

City of Greater Sudbury Development Charges Study City Council Meeting



Tuesday, April 29th, 2014

HEMSON
Consulting Ltd.



Today We Will Discuss

- Background and Overview of Proposed Rates
- Steps in Calculating DCs
- DC Capital Program Highlights
- Calculated Rates and Municipal Comparisons
- Policy Issues
- Next Steps

Background

- City Council passed DC By-law 2009-200F in July 2009 that imposed DC rates for certain eligible services
- On July 9th 2014, the City's current DC By-law will expire
- Prior to passage of new by-law, City must:
 - Undertake a background study
 - Hold at least one public meeting (May 6)

Purpose of Development Charges

- Fee charged to development to recover a portion of the City's growth related Capital Costs
 - Charged at the Building Permit Stage
 - Residential: Per Unit
 - Industrial and Non- Industrial: Per Square foot

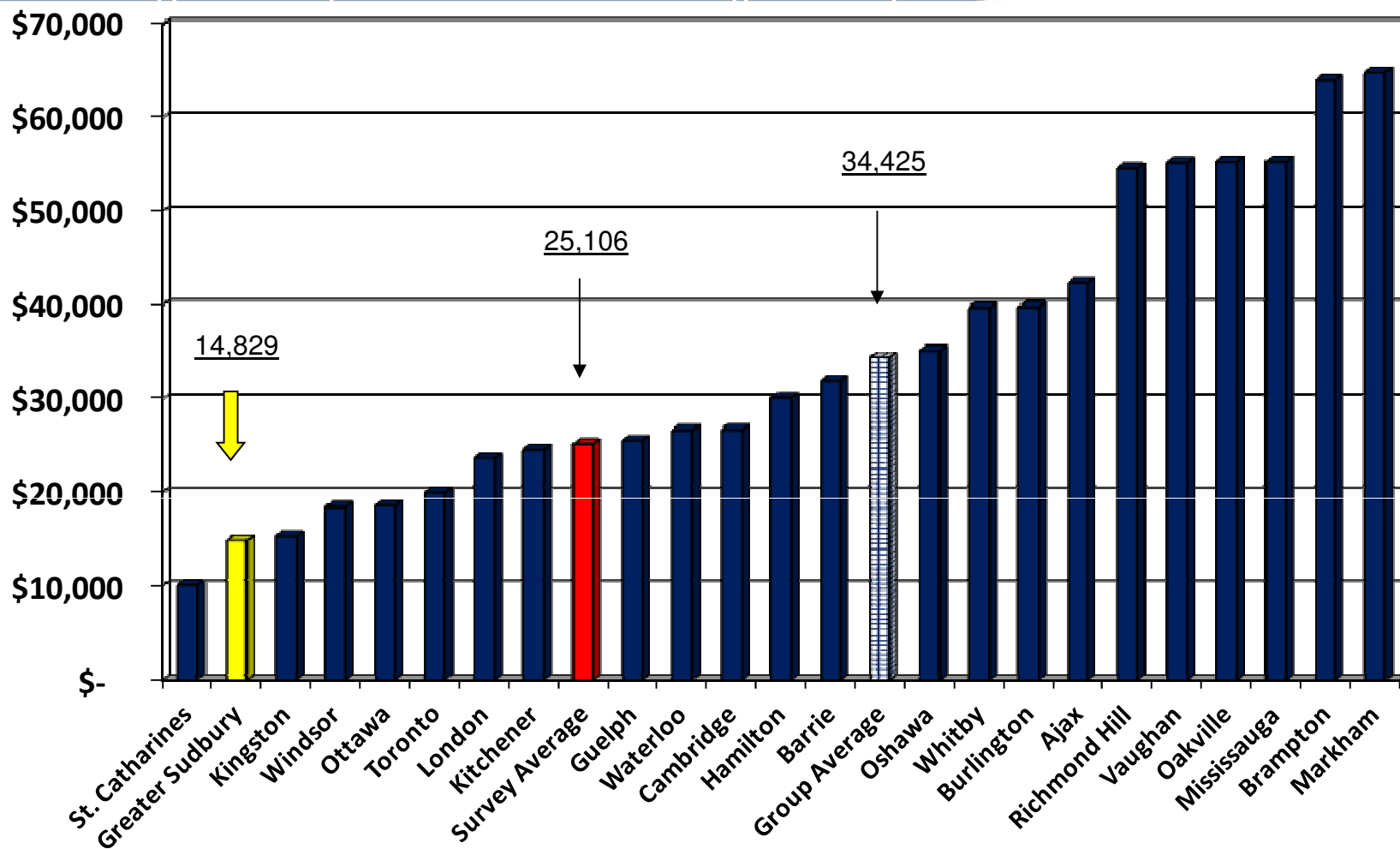
Comparison to Current Residential Rates

	Charge	Current	Proposed July 10/14	Change (\$)	Change (%)
Includes water & wastewater	Single/Semi (\$/unit)	\$14,785	\$17,163	\$2,378	16%
	Multiples (\$/unit)	\$9,258	\$10,098	\$840	9%
Excludes water & wastewater	Single/Semi (\$/unit)	\$13,759	\$13,363	(\$396)	(3%)
	Multiples (\$/unit)	\$8,616	\$7,862	(\$754)	(9%)

Comparison to Current Non-Residential Rates

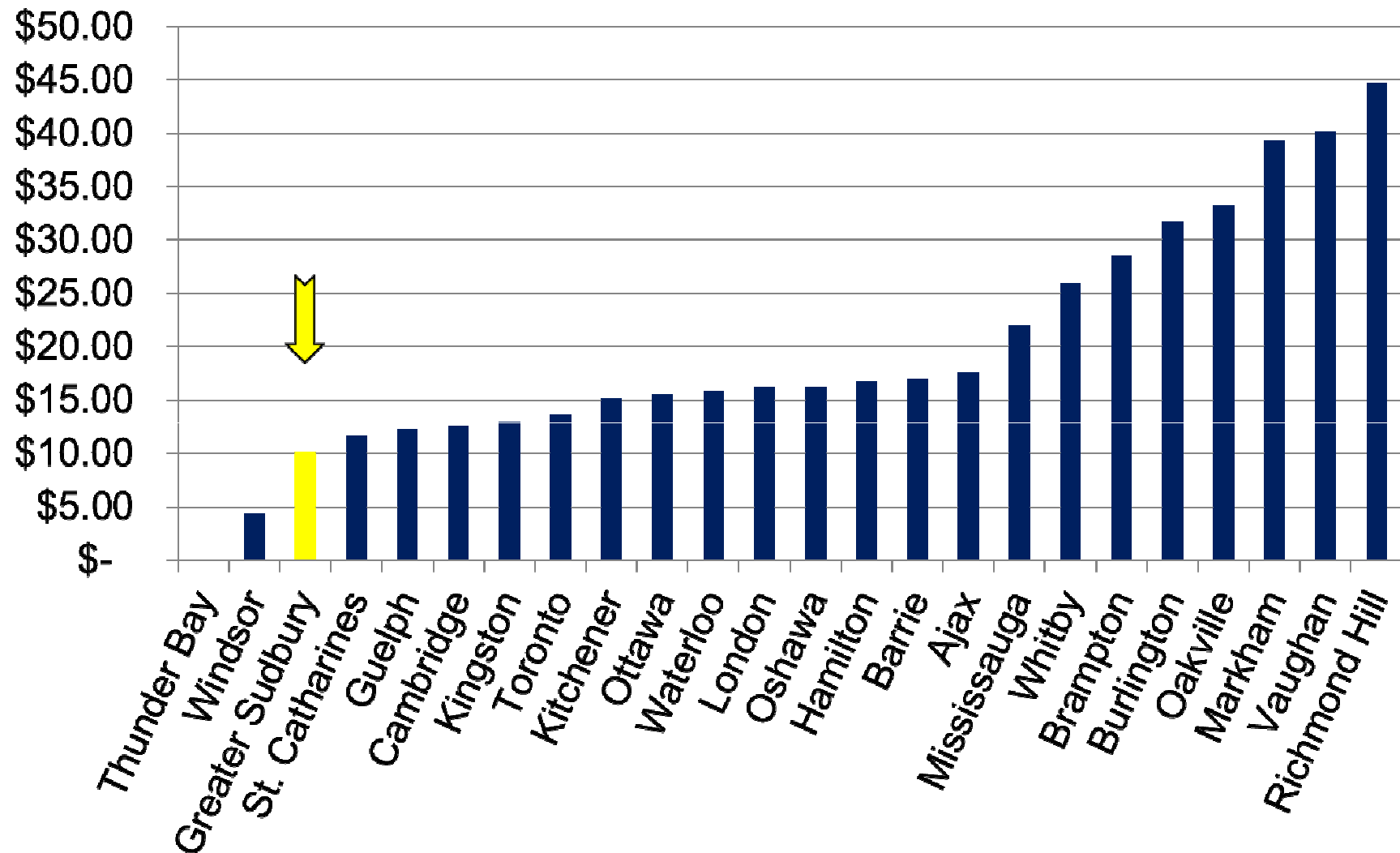
	Charge	Current	Proposed July 10/14	Change (\$)	Change (%)
Includes water & wastewater	Industrial (\$/sq. ft.)	\$4.33	\$4.75	\$0.42	10%
	Non-Industrial (\$/sq. ft.)	\$10.08	\$8.83	(\$1.25)	(12%)
Excludes water & wastewater	Industrial (\$/sq. ft.)	\$3.59	\$2.64	(\$0.95)	(26%)
	Non-Industrial (\$/sq. ft.)	\$9.34	\$6.72	(\$2.62)	(26%)

2013 DCs (Cities with population over 100,000) – Single Family and Semi-Detached (per unit)

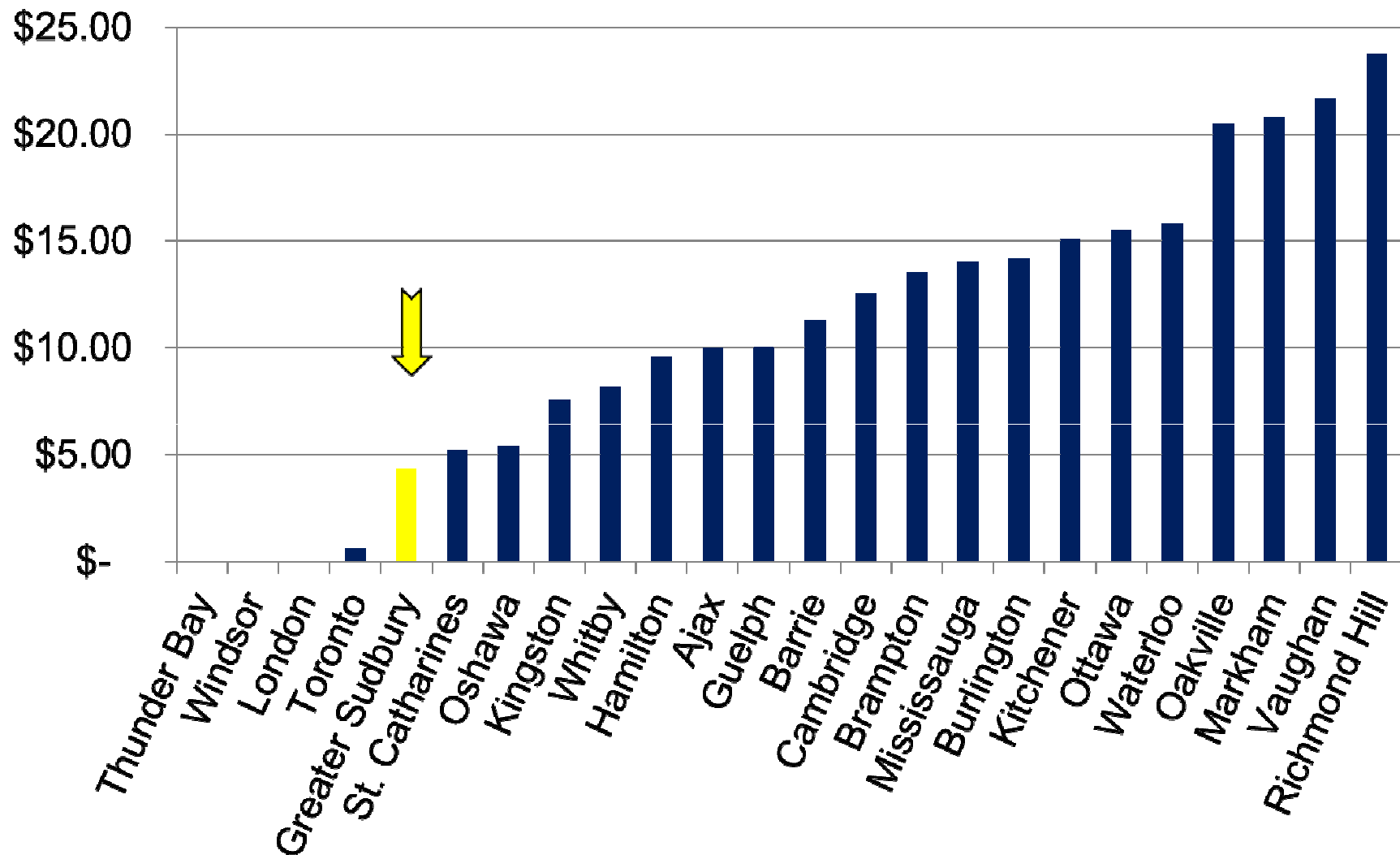


Greater Sudbury is considerably lower than the survey and group average

2013 DCs (Cities with population over 100,000) - Commercial (per square foot)



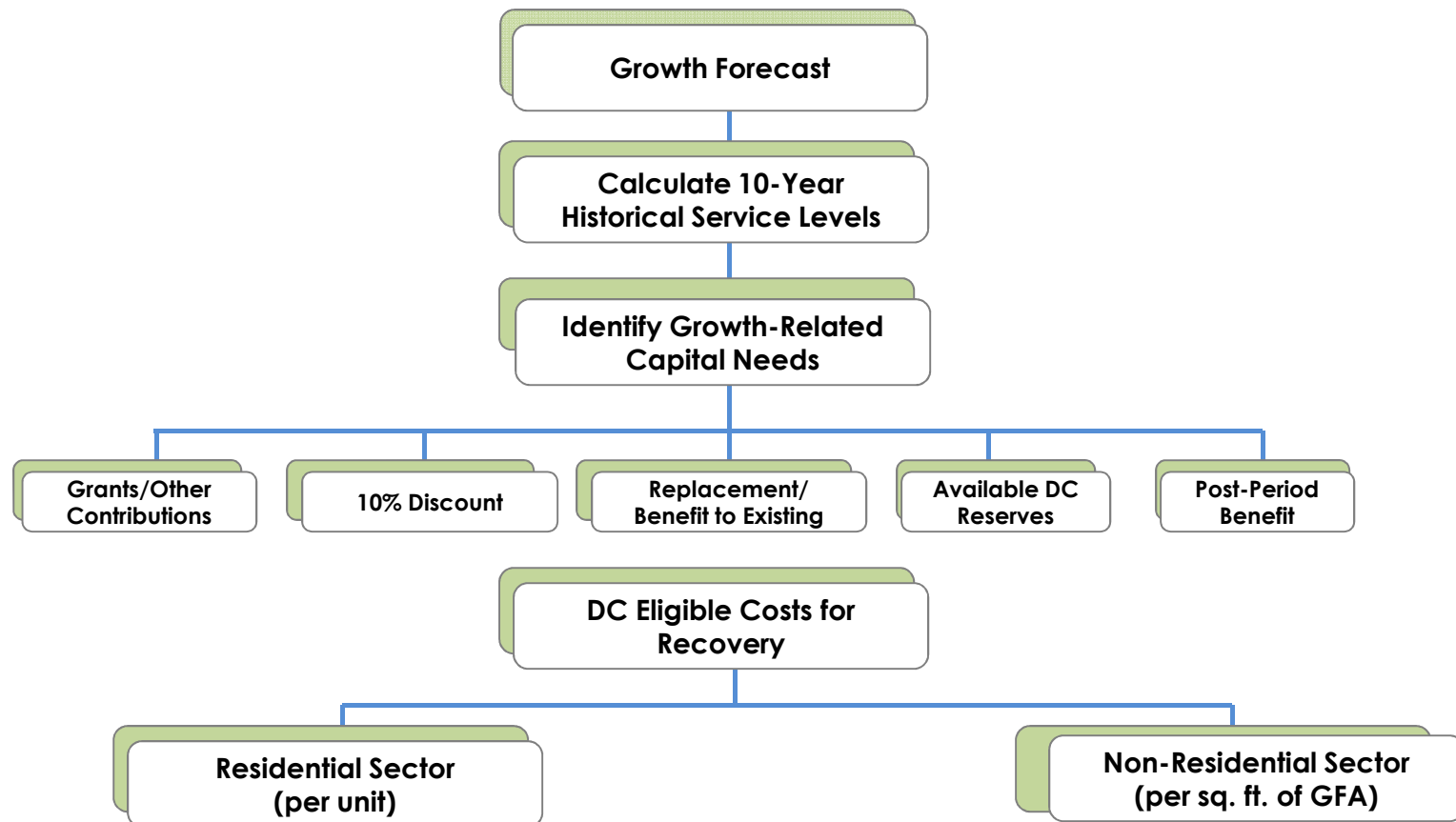
2013 DCs (Cities with population over 100,000) – Industrial (per square foot)



DC Act Does Not Allow For Full Cost Recovery of Growth Expenditures

- Ineligible services
 - Solid waste, hospitals, admin space, museums, art galleries, tourist facilities etc.
- Historic average service level cap
- 10% discount for general - soft services
- Exemptions for industrial and residential expansions
- Deduction for benefit to existing population
- Net of grant funding

Steps to Calculating a DC



Development Forecast Sources

- Growth forecast utilized in 2014 DC Study makes reference to:
 - Growth Outlook Report from May 2013
 - 2011 Census and National Household Survey data
 - Recent Building Activity
- Water/Wastewater Plan using consistent forecasts

Residential Development Forecast

	10-Year Planning Horizon		
Category	At 2013	Growth 2014-2023	At 2023
Households	68,643	4,699	73,342
- <i>Singles/Semis</i>	46,454	2,809	49,263
- <i>Multiples</i>	22,189	1,890	24,078
Census Population	167,366	5,514	172,881

Non-Residential Development Forecast

	10-Year Planning Horizon		
Category	At 2013	Growth 2014-2023	At 2023
Employment	78,698	3,255	81,953
Non-Res Space (sq. ft.)		4,715,370	
- Major Office		15,570	
- Population Related		3,310,800	
- Employment Land (Industrial)		1,389,000	

Services Included

Engineered Services:

- Roads & Related
- Water
- Wastewater
- Drains

General - Protection:

- Fire
- Police
- Public Safety

General - Soft Services*:

- General Government
- Library Services
- Parks and Recreation
- Cemetery Services
- Ambulance
- Emergency Preparedness
- Transit

**General Services subject to 10% Statutory Discount*

Development of Capital Program

- Conservative assumptions were used when developing the development-related capital program
- Council must express intent to undertake capital works identified in DC Study

What is a DC eligible project?

- Any capital project that provides benefit to new development and expands the City's servicing capacity
 - Ex. 1: Maley Drive – Total cost \$125M of which \$13M is DC recoverable from 2014-2023
 - Ex. 2: BioSolids Management Facility – Total cost \$71.6M of which \$4.8M is DC recoverable from 2014-2023
- Can include continued funding for recently built projects

Capital Program Summary (\$millions)

Total Gross Cost (\$millions)	\$ 736.0
Less: Grants & Subsidies	\$ 231.5
Less: Benefit to Existing Share	\$ 298.1
Less: 10% Discount	\$ 3.27
Less: Prior Funding	\$ 32.1
Less: Post-2023 Benefit	<u>\$ 67.7</u>
DC Eligible Share (2014-2023)	\$ 103.3

DC Rate Calculation

Basis of Charges

- Residential sector calculated as a charge per household
- Non-Residential calculated as a charge per square foot of total floor area

Imposition of Charges

- Calculated rates represent maximum permissible charges
- Water & Wastewater charge only levied where services are available

Proposed Calculated Residential Rates

Service	% of Charge
General Government	0.55%
Library Services	4.61%
Fire Services	2.06%
Police Services	1.09%
Public Safety	0.46%
Parks & Recreation	15.16%
Cemetery Services	0.05%
Ambulance Services	0.64%
Public Works	0.00%
Emergency Preparedness	1.21%
Transit Services	2.93%
General Services Charge	28.77%
Roads and Related	45.76%
Water	5.24%
Wastewater	16.90%
Drains	3.34%
Engineered Services Charge	71.23%

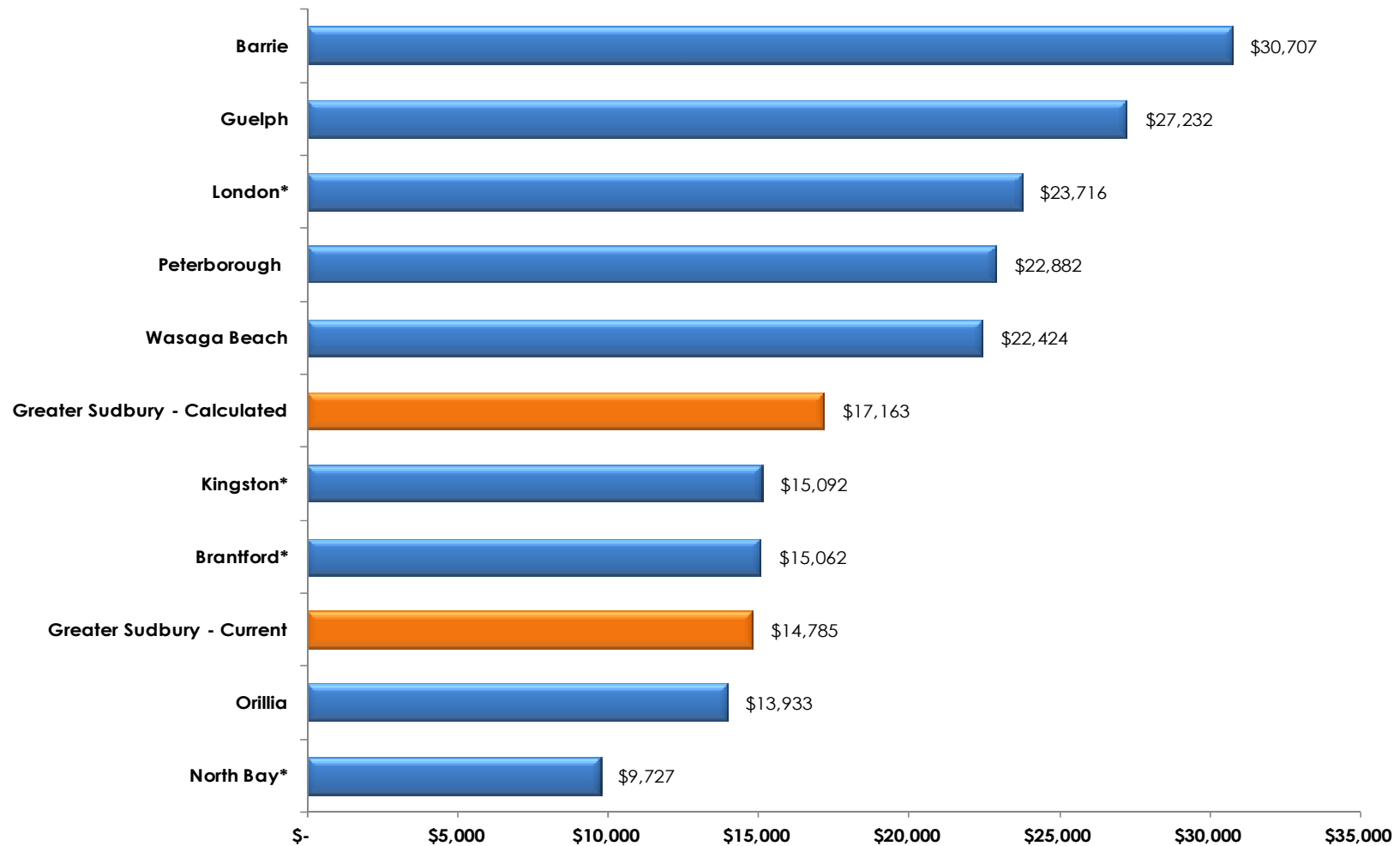
Charge	Includes water & wastewater	Excludes water & wastewater
Single/Semi (\$/unit)	\$17,163	\$13,363
Multiples (\$/unit)	\$10,098	\$7,862

Proposed Calculated Non-Residential Rates

Service	% of Industrial Charge	% of Non-Industrial Charge
General Government	1.05%	0.57%
Library Services	0.00%	0.00%
Fire Services	4.21%	2.27%
Police Services	2.11%	1.13%
Public Safety	0.84%	0.45%
Parks & Recreation	0.00%	0.00%
Cemetery Services	0.00%	0.00%
Ambulance Services	1.26%	0.68%
Public Works	0.00%	0.00%
Emergency Preparedness	2.32%	1.25%
Transit Services	5.89%	3.17%
General Services Charge	17.68%	9.51%
Roads and Related	31.16%	62.97%
Water	10.53%	5.66%
Wastewater	33.89%	18.23%
Drains	6.74%	3.62%
Eng. Services Charge	82.32%	90.49%

Charge	Includes water & wastewater	Excludes water & wastewater
Industrial (\$/sq. ft.)	\$4.75	\$2.64
Non-Industrial (\$/sq. ft.)	\$8.83	\$6.72

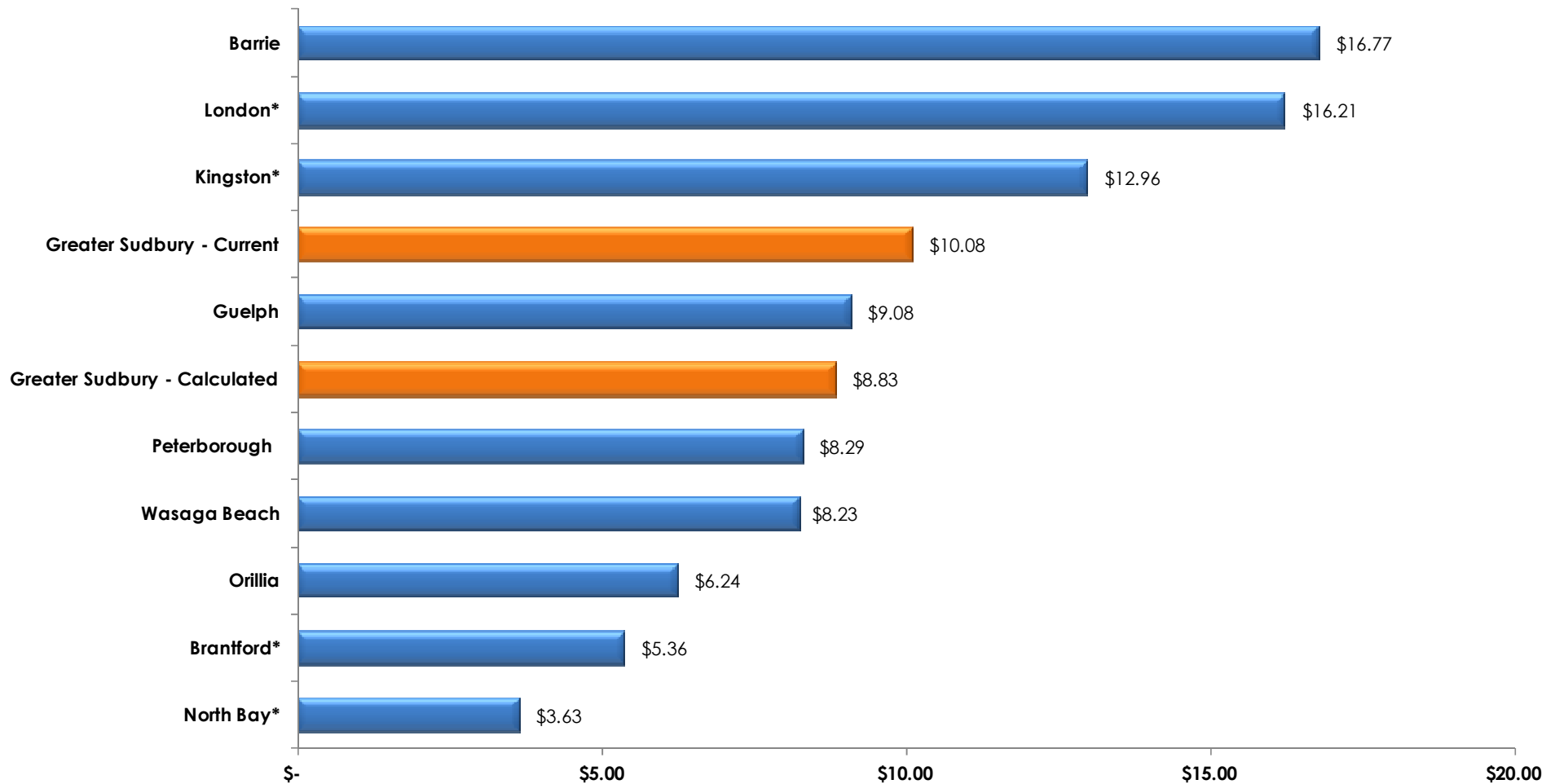
Residential Rate Comparison (\$/Single/Semi Detached Unit)



DC Charge for Wasaga Beach includes Simcoe County Upper Tier Charge
DC Charge for Peterborough includes ASDC

* DC Background Studies underway, rate changes expected in 2014

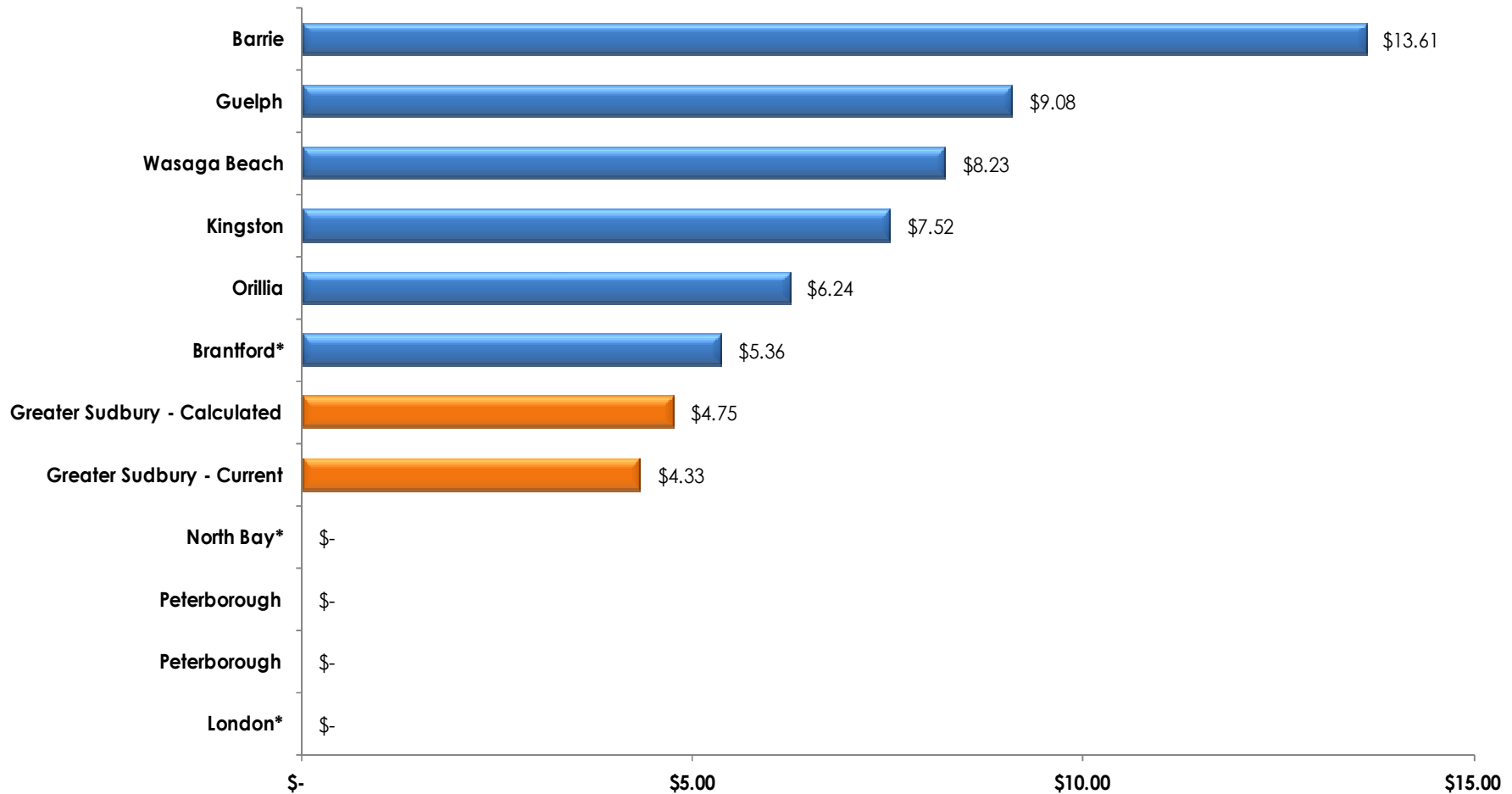
Non-industrial Rate Comparison (\$/Sq.Ft.)



DC Charge for Wasaga Beach includes Simcoe County Upper Tier

* DC Background Studies underway, rate changes expected in 2014

Industrial Rate Comparison (\$/Sq.Ft.)



DC Charge for Wasaga Beach includes Simcoe County Upper Tier

* DC Background Studies underway, rate changes expected in 2014

DC Policy Issues: Section 6 of Staff Report

6.1 Exemption of “Designated Areas”

- Proposed that existing areas in the town centres continue to be exempt
- Proposed to amend maps to include Flour Mill BLA and any designated BLA's created in the next five years

DC Policy Issues: Section 6 of Staff Report

6.2 Colleges and Universities

- Proposed that By-law be amended to reflect exemption for Colleges and Universities
- 50% exemption for buildings used for purposes other than the universities academic or research purposes

DC Policy Issues: Section 6 of Staff Report

6.3 Affordable Housing

- Proposed exemption for affordable housing, based on specific criteria and an agreement with City

DC Policy Issues: Section 6 of Staff Report

6.4 Redevelopment Credits

- Proposed to extend time limit for demolition credits from 2 years to 5 years

DC Policy Issues: Section 6 of Staff Report

6.5 Annual Indexing and Effective Date

- Proposed that DC Rate would be effective July 10th, 2014
- Annual indexing July 1 of each year
 - Rates to change by the Non-Residential Building Cost Index

DC Policy Issues: Section 6 of Staff Report

6.6 Payments of DC

- Proposed that City continue to collect DCs before the issuance of the Building Permit
- Unusual circumstances, Council approval may be sought to enter into a payment arrangement under Section 27 of DCA

Public Consultation Process

- GSDC Presentation: **April 23**
- Open House: **April 24**
- DLAC Meeting: **May 2**
- Statutory Public Meeting: **May 6**
- Greater Sudbury Chamber of Commerce Meeting: **May 8**
- On-Line comments received until: **May 13**
- Feedback and Direction from City Council:
April 29 to June 2014
- Proposed Council Passage of new by-law:
June 10 or 24

Tonight's Resolution

- That the City of Greater Sudbury receive the report titled “Proposed Changes to City's Development Charges By-Law and Rates”; and
- That feedback from the planned community consultation be summarized for City Council's consideration on or before the June 10th, 2014 Council meeting