



Revised Draft 2017 Development Charge Background Study

Second Public Meeting

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Today we will discuss...

1. Introduction
2. Overview of rates
3. Revised contingency schedule
4. Next steps

Introduction

Council determined a second public meeting was required

- On March 9, Council held a statutory public meeting to solicit feedback on the 2017 Background Study released on February 16, 2017
- On March 23, 2017 the Region released a Revised Draft 2017 Development Charge Background Study and Bylaw
 - Council determined a second public meeting was required
- The prescribed timelines are the same as for the first public meeting:
 - At least 20 days notice of the meeting must be given (notice given March 30, 2017)
 - The proposed Background Study and Bylaw must be available at least two weeks prior to the statutory public meeting
- The purpose of this meeting is to obtain input on the Revised Draft 2017 Development Charge Background Study from all interested parties

Overview of rates

Revised rates are slightly higher than the DC Background Study dated February 16

Rate Class	\$/Unit Feb 16 DC Study	\$/Unit Mar 23 DC Study	<i>Difference</i> (\$)
Singles and Semis	48,139	48,166	27
Multiples	38,745	38,767	22
Large Apartments (≥ 700 sqft)	28,161	28,177	16
Small Apartments (< 700 sqft)	20,555	20,567	12

Rate class	\$/Sq.ft. Feb 16 DC Study	\$/Sq.ft. Mar 23 DC Study	<i>Difference</i> (\$)
Retail	39.81	39.85	0.04
I/O/I	17.76	17.77	0.01
Hotels	7.95	7.96	0.01

Cost reductions enabled the addition of 22 roads projects to the rate calculation

Project Category	Gross Project Costs (\$millions)	Development Charge Eligible Costs 2017-2031 (\$millions)
Interchange (new)	40.25	0.00
Interchange Improvements	6.75	0.00
New Midblock Crossing	0.91	0.28
Widen to 4 lanes	1.95	1.76
Widen to 6 lanes	153.37	138.03
Total cost of projects added*	203.23	140.06

*Note: Totals may not add due to rounding

- The roads DC rate for a single and semi-detached unit has increased from \$14,240 to \$14,265, an increase of less than 1%

Minor updates have affected the rates slightly

Service	Description	Reason for change	Impacted rate?
Public works	Benefit to existing and project list	Updated to reflect new information	Yes, slightly downward
Toronto-York Subway Extension	Grant allocation	Updated to reflect new information	Yes, slightly upward

An asset management plan was prepared in accordance with the amended legislation – Rate supported projects

Capital Funding Sources for User Rate Supported Growth Projects	Total 2017-2031 (\$millions)	Operating Revenue and Expenses – Tax Levy Funded	Total 2017-2031 (\$millions)
User Rate Funding (Reserves)	15.46	Expenditures	384.17
Development Charges	2,304.51	Revenues	(354.40)
Other Funding	75.26	Potential Billing Revenue Requirements	29.77
Total	2,395.22		

Source: 2017 DC Background Study, March 23, 2017 pg. 258

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- The Water and Wastewater projects in the DC Background Study are consistent with those identified in the Financial Sustainability Plan
- Based on the anticipated revenues generated by the rates approved by Council, these projects are deemed to be financially sustainable

An asset management plan was prepared in accordance with the amended legislation – Tax supported projects

Capital Funding Sources for Tax Levy Supported Growth Projects	Total 2017-2031 (\$millions)	Operating Revenue and Expenses – Tax Levy Funded	Total 2017-2031 (\$millions)
Tax Levy Funding (Reserves)	862.73	Expenditures	727.84
Development Charges	2,671.15	Revenues	(176.23)
Other Funding	593.94	Assessment Growth Revenue	(245.19)
Total	4,127.82	Potential Tax Levy impact	306.42

Source: 2017 DC Background Study, March 23, 2017 pg. 259

Source: 2017 DC Background Study, March 23, 2017 pg. 260

- The above analysis does not include projects in the contingent schedule
- Funding requirement is considered to be financially sustainable as it is expected that it can be absorbed by the tax base, or alleviated through revised service levels, asset management and/or financing strategies over the forecast period

Revised contingency schedule

A total of 58 projects with a gross capital cost of \$1.5 billion were added to the contingency schedule

- The Region's contingency schedule now has two types of projects:
 - Assets the Region doesn't currently own/have responsibility for – these projects require the Region enter into an agreement
 - Additional roads projects that are in the Region's Transportation Master Plan (TMP) and are required to address the increase in need arising from new development - these projects are subject to financial triggers (56 projects)

	Gross project costs (2017-2031) (\$millions)	Development charge eligible project costs (2017 – 2031) (\$millions)
DC Study (February 16) – Contingency Items	799.2	572.9
DC Study (March 23) – Items added to Contingency List	1,533.3	1,373.7
Total Contingency Schedule Included in DC Study (March 23)*	2,332.4	1,946.6

*Note: Totals may not add due to rounding

Residential development charge rates would increase if contingent projects were added to the rate calculation

	Classes and rates (\$)			
	Single and semi-detached	Multiples	Apartments >= 700 sqft.	Apartments <700 sqft.
Current charge	42,637	37,300	26,414	17,928
March 23, 2017 DC Study	48,166	38,767	28,177	20,567
Projects contingent on Region assuming responsibility	3,959	3,188	2,318	1,694
Sub total	52,125	41,955	30,495	22,261
TMP projects subject to a financial trigger	9,082	7,311	5,313	3,882
TOTAL MAXIMUM CHARGE	61,207	49,266	35,808	26,143

Non-residential development charge rates would also increase if contingent projects were added to the rate calculation

	Classes and rates (\$ per square foot)		
	Retail	I/O/I	Hotel
Current charge	39.75	20.32	40.31
March 23, 2017 DC Study	39.85	17.77	7.96
Projects contingent on Region assuming responsibility	4.91	1.42	0.92
Sub total	44.76	19.19	8.88
TMP projects subject to a financial trigger	11.22	3.01	2.10
TOTAL MAXIMUM CHARGE	55.98	22.20	10.98

Next Steps

Next Steps

Date	Deliverable
May 25, 2017	Council considers 2017 Development Charge Bylaw for passage
June 17, 2017	2017 Development Charge Bylaw in effect

The 40-day appeal period will begin the day after the Bylaw is passed

Thank you