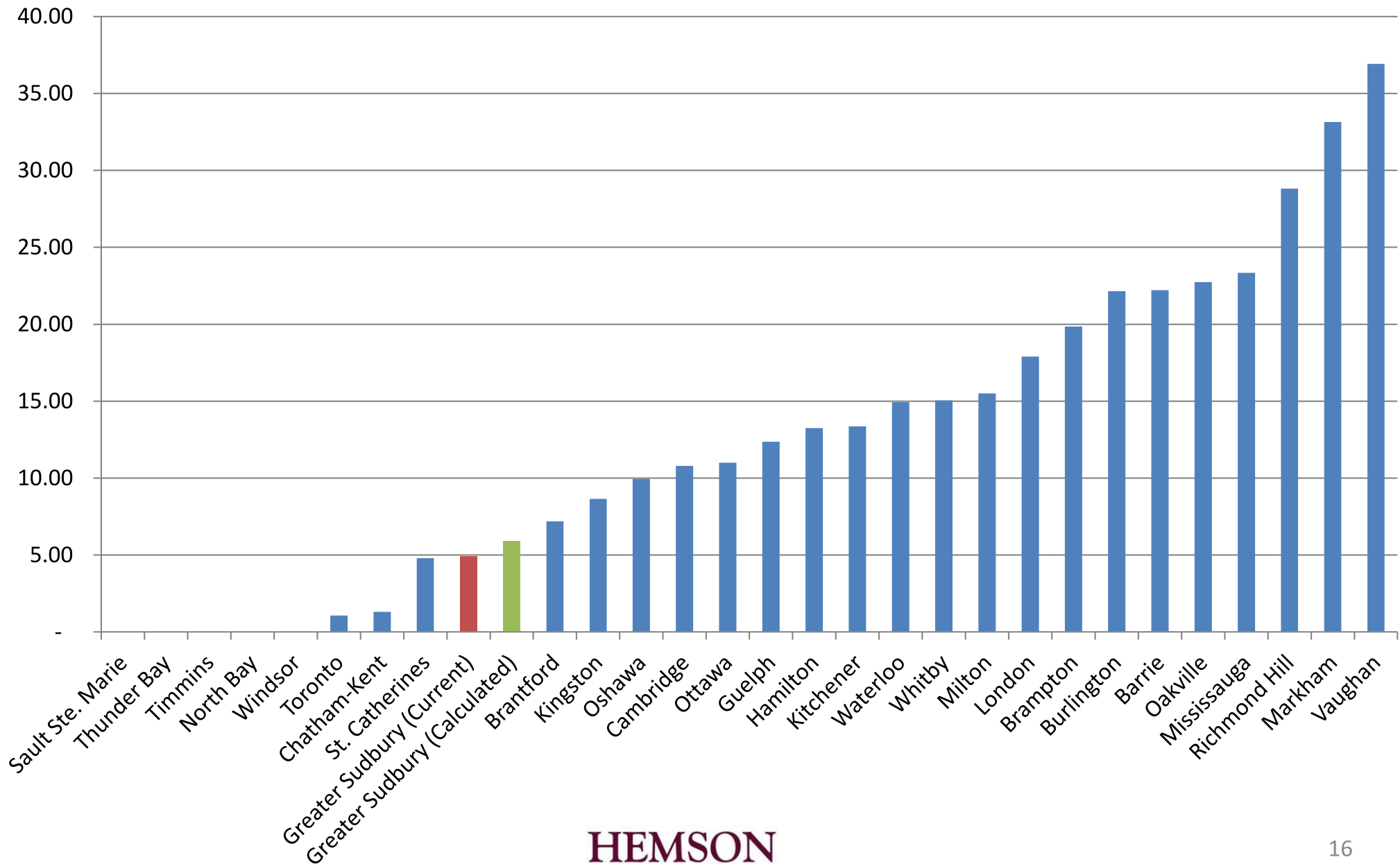
DC Comparison – Single Detached (Per Unit)



DC Comparison – Commercial (Per Square Foot)



DC Comparison – Industrial (Per Square Foot)



Consideration for Area Rating

- DC rates may apply to all lands in the City, or may be differentiated by development area based on servicing needs
- Most logical services to consider for area-specific development charges are:
 - Water
 - Wastewater
 - Drains
- Continuation of City-wide approach recommended for all services:
 - Difficult to define benefitting areas due to the nature of servicing in the City
 - Potential issues of equity/fairness

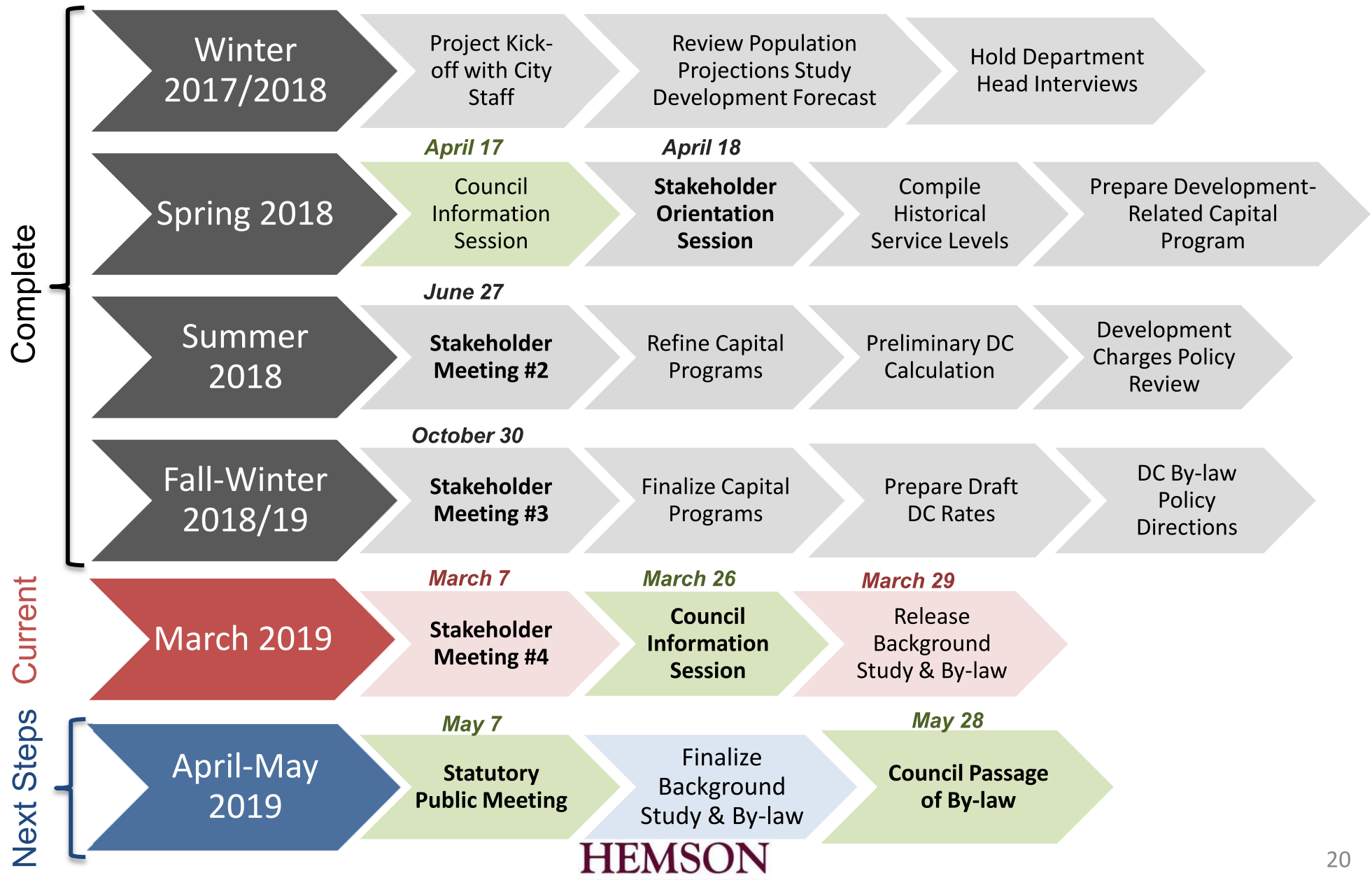
DC By-law Policy Draft Recommendations

1. Continue to levy DCs on a City-wide basis
2. Maintain current DC exempt areas
3. Maintain current DC exempt uses
 - Affordable housing: Remove “in perpetuity” clause; to be subject to Affordable Housing Agreement with City
4. Additional DC Exemptions:
 - Secondary Dwelling Units (all types)
 - Hospices and non-profit long term care homes, where exempt from property taxes under the *Municipal Act*

DC By-law Policy Draft Recommendations

4. Update Temporary Buildings Policy
 - DCs to be paid at building permit stage
 - Refund to be issued if building is removed within 8 months
5. Remove residential DC Deferral Program
6. DCs to be indexed on July 1st of each year, beginning in 2020
 - In accordance with Statistics Canada Non-Residential Building Construction Price Index

Study Process To Date



Questions?