

# City of Brampton 2019 Development Charges Study Statutory Public Meeting



**Wednesday, May 22<sup>nd</sup>, 2019**

**HEMSON**  
Consulting Ltd.

 **BRAMPTON**  
Flower City  
brampton.ca

# Purpose of Today's Meeting

- Statutory Public Meeting required by Section 12 of the *Development Charges Act*
- Primary purpose is to provide the public with an opportunity to make representation on the proposed 2019 Development Charges By-laws
- 2019 DC Background Study was made publically available on **April 18<sup>th</sup>**
- Proposed 2019 DC By-laws made publically available on **May 8<sup>th</sup>**

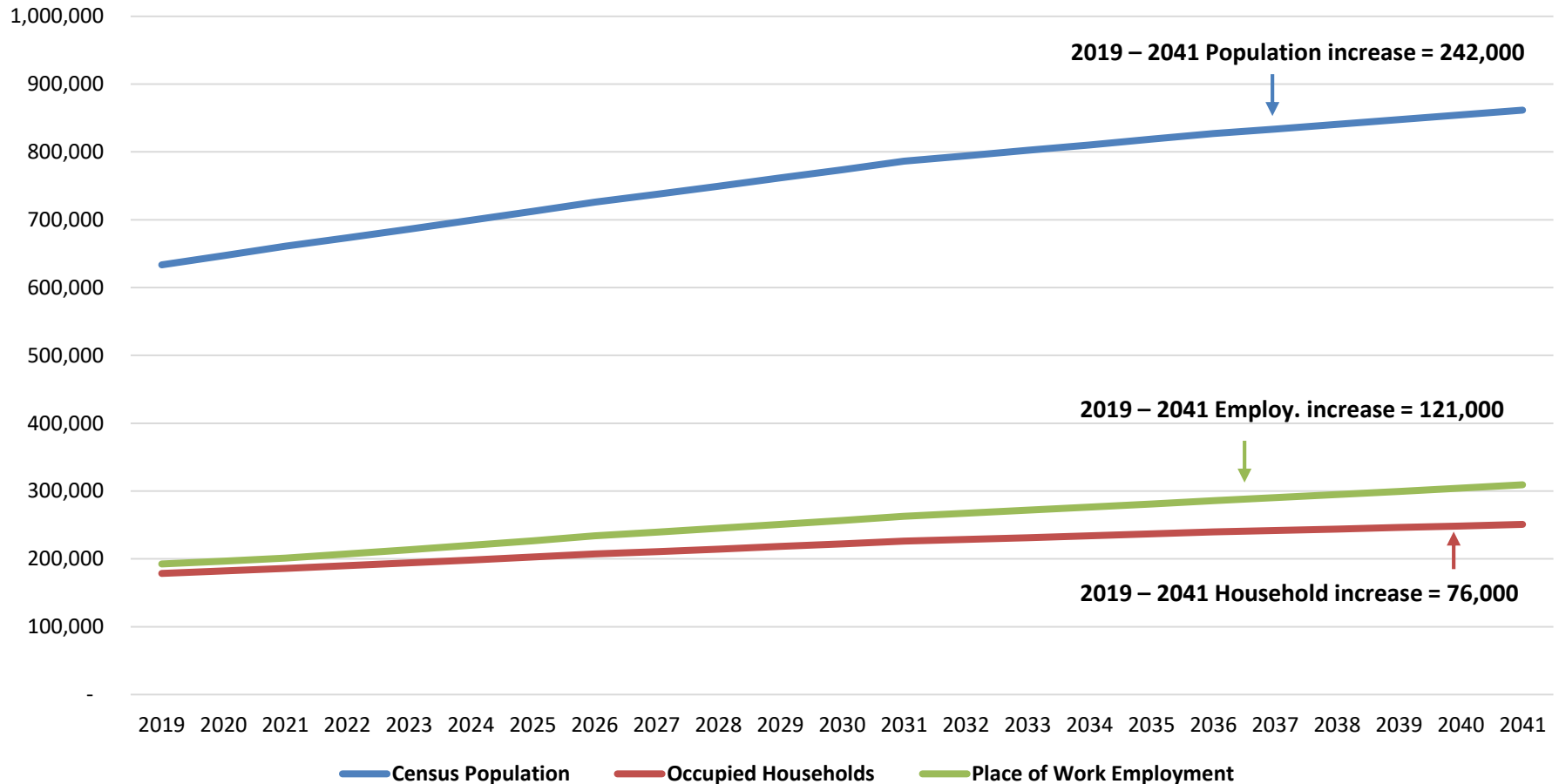
# Background on Development Charges

- The City's existing DC By-laws (7 in total) expire on August 2, 2019 unless repealed by Council at an earlier date
- The City must pass a new DC by-law before expiry in order to collect DCs
- 2019 DC Background Study includes details on calculation methodologies, assumptions and development charge rates
- 2019 DC By-law administers the collection of development charges

# Development Industry Consultation

- City staff have engaged the Building Industry Land Development Association (BILD) for their input on the 2019 DC Study
  - Meetings held with broader BILD Peel Chapter
  - Sub-working groups formed to discuss technical inputs and assumptions
  - Ongoing dialogue with BILD
- Adjustments to the rate calculations have taken place following the release of the DC Background Study

# Development Forecast



Note 1: Population shown reflects the "Census" population which does not include the Census net under-coverage, which represents those who were missed by the Census.

Note 2: Place of Work Employment excludes work at home.

# Development-Related Capital Program Overview

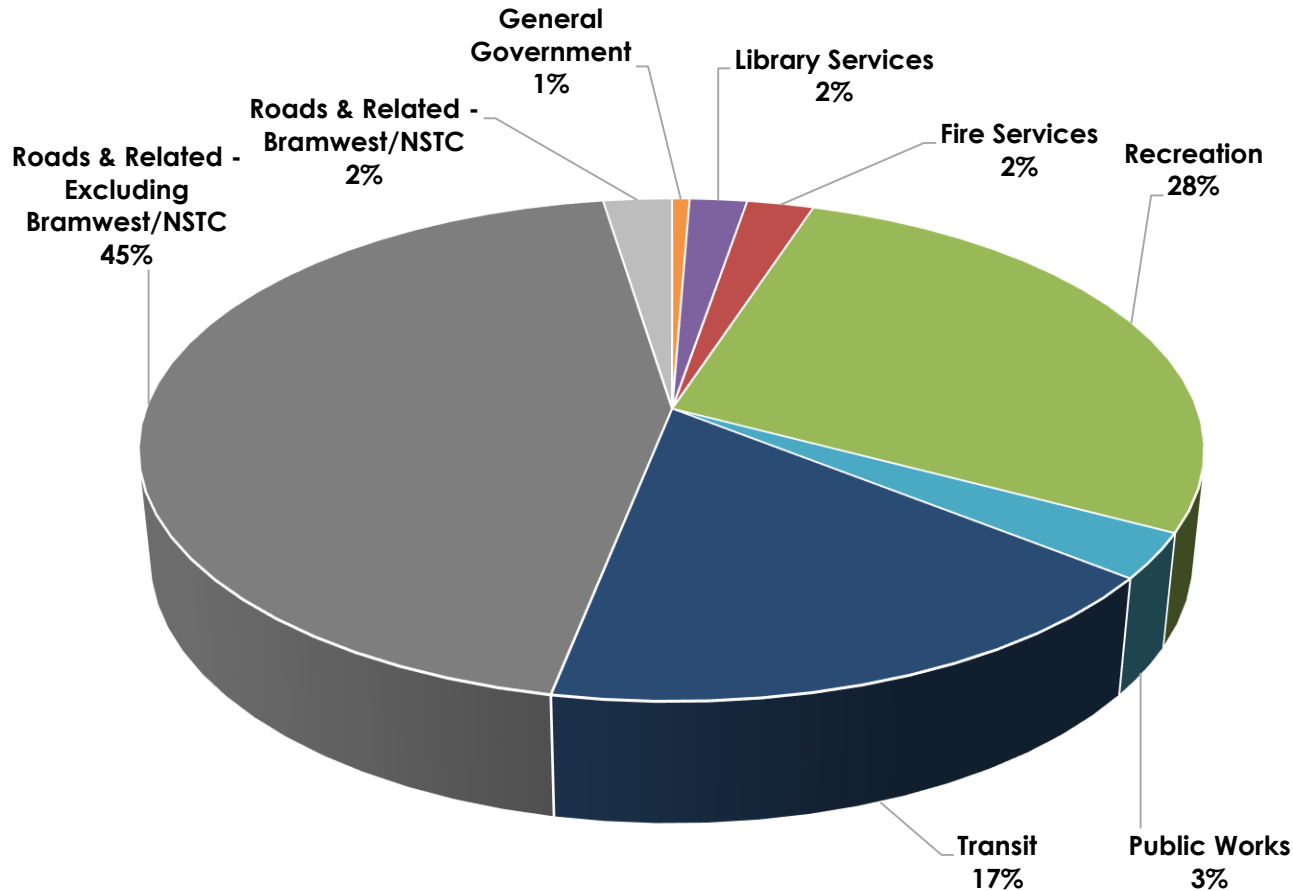
- List of capital projects based on:
  - 2019 Capital Budget
  - Master Plans (TMP, PRMP, Business Plans, Station Location Study, Library Master Plan)
  - Consultation with respective departments
- Capital costs are required to be adjusted in accordance with *DC Act*:
  - Grants, subsidies & contributions
  - Benefit to existing or replacement elements
  - Uncommitted DC reserve funds
  - 10% ‘general’ service deduction
  - “Post-period” benefit

# Summary of Costs in the 2019 DC Study (\$000s)

Service	Gross Costs	Grants/ Developer Costs	Benefit to Existing & 10% Tax Contr.	DC Reserve Fund	Post Period Benefit	DC Recoverable Share
Gen. Gov't	\$39,105	\$0	\$23,924	\$4,326	\$0	\$10,855
Library	\$117,969	\$0	\$36,645	\$0	\$57,795	\$23,529
Fire	\$95,956	\$0	\$12,873	\$0	\$46,456	\$36,627
Recreation	\$605,527	\$0	\$77,970	\$121,172	\$52,914	\$353,473
Public Works	\$51,710	\$0	\$0	\$0	\$6,113	\$45,597
Parking	\$23,550	\$0	\$19,463	\$4,087	\$0	\$0
Transit	\$1,610,531	\$930,000	\$278,948	\$0	\$92,925	\$308,658
Roads <sup>1</sup>	\$1,926,123	\$91,001	\$113,965	\$83,848	\$29,077	\$1,608,232
<b>Total</b>	<b>\$4,470,471</b>	<b>\$1,021,001</b>	<b>\$563,788</b>	<b>\$213,433</b>	<b>\$285,280</b>	<b>\$2,386,971</b>

<sup>1</sup> Project costs to 2041 - Includes Bramwest Parkway/NSTC Projects  
Remaining service categories are costs to 2028.

# Calculated Residential DC Rates



Residential Charges Per Unit
Single/Semi <b>\$37,881</b>
Row (Townhouse) <b>\$28,082</b>
Large Apt (> 750 sq.ft) <b>\$22,775</b>
Small Apt (≤ 750 sq.ft) <b>\$13,123</b>

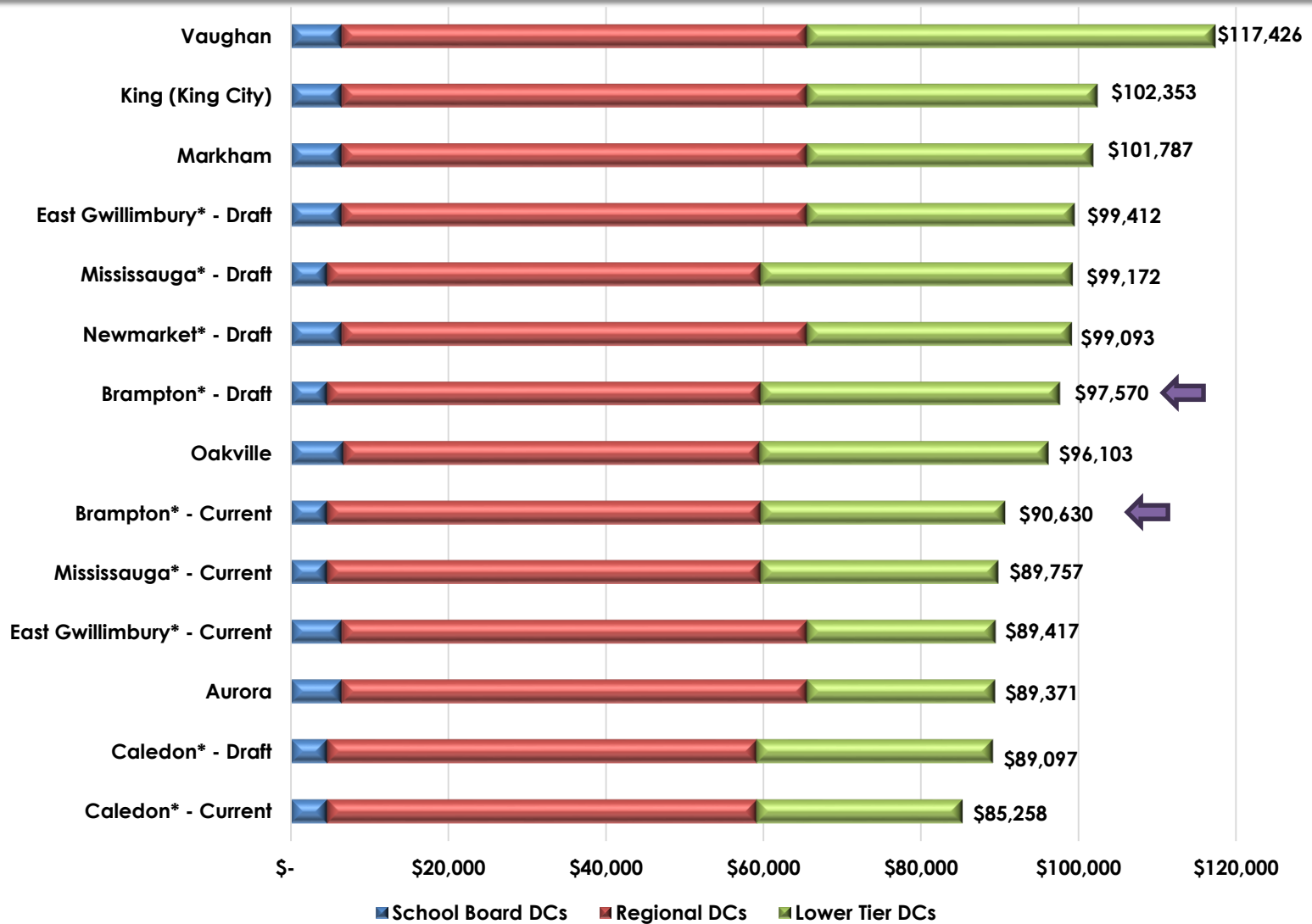


# Comparison of Current vs Calculated Residential DC Rates per Single & Semi Detached Unit

Service	Current \$/Unit <sup>1</sup>	Calculated \$/Unit	Difference (\$)	Difference (%)
General Government	\$248	\$234	(\$14)	-6%
Library Services	\$759	\$771	\$12	2%
Fire Services	\$725	\$897	\$172	24%
Recreation	\$10,489	\$10,519	\$30	0.3%
Public Works	\$732	\$1,109	\$377	52%
Parking	\$0	\$0	\$0	N/A
Transit	\$1,761	\$6,583	\$4,822	274%
Roads & Related – Excluding Bramwest/NSTC	\$15,590	\$16,843	\$1,253	8%
Roads & Related – Bramwest/NSTC	\$636	\$925	\$289	45%
<b>Total Charge per Unit</b>	<b>\$30,941</b>	<b>\$37,881</b>	<b>\$6,940</b>	<b>22%</b>

<sup>1</sup> Rates as of February 1, 2019

# DC Benchmarking Single Detached Units

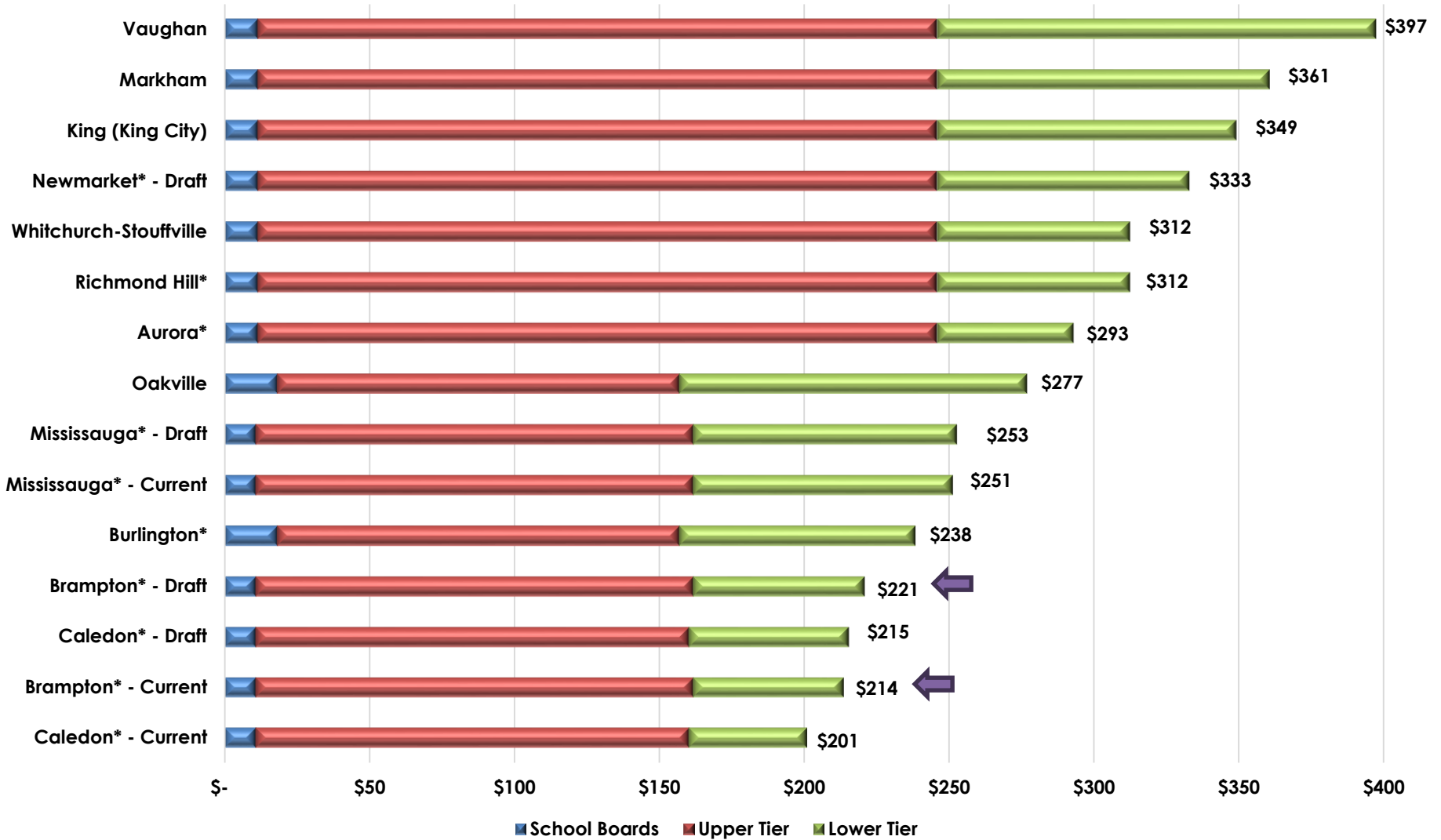


\*DC by-laws currently under review

# Calculated Non-Residential DC Rates (\$/m<sup>2</sup>)

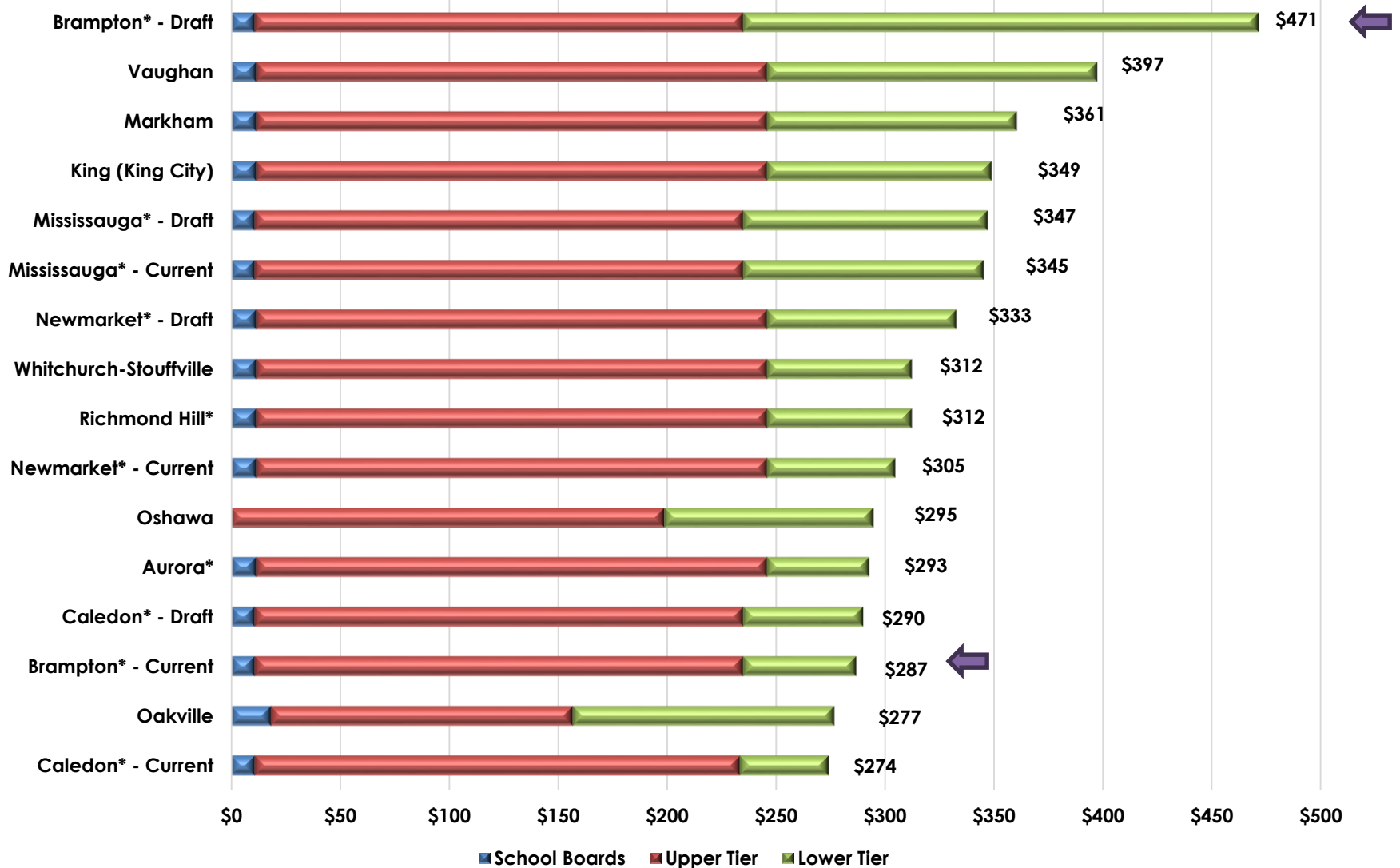
Service	Industrial	Major Office	Non-Industrial/ Non-Office
General Government	\$0.70	\$0.70	\$0.70
Fire	\$2.70	\$2.70	\$2.70
Public Works	\$3.35	\$3.35	\$3.35
Transit	\$19.81	\$19.81	\$19.81
Roads & Related – Excluding Bramwest/NSTC	\$30.97	\$199.65	\$86.40
Roads & Related – Bramwest/NSTC	\$1.69	\$10.35	\$4.64
<b>Total Charge per m<sup>2</sup></b>	<b>\$59.22</b>	<b>\$236.55</b>	<b>\$117.60</b>

# DC Benchmarking Industrial (\$/m<sup>2</sup>)



\*DC by-laws currently under review

# DC Benchmarking Major Office (\$/m<sup>2</sup>)



\*DC by-laws currently under review

# Key Factors Influencing Rate Changes

- 2016 Amendment to DC Act
  - Forward looking service levels allow for greater recovery for Transit services
- Unit costs for roads projects have increased since 2014
- Increased service levels

# Development Charges Policy Review

Policy Issue	Proposed Change
Discounted Hotel DC Rate	Remove discount on Hotel DC rate
Speculative Non-residential Buildings	Secure letter of credit on shell building permits if end use is unknown
Demolition credits	10 year sunset clause on non-residential demolition credits. 5-year on residential.
Back to back townhouses	Currently charged the large apartment rate. Move to charging the townhouse rate.

# Development Charges Policy Review

Policy Issue	Proposed Change
Major Office DC Discount	Potential phase-in or discount to Major Offices of at least 50,000 square feet and at least two storeys
Exempt Second Units from DCs	Potential exemption extended to the creation of a second unit at the onset of construction of the primary unit
Change of Use Exemption	Provide DC relief on change of use on industrial to non-industrial conversion if: <ul style="list-style-type: none"><li>- Conversion is 1,000 sq.m. or less</li><li>- Original building constructed prior to 1996</li><li>- Ceiling height does not exceed 19 feet</li></ul>



# Bill 108: *More Homes, More Choice Act, 2019*

- Provincial announcement of Bill on May 2, 2019
- Proposed changes to the *Development Charge Act, 1997 (DCA)* and DC Regulations
- Exempting secondary suites from DCs in new construction
- DC rates payable at differing times
- Soft DC services (i.e. – Library and Recreation) to be collected through a Community Benefits By-law
- DCA Regulations still to be released
- Comments to the Province due June 1, 2019

# Key Dates and Next Steps

- **May 22, 2019:** Statutory Public Meeting (today)
- **May 22 – June 19:** Continue Dialogue with development industry
- **June 19, 2019:** Anticipated Passage of 2019 DC By-laws
- **August 2, 2019:** Expiration of 2014 DC By-laws (unless repealed by Council at an earlier date)