

2017 DC Background Studies

W/WW, Roads and General Services

Recovery DC

GO Transit DC

Public Meeting
March 22, 2017



halton.ca ☎ 311



Agenda

1. **W/WW, Roads and General Services By-law No. 48-12, as amended**
 - A. **Growth**
 - B. **Summary of Capital Costs**
 - C. **By-law Structure & DCs**
 - D. **Competitiveness**
 - E. **Proposed DC Policies**
 - F. **Cost of Growth**
2. **Recovery DC – By-law No. 49-12**
3. **GO Transit – By-law No. 159-01, as amended**

2017 DC Process

- 4 Development Charges Advisory Committee Meetings (DCAC) – October to November 2016
- Release of DC Background Study – December 14, 2016
- Release of 2008/2009 DC Recovery and GO Transit DC Background Study – February 8, 2017
- DC Consultation
 - Halton Developers Liaison Committee (HDLC) – February 10, 2017
 - Economic Development Partnership Meeting – February 24, 2017
- Public Meeting – March 22, 2017
- Final DC proposal to A&F Committee – May 10, 2017
- Passage of DC By-laws by Council – June 14, 2017
- Implementation – September 2017



Overview

The Region has 3 Development Charges (DC) By-laws which are being updated:

- By-law No. 48-12, as amended: Water/Wastewater, Roads & General Services DC By-law (expiring Sept 4, 2017);
- By-law No. 49-12: Recovery DC By-law (expiring Sept 4, 2017); and
- By-law No. 159-01, as amended: GO Transit DC By-law (extended by Province to 2019);

Front-Ending Recovery Payment (effective Jan. 1, 2017)



1. W/WW, Roads and General Services By-law No. 48-12

A. Growth

Best Planning Estimates – ROPA 39

- The approved 2011 BPEs are the basis for the 2017-2031 forecast which was approved by Council on July 13, 2011 (LPS-54-11);
- The next Official Plan (OP) Review which is currently being undertaken will incorporate amendments to the Provincial Growth Plan;
- Once these updates to the OP are complete, the resulting growth impact will be incorporated into a future DC update.

Residential Growth



Population Growth Between 2017 & 2031

Cumulative

Municipalities	2016	2021	2026	2031
Town of Oakville	197,702	221,826	234,122	246,399
City of Burlington	175,438	178,847	182,034	186,169
Town of Milton	124,645	161,750	195,735	228,084
Town of Halton Hills	57,922	61,672	77,003	91,885
Halton Region	555,707	624,095	688,894	752,537
Less Institutional	(7,653)	(8,619)	(9,531)	(10,436)
Net	548,054	615,476	679,363	742,101

Incremental

Municipalities	2017-2021	2022-2026	2027-2031	Total
Town of Oakville	24,124	12,296	12,277	48,697
City of Burlington	3,409	3,187	4,135	10,731
Town of Milton	37,105	33,985	32,349	103,439
Town of Halton Hills	3,750	15,331	14,882	33,963
Halton Region	68,388	64,799	63,643	196,830
Less Institutional	(966)	(912)	(905)	(2,783)
Net	67,422	63,887	62,738	194,047



Residential Unit Growth Between 2017 & 2031

Cumulative

Municipalities	2016	2021	2026	2031
Town of Oakville	71,191	81,580	88,109	93,550
City of Burlington	71,618	74,880	77,687	80,572
Town of Milton	41,963	55,711	68,375	80,293
Town of Halton Hills	20,521	22,284	28,279	34,141
Halton Region	205,293	234,455	262,450	288,556

Incremental

Municipalities	2017-2021	2022-2026	2027-2031	2017-2031
Town of Oakville	10,389	6,529	5,441	22,359
City of Burlington	3,262	2,807	2,885	8,954
Town of Milton	13,748	12,664	11,918	38,330
Town of Halton Hills	1,763	5,995	5,862	13,620
Halton Region	29,162	27,995	26,106	83,263

Residential Unit Growth Adjustments

	2016	2021	2026	2031	Incremental Growth	
					2017-2026	2017-2031
Per BPE						
Population	555,707	624,094	688,895	752,537	133,188	196,830
Population Net of Institutional	548,054	615,476	679,363	742,101	131,309	194,047
Dwelling Units	205,293	234,455	262,449	288,556	57,156	83,263
Per Estimated Actual						
Population	536,708	624,094	688,895	752,537	152,187	215,829
Population Net of Institutional	529,055	615,476	679,363	742,101	150,308	213,046
Dwelling Units	195,371	234,455	262,449	288,556	67,078	93,185
Over/(Under) BPE						
Population	(18,999)	-	-	-	18,999	18,999
Population Net of Institutional	(18,999)	-	-	-	18,999	18,999
Dwelling Units (Total)	(9,922)	-	-	-	9,922	9,922
Dwelling Units (SDE)	(7,380)				7,380	7,380



Residential Growth Adjustments

	W/WW	Roads	General Services*
BPE Total new units	83,263	83,263	57,156
Rural units	(272)	n/a	n/a
Net	82,991	83,263	57,156
Adjustments for DC Calculation:			
Convert to SDE (PPU 3.52)	62,863	63,111	41,733
Unit Adjustment	-	5,468	7,380
Institutional	789	791	538
Net SDEs	63,652	69,370	49,651

* Police is over 15 years (71,282) all other General Services are over 10 year.

Non-Residential Growth



Employment Growth Between 2017 & 2031

Cumulative

Municipalities	2016	2021	2026	2031
Town of Oakville	106,485	120,796	122,578	128,359
City of Burlington	98,710	102,846	104,145	105,349
Town of Milton	62,553	81,106	96,631	114,330
Town of Halton Hills	20,744	22,936	32,356	41,962
Halton Region	288,492	327,684	355,710	390,000

Incremental

Municipalities	2017-2021	2022-2026	2027-2031	2017-2031
Town of Oakville	14,311	1,782	5,781	21,874
City of Burlington	4,136	1,299	1,204	6,639
Town of Milton	18,553	15,525	17,699	51,777
Town of Halton Hills	2,192	9,420	9,606	21,218
Halton Region	39,192	28,026	34,290	101,508

Non-Residential Growth

	2016	2031	Incremental Growth
BPE Employment	288,493	390,000	101,507
WAH	(25,474)	(35,429)	(9,955)
NFPOW	(28,504)	(39,289)	(10,785)
Net Employment	234,515	315,282	80,767

	<u>Retail</u>	<u>Office/Other</u>	<u>Industrial</u>	<u>Institutional</u>	<u>Gross</u>
Employment	19,549	14,760	33,782	12,675	80,767
Conversion (Sq.Ft. / Employee)	459	325	1,468	697	894
Total Floor Area (Sq.Ft.)	<u>8,980,996</u>	<u>4,797,147</u>	<u>49,605,016</u>	<u>8,840,289</u>	<u>72,223,448</u>
% of TFA	12%	7%	69%	12%	100%



Non-Residential Growth Adjustments

Employment Forecast to 2016	Industrial	Commercial	Institutional	Work At Home	No Fixed Place of Work	Total
Halton BPE	101,282	103,667	29,566	25,474	28,504	288,493
Less Rural	(2,410)	(892)	(528)	(419)	(570)	(4,818)
Subtotal	98,873	102,775	29,037	25,055	27,934	283,675
Halton Employment Survey	53,480	99,194	44,628	20,896	24,084	242,282
Over/(Under) Growth	(45,393)	(3,581)	15,590	N/A	N/A	(33,384)
Absorbed by Vacancy (5% Industrial Empl. Absorbtion)	3,967	-	-	-	-	3,967
Net Over/(Under) Growth	(41,426)	(3,581)	15,590	-	-	(29,417)
Convert to Sq.Ft.:						
FSW Assumptions (Weighted Avg)	1,123	400	349	na	na	
Sq.Ft. Over/(Under) Growth	(46,522,998)	(1,432,386)	5,435,403	na	na	(42,519,981)
Retail vs Non-Retail						
Retail						491,366
Non-Retail						(43,011,348)



Non-residential Growth Adjustments (sq.ft.)

	W/WW	Roads
TFA (2017-2031)	72,223,448	72,223,448
Sq.Ft. Adjustment	42,519,982	42,519,982
Rural	190,672	n/a
Institutional *	(1,083,219)	(1,083,219)
Net TFA	113,850,883	113,660,211

*Population related institutional employment

B. Summary of Capital Costs

Capital Costs

Gross Capital Costs (\$Million's)

Services	2017 DC Study (2017-2031)	2012 DC Study (2017-2031)	Difference
W/WW:			
Water	\$ 535.1	\$ 379.3	\$ 155.8
Wastewater	625.7	365.9	259.7
Sub-Total	\$ 1,160.8	\$ 745.2	\$ 415.6
Roads	\$ 2,189.9	\$ 1,701.4	\$ 488.5
General Services:			
Growth Studies	\$ 16.6	\$ 16.5	\$ 0.1
Police	115.8	27.0	88.8
Paramedic Services	25.5	4.0	21.5
Facilities	11.8	3.5	8.3
Social Housing	95.0	44.0	51.0
Conservation Halton	N/A	29.3	N/A
Waste Diversion	9.8	N/A	9.8
Waterfront Parks	40.1	N/A	40.1
Sub-Total	\$ 314.5	\$ 124.4	\$ 219.5
Total	\$ 3,665.3	\$ 2,571.0	\$ 1,123.6

Total Costs

- Capital Infrastructure Costs (\$millions)

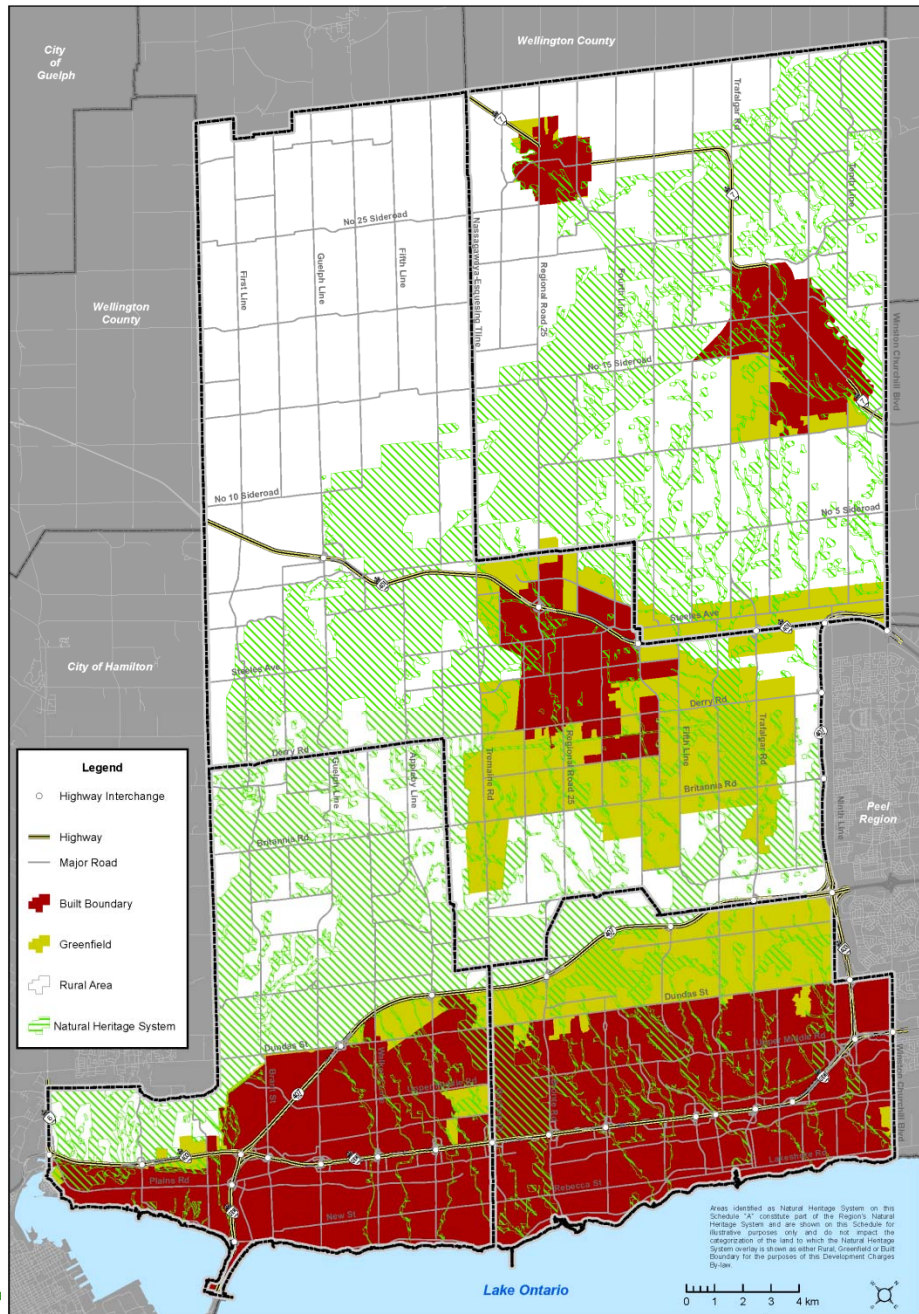
Services	Gross Cost	Less:				Net Growth		
		Benefit to Existing Dev't	Subsidy, Dev Contbt'n	Post Period Capacity	10% Statutory Deduc't	Total	Res	N-res
W/WW (2017-2031):								
Water	\$ 535.1	\$ 11.4	\$ -	\$ 43.6	\$ -	\$ 480.1	\$ 357.7	\$ 122.4
Wastewater	625.7	95.8	-	18.0	-	511.9	379.6	132.3
Sub-Total	\$ 1,160.8	\$ 107.2	\$ -	\$ 61.6	N/A	\$ 992.0	\$ 737.3	\$ 254.6
Roads (2017-2031)	\$ 2,189.9	\$ 388.7	\$ -	\$ 105.7	N/A	\$ 1,695.5	\$ 1,085.1	\$ 610.4
General Servc (2017-2026):								
Growth Studies	\$ 16.6	\$ 4.6	\$ -	\$ -	\$ 0.1	\$ 11.9	\$ 8.4	\$ 3.4
Police (2017-2031)	115.8	36.7	-	25.7	-	53.4	37.8	15.6
Paramedics	25.5	8.4	-	10.1	0.7	6.3	5.5	0.7
Facilities	11.8	3.6	-	1.2	0.5	6.5	5.6	0.8
Social Housing	95.0	47.5	-	-	4.8	42.8	42.8	-
Waste Diversion	9.8	4.8	-	1.7	0.3	2.9	2.8	0.1
Waterfront Parks	40.1	9.8	2.3	18.2	1.0	8.9	8.4	0.4
Sub-Total	\$ 314.5	\$ 115.4	\$ 2.3	\$ 57.0	\$ 7.3	\$ 132.6	\$ 111.4	\$ 21.2
Total	\$ 3,665.3	\$ 611.3	\$ 2.3	\$ 224.3	\$ 7.3	\$ 2,820.0	\$ 1,933.8	\$ 886.2

Note: May not add due to rounding

C. By-law Structure & DCs

2017 DC By-law Structure

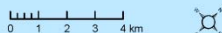
	Areas Applied	Planning Period
1. Water/Wastewater:		
A. Capacity	Region-wide	2017-2031
B. Distribution/Collection:	Area-specific	2017-2031
(i) Greenfield		
(ii) Built Boundary		
2. Roads	Region-wide	2017-2031
3. Police	Region-wide	2017-2031
4. Other General Services	Region-wide	2017-2026



Legend

- Highway Interchange
- Highway
- Major Road
- ⊕ Built Boundary
- ⊕ Greenfield
- ⊕ Rural Area
- ▨ Natural Heritage System

Areas identified as Natural Heritage System on the Schedule "A" constitute part of the Region's Natural Heritage System and are shown on this Schedule for illustrative purposes only and do not impact the categorization of the land to which the Natural Heritage System overlay is shown as other Rural, Greenfield or Built Boundary for the purposes of the Development Charges By-law.



Map for Area Specific DC By-law

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November 2016
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Public Engagement
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Regional Planning & Budget/DC By-law Nov 2016/
Map

W/WW DCs for Greenfield vs Built Boundary

	Region-wide DC	(1) Capacity DC Region-wide	(2) Distribution & Collection DC Greenfield	(3) Distribution & Collection DC Built Boundary
Residential				
Total Costs (\$000's)	\$ 849,115	\$ 120,638	\$ 628,069	\$ 99,897
SDE (adjusted)	63,652	63,652	42,862	20,790
\$DC/SDE	\$ 13,340	\$ 1,895	\$ 14,653	\$ 4,805
DC by Areas:				
Greenfield (1) + (2)			\$ 16,548	
Built Boundary (1) + (3)				\$ 6,700
Non-residential				
Total Costs (\$000's)	\$ 589,718	\$ 248,190	\$ 317,155	\$ 23,648
Sq.Ft. (adjusted)	113,850,883	113,850,883	76,897,589	36,953,295
\$DC/Sq.Ft.	\$ 5.18	\$ 2.18	\$ 4.12	\$ 0.64
DC by Areas:				
Greenfield (1) + (2)			\$ 6.30	
Built Boundary (1) + (3)				\$ 2.82



Differentiated Roads Non-Res DC Weighted Trip Generation Rates (PM Peak)

(1) Category	(2) Rate ¹	(3) Transit/ Diverted/ Pass-By Trip Reduction	(4) Net Rate (Auto) (100%-3) x (2)	(5) Category Weight ²	(6) Trip Gen. X GFA Weight (4x5)
Retail					
Retail Trade (eg. Shopping Centre)	3.71	35%	2.41	46%	1.12
Finance & Insurance (eg. Bank and Financial Office)	3.31	8%	3.05	12%	0.37
Entertainment/Recreation (eg. Cinemas, fitness, recreation)	4.41	0%	4.41	8%	0.34
Food Services (eg. Restaurant, fast food)	13.53	46%	7.26	22%	1.60
Other Services (eg. auto care/personal services)	2.54	2%	2.49	12%	0.29
Total Retail					3.72
Non-Retail					
Industrial (eg. Light, Warehouse, Manufacturing)	0.67	1%	0.66	91%	0.60
Institutional (eg. Schools, Community centres, hospitals, place of worship)	1.23	0%	1.23	2%	0.03
Office (eg. general office, medical office)	1.85	13%	1.60	6%	0.10
Accommodation (eg. hotel/motel)	0.88	0%	0.88	0%	0.00
Total Non-Retail					0.73



May not add due to rounding

¹ Derived from Institute of Transportation Engineers Trip Generation Manual. Rates in per 1,000 sq. ft

² Weighting derived from Halton Region Employment Survey

Differentiated Roads Non-Res DC

	(1)	(2)	(3)	(4)	(5)	(6)
Category	Sq. Ft	PM Peak Trip Rates	PM Peak Trips (1) x (2)	% Trips	Revenue (Uninflated) (Total Revenues x (4))	\$DC (5) / (1)
Retail	8,489,630	3.72	31,558,242	29%	\$ 224,298,772	\$ 26.42
Non-Retail	105,170,581	0.73	77,179,816	71%	548,552,039	\$ 5.22
Total	113,660,211		108,738,058	100%	\$ 772,850,811	

Uniform DC rate..... **\$ 6.80**

Front-ending Recovery Payment (effective Jan 1, 2017)

Residential Development Categories	Front-Ending Recovery Payment *		
	Water/ Wastewater	Roads	Total
Single and Semi-Detached	\$ 8,325.05	\$ 1,174.95	\$ 9,500.00
Multiples - 3 or More Bedrooms	6,652.44	938.89	7,591.33
Multiples - Less than 3 Bedrooms	4,833.84	682.22	5,516.06
Apartments - 2 or More Bedrooms	4,079.44	575.75	4,655.19
Apartments - Less than 2 Bedrooms	3,142.94	443.58	3,586.52
Special Care/Need and Accessory Dwelling	2,601.38	367.14	2,968.52

* **NOTE:** The following residential development are **not** subject to the Front-ending Recovery Payment:

- 2012 and prior Allocation Programs;
- any development that has executed a Subdivision Agreement with the Region or the local municipality prior to Jan. 1, 2017; and
- any development that has executed a Site Plan Agreement or Consent Agreement prior to Jan. 1, 2017.

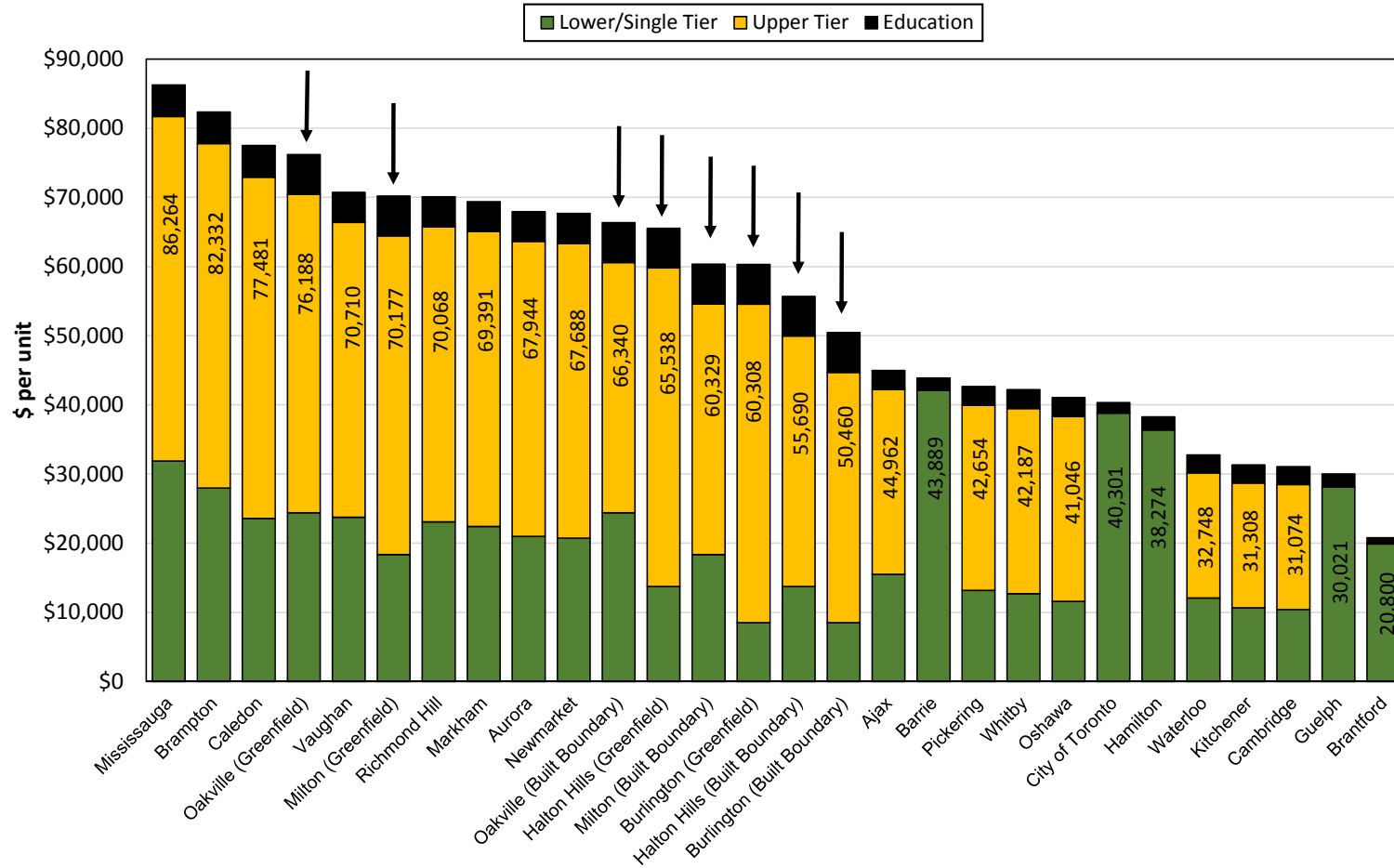
Non-Residential DC Per Sq. Ft.

Service	As Of April 1, 2016				New Calculated					
	Greenfield		Built-Bndry		Region-Wide		Area Specific			
	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Greenfield		Built-Bndry	
							Retail	Non-Retail	Retail	Non-Retail
Water & Wastewater	\$ 7.70	\$ 7.70	\$ 4.57	\$ 4.57	\$ 5.18	\$ 5.18	\$ 6.30	\$ 6.30	\$ 2.82	\$ 2.82
Roads	18.24	5.04	18.24	5.04	26.42	5.22	26.42	5.22	26.42	5.22
General Services	0.29	0.29	0.29	0.29	0.34	0.34	0.34	0.34	0.34	0.34
Total	\$ 26.23	\$ 13.03	\$ 23.10	\$ 9.90	\$ 31.94	\$ 10.74	\$ 33.07	\$ 11.86	\$ 29.58	\$ 8.38

D. Competitiveness

Residential DC (per SDE) *

Halton's Proposed DC compared to GTA & Other Selected Municipalities (as of September 28, 2016)

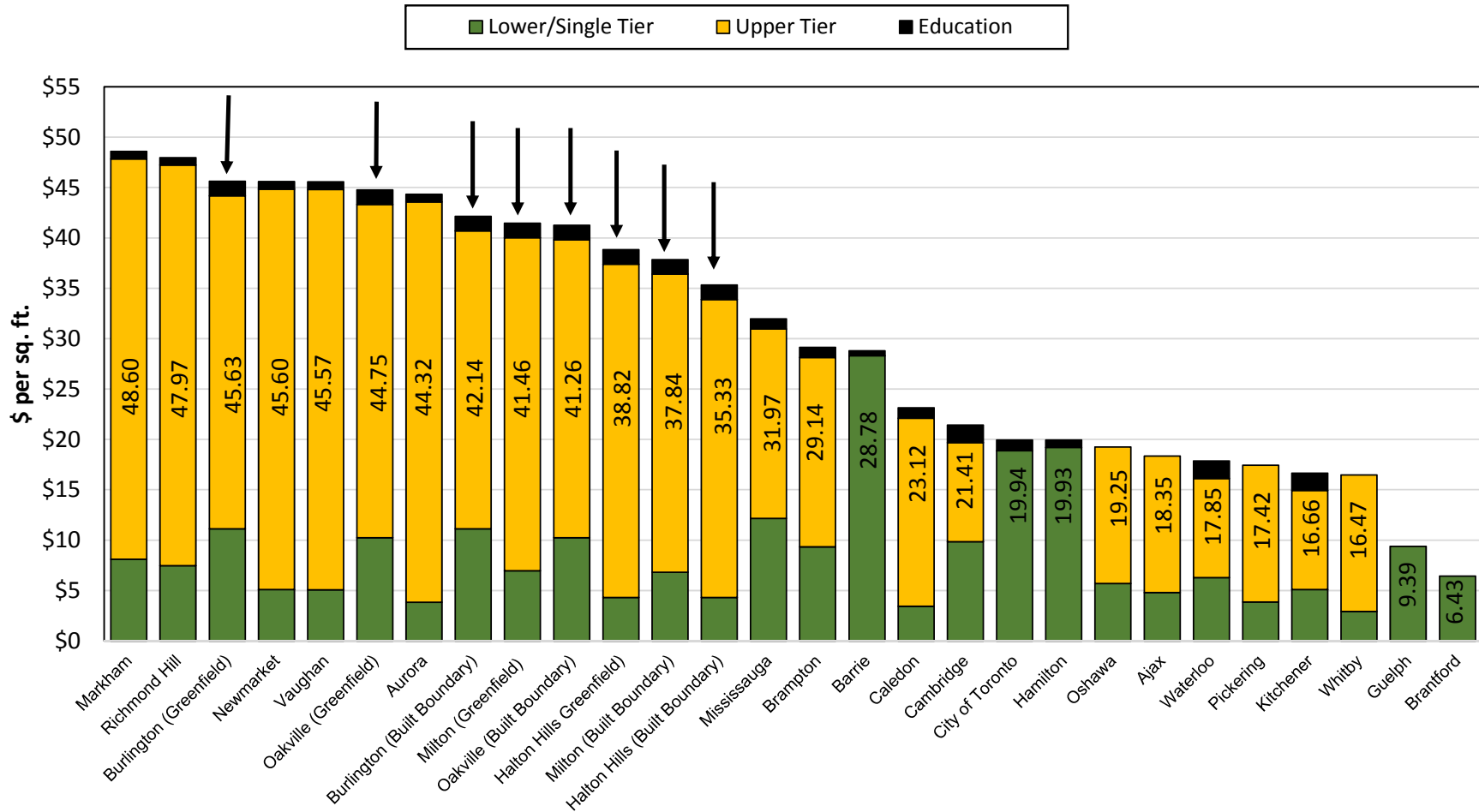


* Halton municipalities includes Front-Ending Recovery payment for the 2012 Allocation Program



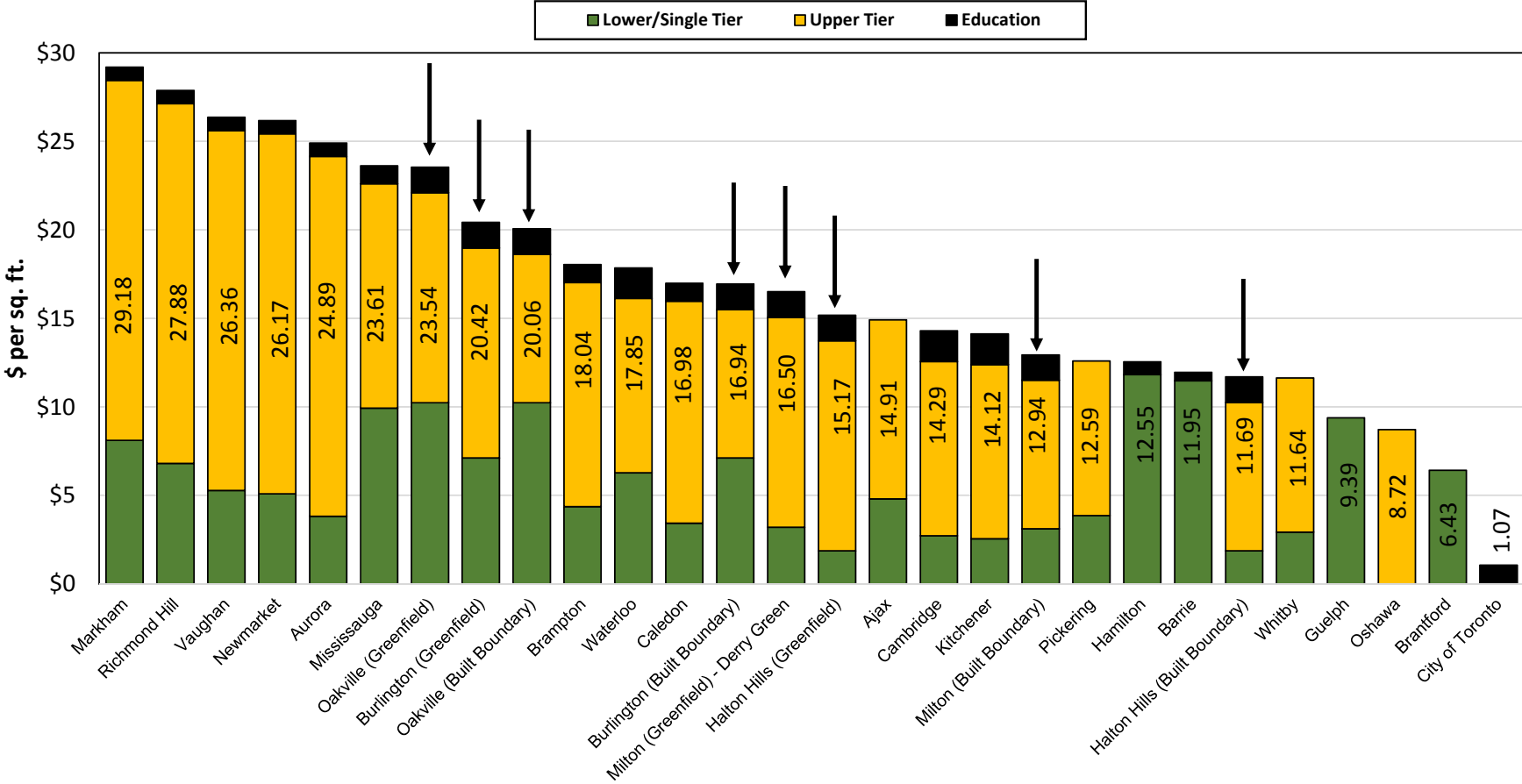
Non-Residential DC - Retail (per sq.ft.)

Halton's Proposed DC compared to GTA & Other Selected Municipalities (as of September 28, 2016)



Non-Residential DC - Non Retail - Industrial (per sq.ft.)

Halton's Proposed DC compared to GTA & Other Selected Municipalities (as of September 28, 2016)



E. Proposed DC Policies

Current DC Policies and Proposed Changes

DC Policies (By-law No. 48-12)	Current Policy	Proposed Changes
Intensification:		
Industrial Expansion Exemption (<i>Mandatory</i>)	Exempt 50% of Existing TFA	No change
Commercial Expansion (Non-Retail)	Exempt first 3,000 sq.ft.	No change
Non-Residential Lot Coverage Relief	50% DC for $1x < TFA \leq 1.5x$ 25% DC for $TFA > 1.5x$	Exempt DCs for TFA that is greater than 1X the lot area
Demolition Credit	Credit for 5 years	No change
Conversion Credit	Retail conversion - exempt if conversion is less than 3,000 or pay full DC	Retail conversion - exempt greater of 25% of TFA or 10,000 sq. ft. (930 sq. m.);
Existing Housing Expansion Exemptions (<i>Mandatory</i>)		No change
Accessory Dwelling Units	DC payable at special care unit rate	No Change
High Density Condominium Apartment	DC payable at building permit	No Change
Purpose Built High Density Apartment - Rental	DC payable at building permit	1 year deferral from BP issuance, with interest: - deferral agrmt. - security by LC or agrmt. registered on title - subject to financial plan requirements
Purpose Built Assisted High Density Apartment - Rental, Under Housing program	DC payable at building permit	3 year deferral from BP issuance with No Interest: - deferral agrmt. - security by LC - proof of "Contribution Agrmt." (eg. IAH). - Subject to financial plan requirements

Current DC Policies and Proposed Changes

DC Policies (By-law No. 48-12)	Current Policy	Proposed Changes
Economic Development:		
Non-Residential Payment Deferral	10 year deferral	No change
Non-Residential Categories	Differentiated between Retail and Non-retail	No change
Temporary Non-Residential Building	Exempt for 3 years	No change
Seasonal Structures (to be removed within 3 months)	Exempt	No change
Temporary Venues (to be removed within 1 week)	Exempt	No change
Other		
Municipal and School Board Exemptions (<i>Mandatory</i>)	Exempt	No change
Parking Garages	Exempt	No change
Temporary Residential Building - Garden Suite, Other	Exempt	No change
Agricultural	Exempt (except for residential & retail/commercial use)	No change
Hospital	Exempt	No change
Places of Worship	Exempt	No change
Conservation Authority	Exempt (except for retail/commercial use)	No change

F. Cost of Growth

Cost of Growth

- The DCA is an important tool for Halton to recover growth-related costs in order to provide infrastructure in a timely way to support growth and more importantly the Provincial Growth Plan.
- However, there are two funding gaps experienced by Halton in accommodating growth:
 - Growth pays for growth.
 - Significant upfront growth related infrastructure requirements.

Cost of Growth

- Growth Pays for Growth

Category	Growth Pays for Growth	D.C.A. (As amended by Bill 73)
Exempt Services	<ul style="list-style-type: none"> No exempt services (Include All Growth Related Services) 	<ul style="list-style-type: none"> Waste Diversion is a service that has been added to the current eligible list. No change to other services
Service Level Calculations	<ul style="list-style-type: none"> Remove 10 Year historic service level limits with a forward looking service level for all services 	<ul style="list-style-type: none"> 10-year planned level of service for prescribed services for transit All other services based on 10 year historical average
10% Discount	<ul style="list-style-type: none"> No discount. (Remove 10% Discount for All Services) 	<ul style="list-style-type: none"> Transit is the only new service that is not subject to the 10% deduction The 10% also continues not to be subject for water, wastewater, roads and police
50% Industrial Exemption	<ul style="list-style-type: none"> Provide Council with ability to determine exemptions (no mandatory exemptions) 	<ul style="list-style-type: none"> Still includes mandatory exemptions

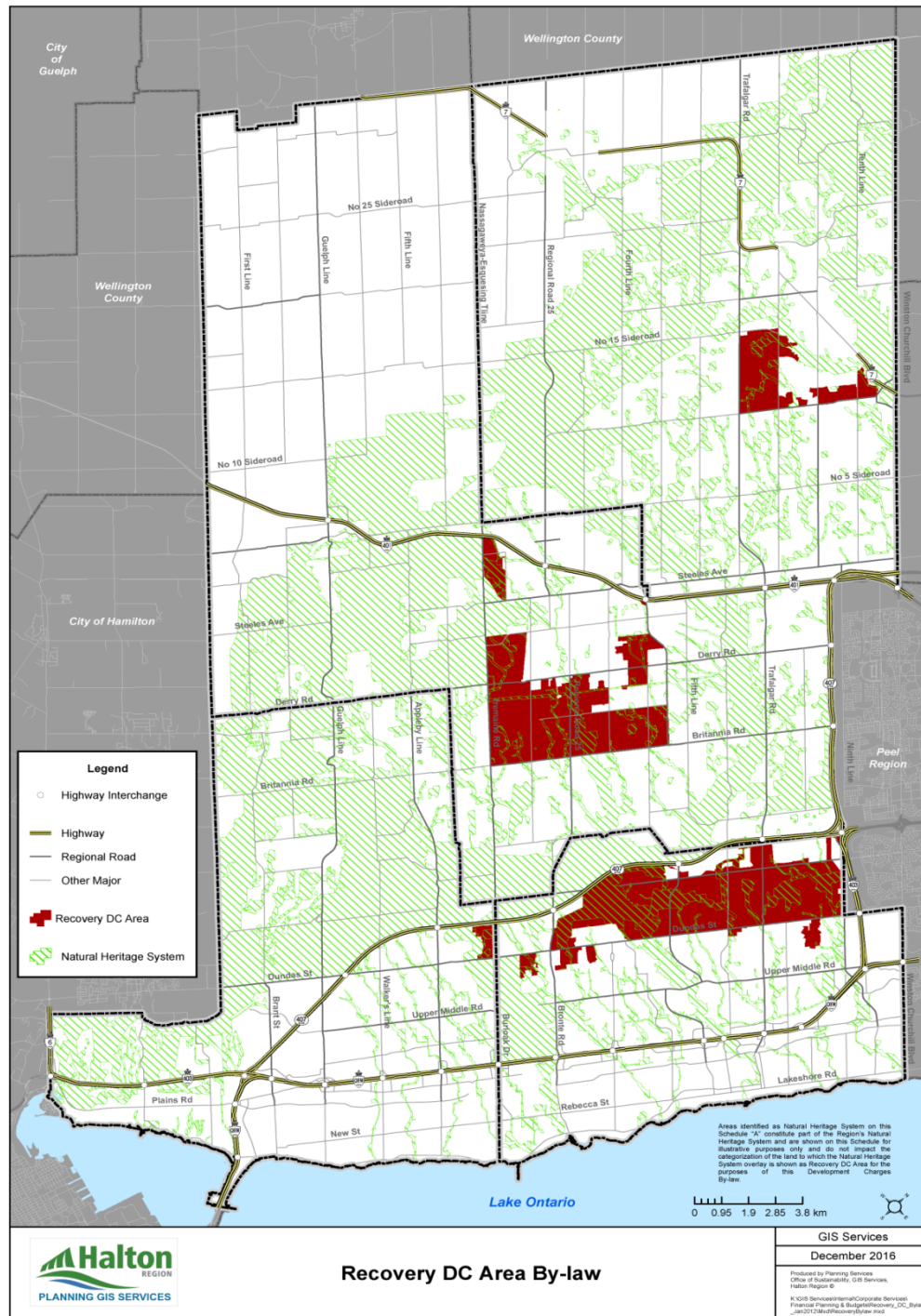
- Total \$14.1M/year



2. Recovery By-law No. 49-12

Recovery By-law No. 49-12

- The 2017 Recovery DC Background Study has been prepared to extend the current Recovery DC in By-law No. 49-12 which expires on Sept. 4, 2017.
- This by-law was established in 2012 to recover \$82.0 million for the early payment of estimated future water, wastewater and roads DCs provided by residential developers who participated in the 08/09 Allocation Program.
- The growth projections are consistent with the previous 2012 Recovery DC Background Study.
- The current Recovery DC rate is \$3,679 per single detached equivalent (SDE) and this will remain unchanged in the new proposed By-law.



GIS Services
December 2016

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Halton Region ©

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Financial Planning & Budgeting\Recovery_DC_Bylaw
Jan2017\Map\RecoveryDCBylaw.mxd

3. GO Transit By-law No. 159-01



GO Transit By-law No. 159-01

- The 2017 GO Transit Background Study has been prepared to align its policies with the proposed 2017 DC By-law replacing By-law No. 48-12, in order to ensure consistency within DC by-law implementation.
- The Region's GO Transit DC By-law No. 159-01, was originally approved in 2001 and the Province has extended this numerous times with the most recent extension to December 31st, 2019.
- The current GO Transit DC rate is \$1,084.48 per single detached equivalent (SDE) and this will remain unchanged in the new proposed By-law.

Next Steps

- Final Proposals to A&F Committee – May 10, 2017
- Passage of DC By-laws by Council – June 15, 2017
- Implementation – September 2017