

Town of South Bruce Peninsula

Development Charges Background Study Public Information Session

July 17, 2010

Agenda

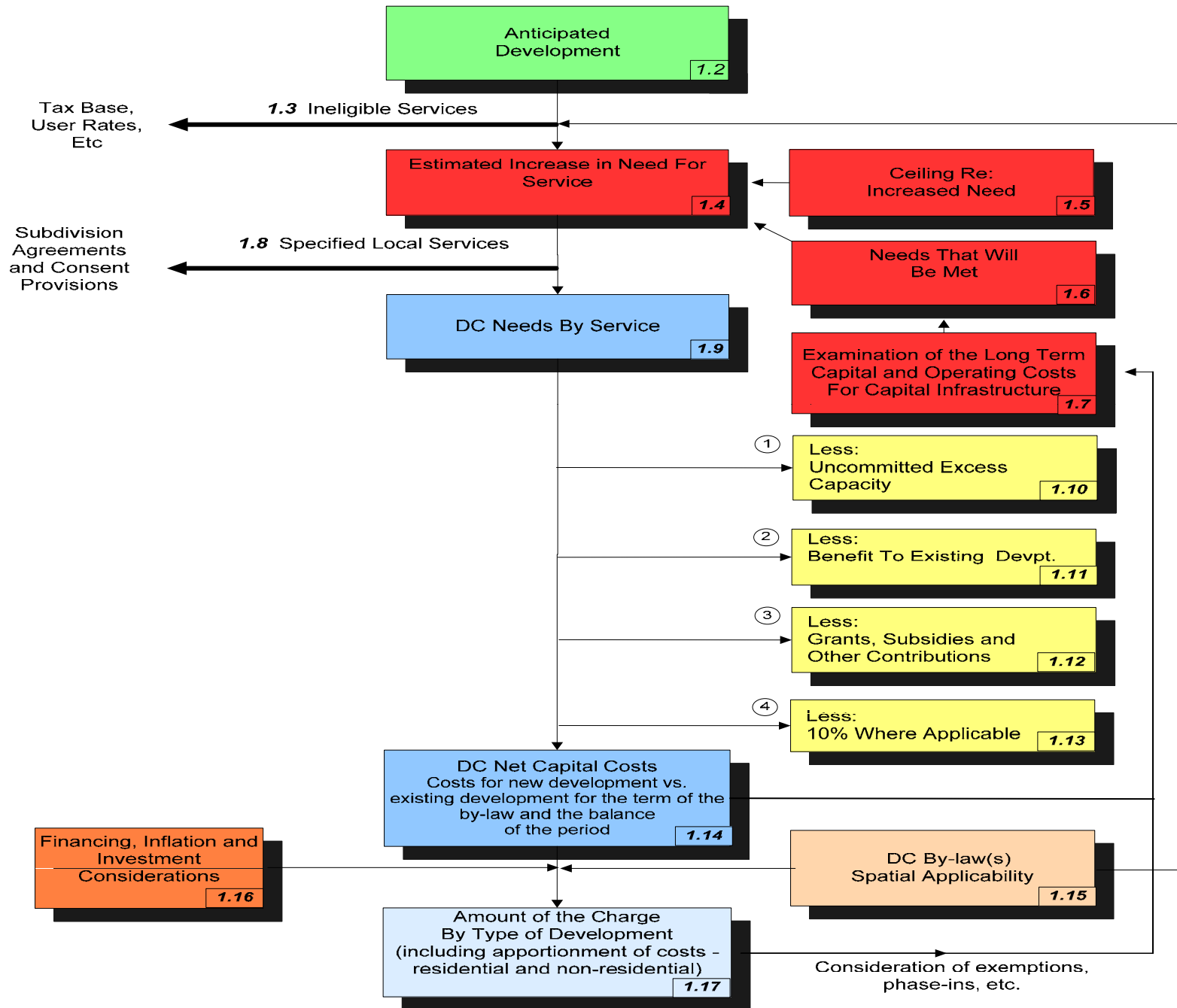
1. Purpose
2. Methodology
3. Preliminary Findings/Rate Calculations
4. Policy Issues
5. Next Steps
6. Questions

Development Charges

Purpose:

- To recover the capital costs associated with residential and non-residential growth within the Town
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, sewers, watermains, roads, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the *Development Charges Act* (DCA)

FIGURE 1: THE PROCESS OF CALCULATING A DEVELOPMENT CHARGE UNDER THE NEW ACT THAT MUST BE FOLLOWED



Growth Forecast Increase

- Based on discussions with staff and review of background materials, the forecast provides for growth over multiple horizons including:

Town-wide:

- 10 year – 2018
- 20 year – 2028

Urban Serviced Area (Warton only):

- 20 year – 2028

Growth Forecast

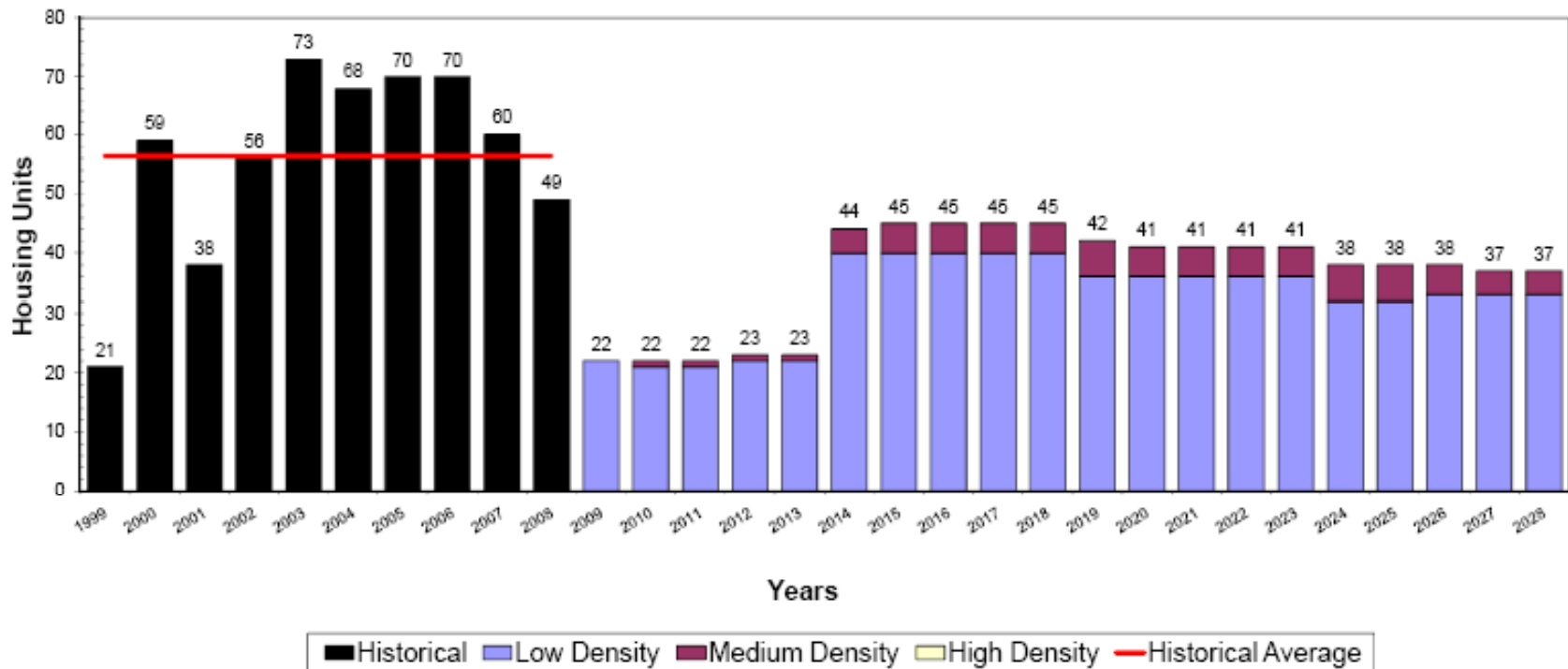
Forecast based on Cuesta Planning Consultants Growth Management Study

Year	Population (Excluding Census Undercount)	Dwelling Units					Person Per Unit (PPU)
		Singles & Semi's (Low Density) ¹	Townhomes (Medium Density) ²	Apartments (High Density)	Other	Total	
<i>Mid 1996</i>	8,004	2,925	10	300	35	3,235	2.47
<i>Mid 2001</i>	8,090	3,100	10	265	25	3,375	2.40
<i>Mid 2006</i>	8,415	3,260	55	260	60	3,575	2.35
<i>Mid 2009</i>	8,896	3,439	55	260	60	3,754	2.37
<i>Mid 2014</i>	9,141	3,547	59	260	60	3,866	2.36
<i>Mid 2019</i>	9,605	3,747	83	260	60	4,090	2.35
<i>Mid 2024</i>	9,989	3,927	109	260	60	4,296	2.33
<i>Mid 2029</i>	10,318	4,090	134	260	60	4,484	2.30
Mid 1996 - Mid 2001	86	175	0	-35	-10	140	
Mid 2001 - Mid 2006	325	160	45	-5	35	200	
Mid 2006 - Mid 2009	481	179	0	0	0	179	
Mid 2009 - Mid 2014	246	108	4	0	0	112	
Mid 2009 - Mid 2019	709	308	28	0	0	336	
Mid 2009 - Mid 2024	1,093	488	54	0	0	542	
Mid 2009 - Mid 2029	1,422	651	79	0	0	730	

Source: Watson & Associates Economists Ltd., August, 2009 derived from the Draft Town of South Bruce Peninsula Growth Management Report, Cuesta Planning Consultants Inc., April 29, 2009.

Growth Forecast

FIGURE A-1
20-YEAR HOUSING FORECAST¹



Growth Forecast

DEVELOPMENT LOCATION	TIMING	LOW DENSITY	MEDIUM DENSITY	HIGH DENSITY	TOTAL RESIDENTIAL UNITS	POPULATION IN NEW UNITS	POPULATION CHANGE	NET POPULATION INCREASE
Warton	2009 - 2019	116	11	-	127	322	(43)	279
	2009 - 2029	244	30	-	274	689	(125)	564
Sauble Beach	2009 - 2019	116	11	-	127	322	(72)	250
	2009 - 2029	244	30	-	274	689	(208)	481
Hepworth & Rural Areas	2009 - 2019	76	6	-	82	209	(29)	180
	2009 - 2029	163	19	-	182	459	(82)	377
Town of South Bruce Peninsula	2009 - 2019	308	28	-	336	853	(144)	709
	2009 - 2029	651	79	-	730	1,837	(415)	1,422
DEVELOPMENT LOCATION	TIMING	INDUSTRIAL GFA S.F.	COMMERCIAL GFA S.F.	INSTITUTIONAL GFA S.F.	TOTAL NON-RES GFA S.F.	EMPLOYMENT INCREASE		
Warton	2009 - 2019	72,000	27,700	34,200	133,900	233		
	2009 - 2029	145,000	54,100	64,700	263,800	456		
Sauble Beach	2009 - 2019	-	42,700	52,600	95,300	220		
	2009 - 2029	-	82,300	98,400	180,700	418		
Hepworth & Rural Areas	2009 - 2019	-	-	-	-	102		
	2009 - 2029	-	-	-	-	198		
Town of South Bruce Peninsula	2009 - 2019	72,000	70,400	86,800	229,200	555		
	2009 - 2029	145,000	136,400	163,100	444,500	1,072		

Summary of Services Considered

- Municipal-Wide DC (10-year Forecast)
 - Roads and Related Services
 - Roads
 - Public Works Facilities
 - Rolling Stock
 - Fire Protection Services
 - Fire Facilities
 - Fire Vehicles
 - Small Equipment and Gear
 - Outdoor Recreation
 - Parkland Development, Amenities & Trails

Summary of Services Considered

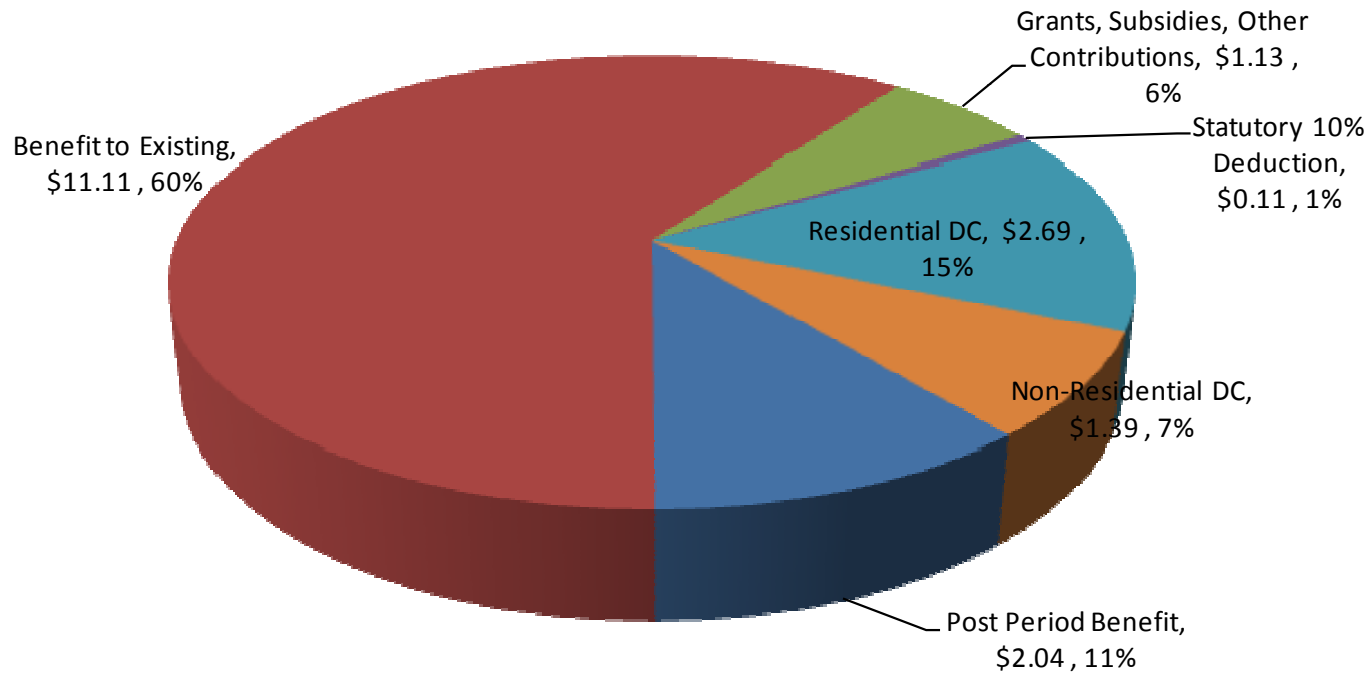
- Municipal-Wide DC (10-year Forecast – cont'd)
 - Indoor Recreation
 - Indoor Recreation Facilities
 - Administration
 - Growth Related Studies

Summary of Services Considered

- Urban Serviced Area DC – Wiarton (20-year Forecast)
 - Wastewater Services
 - Sewage Treatment Plant
 - Wastewater Pumping Stations
 - Sanitary Sewers
- Sauble Collection System and Amabel Sauble Water Treatment Plant Expansion and Distribution works to be recovered under the authority of *Municipal Act Capital Charge (Part XII)*

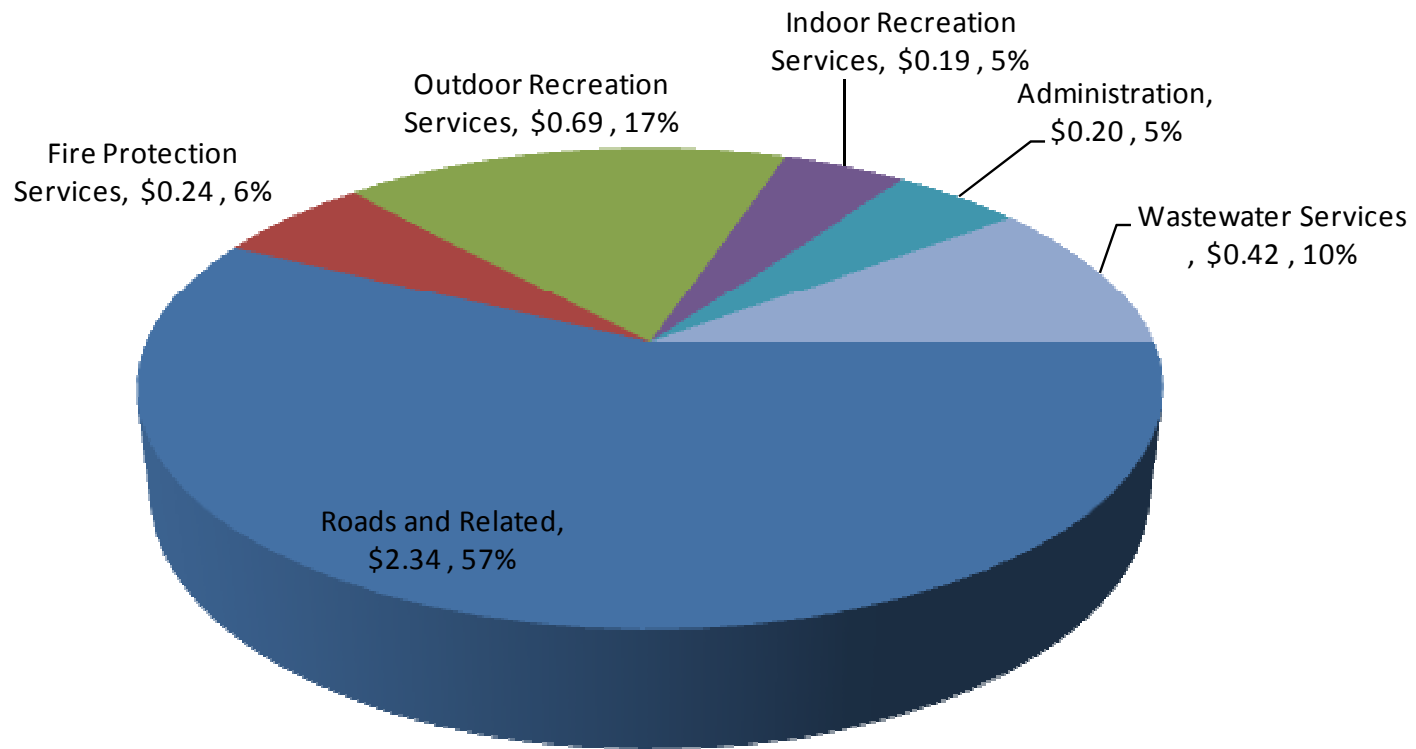
Anticipated Capital Needs

Anticipated Capital Needs = \$18.5 million
Potential DC Recoverable Capital Needs = \$4.1 million, 22%



Potential DC Recoverable Costs by Service

Total DC Recoverable Capital Needs = \$4.1 million



Calculated Rates

SERVICE	RESIDENTIAL				NON-RESIDENTIAL
	Single-Detached Dwelling & Semi-Detached Dwelling	Apartments 2 Bedrooms +	Apartments Bachelor & 1 Bedroom	Multiple Dwellings	(per ft ² of Gross Floor Area)
Municipal Wide Services:					
Roads and Related	1,863	1,292	878	1,242	2.31
Fire Protection Services	281	195	132	187	0.10
Outdoor Recreation Services	1,992	1,381	939	1,328	0.15
Indoor Recreation Services	560	388	264	373	0.04
Administration	340	236	160	227	0.38
Total Municipal Wide Services	5,036	3,492	2,373	3,357	2.98
Urban Services (Wiarnton)					
Wastewater Services	878	609	414	585	0.71
Water Services	-	-	-	-	0.00
Total Urban Services (Wiarnton)	878	609	414	585	0.71
GRAND TOTAL RURAL AREA	5,036	3,492	2,373	3,357	2.98
GRAND TOTAL URBAN AREA (WIARTON)	5,914	4,101	2,787	3,942	3.69

Survey of Charges

(Residential - Single Detached)

Ranking	Municipality	Upper Tier \$	Lower / Single Tier \$	Education \$	Total
1	The Blue Mountains, High**	1,814	27,362	-	29,176
2	The Blue Mountains, Low**	1,814	17,081	-	18,895
3	Collingwood	4,067	13,095	1,088	18,250
4	Owen Sound*	1,814	8,713	-	10,527
5	The Blue Mountains, Town-wide**	1,814	7,196	-	9,010
6	South Bruce Peninsula, Calculated	-	5,914	-	5,914
7	Saugeen Shores	-	4,464	-	4,464
8	Kincardine*	2,808	-	-	2,808
9	Huron-Kinloss - Ripley	-	1,819	-	1,819
10	Huron-Kinloss - Area 2	-	970	-	970
11	Huron-Kinloss - Area 1	-	304	-	304
12	Arran Elderslie	-	-	-	-
12	Brockton	-	-	-	-
12	Northern Bruce Peninsula	-	-	-	-
12	South Bruce	-	-	-	-
12	South Bruce Peninsula, Current	-	-	-	-

Survey of Charges (Non-Residential - Commercial)

Ranking	Municipality	Upper Tier \$	Lower / Single Tier \$	Education \$	Total
1	Collingwood	1.82	3.40	0.23	5.45
2	The Blue Mountains, Low**	-	4.33	-	4.33
3	South Bruce Peninsula, Calculated	-	3.69	-	3.69
4	Saugeen Shores (over 3,230 sq.ft.)	-	2.01	-	2.01
5	Owen Sound	-	1.97	-	1.97
6	The Blue Mountains, High**	-	1.65	-	1.65
7	The Blue Mountains, Town-wide**	-	1.46	-	1.46
8	Saugeen Shores (3,320 sq.ft or less)	-	-	-	-
8	Arran Elderslie	-	-	-	-
8	Brockton	-	-	-	-
8	Kincardine	-	-	-	-
8	Northern Bruce Peninsula	-	-	-	-
8	South Bruce	-	-	-	-
8	South Bruce Peninsula, Current	-	-	-	-
8	Huron-Kinloss - Ripley	-	-	-	-
8	Huron-Kinloss - Area 1	-	-	-	-
8	Huron-Kinloss - Area 2	-	-	-	-

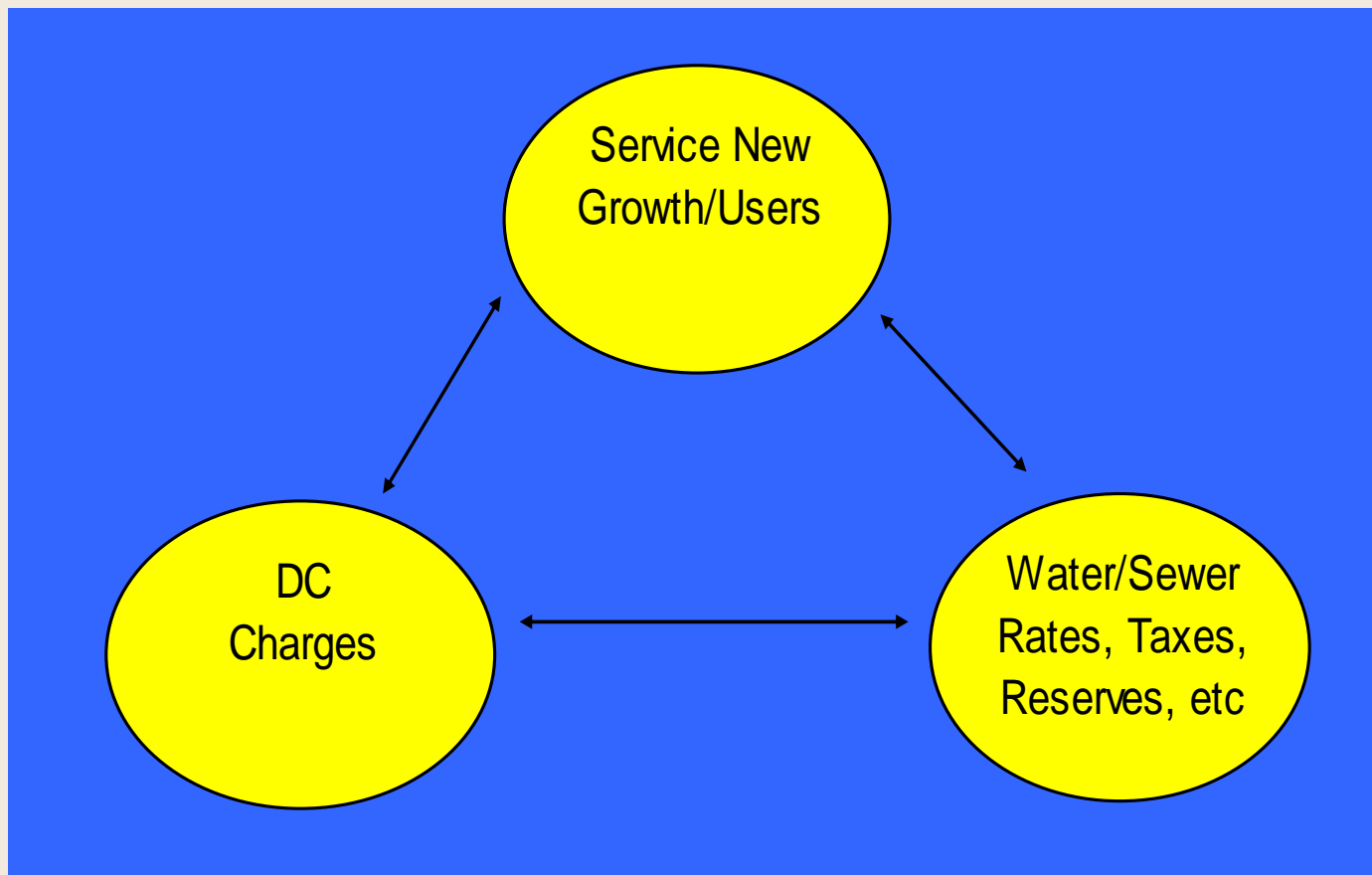
Survey of Charges (Non-Residential - Industrial)

Ranking	Municipality	Upper Tier \$	Lower / Single Tier \$	Education \$	Total
1	The Blue Mountains, Low**	-	4.33	-	4.33
2	Collingwood	0.46	3.40	0.23	4.09
3	South Bruce Peninsula, Calculated		3.69		3.69
4	Owen Sound	-	1.97	-	1.97
5	The Blue Mountains, High**	-	1.65	-	1.65
6	The Blue Mountains, Town-wide**	-	1.46	-	1.46
7	Arran Elderslie	-	-	-	-
7	Brockton	-	-	-	-
7	Kincardine	-	-	-	-
7	Northern Bruce Peninsula	-	-	-	-
7	South Bruce	-	-	-	-
7	South Bruce Peninsula, Current	-	-	-	-
7	Saugeen Shores	-	-	-	-
7	Huron-Kinloss - Ripley	-	-	-	-
7	Huron-Kinloss - Area 1	-	-	-	-
7	Huron-Kinloss - Area 2	-	-	-	-

DC Exemptions or Phasing

- The Act provides for some mandatory exemptions but also allows municipalities the ability to provide it's own exemptions or to phase-in charges
- Exemptions provide that certain classes of development will not be required to pay the charge. May be determined by:
 - Use (e.g. places of worship, farm buildings)
 - Geographic area
 - Development type
 - Service exemption

Relationship Between Needs to Service Growth vs. Funding



DC Exemptions

- Mandatory exemptions
 - for industrial building expansions (may expand by 50% with no DC)
 - May add up to 2 apartments for a single as long as size of home doesn't double
 - Add one additional unit in medium & high density buildings
 - Local government and school boards

DC Survey - Exemptions

□ Collingwood

- a place of worship exempt from taxation under the Assessment Act
- a non-residential farm building

□ Huron-Kinloss

- A non-residential farm building
- non-residential uses

□ The Blue Mountains

- public hospitals governed by the Public Hospitals Act
- institutional church use
- agricultural use which do not receive municipal sanitary sewer or water supply services
- devoted solely to accommodation of temporary or seasonal agricultural labourers which may contain their own culinary facilities and sanitary facilities and which do not receive municipal sanitary sewer or water supply services

□ Owen Sound

- temporary buildings where the owner has completed an agreement with the City specifying the owner's obligation to remove the building
- places of worship for religious uses that are exempt from Provincial taxes

□ Saugeen Shores

- all industrial and institutional development
- all commercial development less than or equal to 3,230 square feet
- a public hospital exempt under Section 3 of the Assessment Act
- a non-residential farm building, except for the gross floor area in a greenhouse used for retail sales
- a cemetery or place of worship

Timing and Payment

- Development charges are calculated and payable on the day that the building permit is issued in relation to the development
- Can seek development charges immediately upon the owner entering into the subdivision agreement

DC Indexing

- DCA Allows for adjustment of charges to reflect underlying cost increases and reduces municipal cash flow impact between statutory bylaw reviews
- Indexing may be:
 - Mandatory – delegated to staff
 - Discretionary – considered by Council annually
- Generally, DC By-laws provide for indexing of charges on an annual basis in accordance with the *Statscan Quarterly Construction Price Statistics*

Credits

- Redevelopment Credits -

- Normally the credit is equal:
 - # of units x DC for unit types (for residential)
 - sq. ft. of former building x the non-res. charge (for non-residential)
- Generally, credit has a stipulated time period to look back and see what resided on the land – generally, a 36-60 month period is used

Next Steps

- Receive direction for Council to proceed with By-Law process
- Undertake DC Public Process
 - Notice of Public Meeting (20 days before public meeting)
 - Prepare DC Background Study for public circulation (two weeks prior to public meeting)
 - Statutory Public Meeting
- Council DC By-law adoption and implementation

Questions
