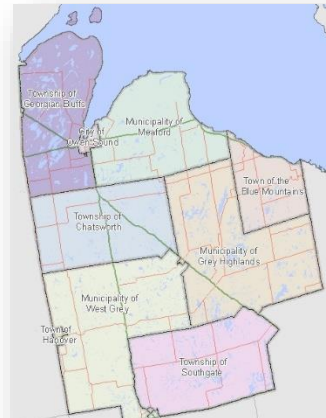


# County of Grey Development Charges Study Stakeholder Information Session



**Thursday, August 25, 2016**

**HEMSON**  
Consulting Ltd.

 Grey  
County  
Colour It Your Way

# Today we will discuss...

- What are Development Charges?
- Background & Study Process
- Development Forecast
- Historical Service Levels
- Capital Program Summary
- Calculated Development Charges
- Current By-law Provisions
- Next Steps

# What Are Development Charges?

- Fees imposed on development to finance “development-related” capital costs
- Pays for new infrastructure and facilities to maintain service levels
- Principle is “growth pays for growth” so that financial burden is not borne by existing tax/rate payers

# Background

- Council passed DC By-laws 4744-12 and 4745-12 on January 3, 2012 that impose County-wide Development Charges
  - By-law expires January 3, 2017
- County must pass a new by-law(s) before expiry date in order to continue collecting DCs

# Study Process To Date

Activity	Date
Kick-Off Meeting	February 2016
Steering Committee Meeting #1	9 June 2016
Council Information Session	23 June 2016
Steering Committee Meeting #2	26 July 2016
Advertise Public Meeting	28 July 2016
Release Background Study and Draft By-law	3 August 2016

# Development Forecast

- Forecast amount, type and location of development
- Based on approved *Growth Management Strategy Update, Dec 2015*
- 2 planning horizons:
  - 10 years for general 'soft' services (2017-2026)
  - Long term for engineered services (2017-2041)
- Types of development
  - Residential – population and household forecast
  - Non-residential – forecast non-residential floor space and employment

# Residential Development Forecast

		2017-2026		2017-2041	
	At 2016	Growth 2017-2026	At 2026	Growth 2017-2041	At 2041
<b>Residential</b>					
Total Dwelling Units	47,170	3,590	50,760	7,220	54,390
<i>Occupied Units</i>	39,470	3,000	42,470	5,620	45,080
<i>Seasonal Recreational Units</i>	7,700	590	8,290	1,600	9,310
Total Population	117,780	7,200	124,980	17,270	135,040
<i>Census Population</i>	94,660	5,440	100,100	12,470	107,120
<i>Population in Seasonal Units</i>	23,120	1,760	24,880	4,800	27,920
Population in New Dwellings		9,050		18,410	

# Non-Residential Development Forecast

		2017-2026		2017-2041	
	At 2016	Growth 2017-2026	At 2026	Growth 2017-2041	At 2041
<b>Non-Residential</b>					
Employment	43,470	220	43,700	3,240	46,740
<i>Population-Related</i>	21,320	110	21,434	1,390	22,710
<i>Employment Land</i>	16,650	80	16,730	1,440	18,090
<i>Rural</i>	5,500	30	5,530	410	5,920
<i>Turbine</i>		44		110	
New Non-Res Building Space (sq.m)		13,300		92,150	



# 10-Year Historical Service Levels

- Section 5(1)4 of the DCA limits maximum allowable charge for general services based on average service level provided in preceding 10 years (2007 – 2016)
- Historic service levels are calculated on a service by service basis for all general services
  - Examines measures of quantity and quality

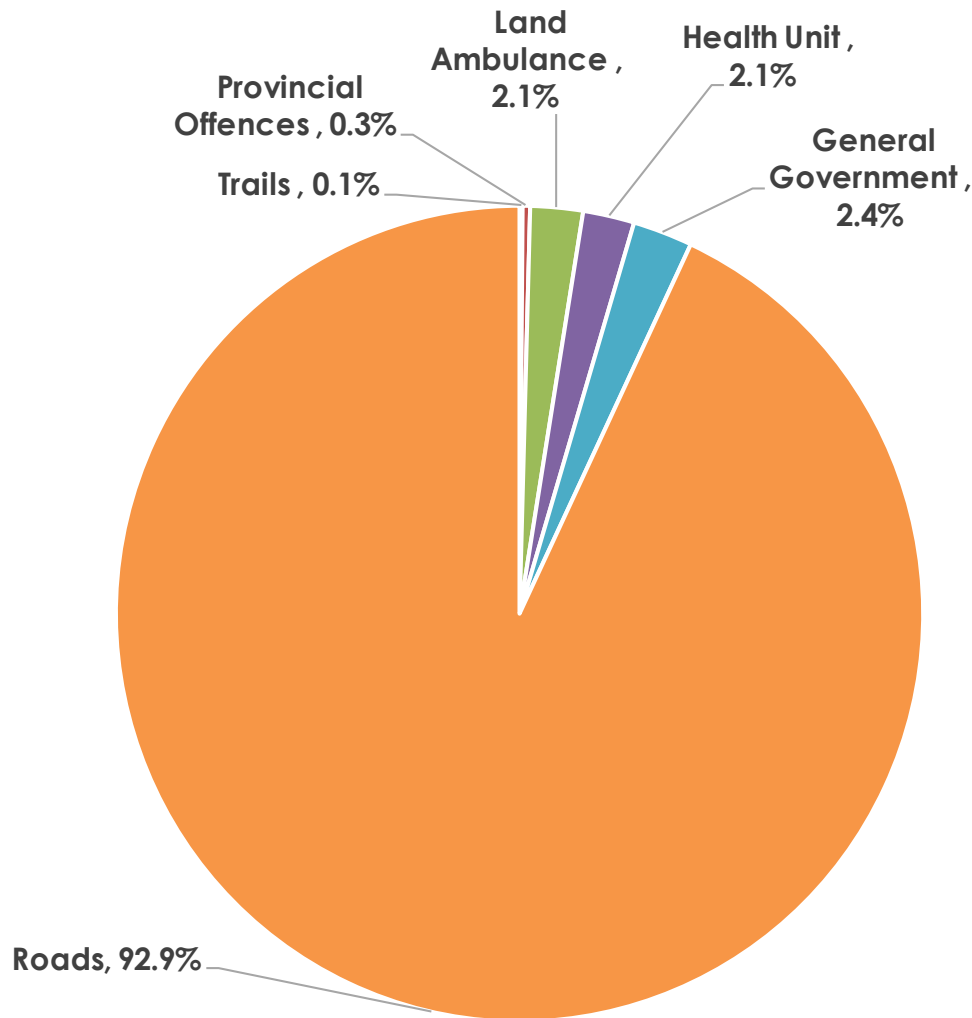
# Capital Programs

- Capital programs have been compiled in consultation with County staff and recent reports:
- Capital Costs have been adjusted in accordance with DC legislation:
  - Capital grants & subsidies
  - Replacement/benefit to existing shares
  - 10% legislated discount for eligible “soft services”
  - Available DC reserve funds
  - Post period benefit shares

# Capital Cost Deductions

	<b>General Services Capital Program 2017-2026 (\$ millions)</b>	<b>Roads &amp; Related Capital Program 2017-2041 (\$ millions)</b>
<b>Total Gross Cost</b>	<b>\$28.8</b>	<b>\$105.5</b>
Less: Grants & Subsidies	\$22.0	\$10.1
Less: Benefit to Existing Share	\$3.1	\$29.2
Less: 10% Discount	\$0.3	\$0.0
Less: Reserve Funds	\$0.9	\$4.2
Less: Post-Period Benefit	\$0.9	\$9.6
<b>DC Eligible Costs</b>	<b>\$1.5</b>	<b>\$52.4</b>

# Calculated Residential DC Rate



## Residential Charges / Unit

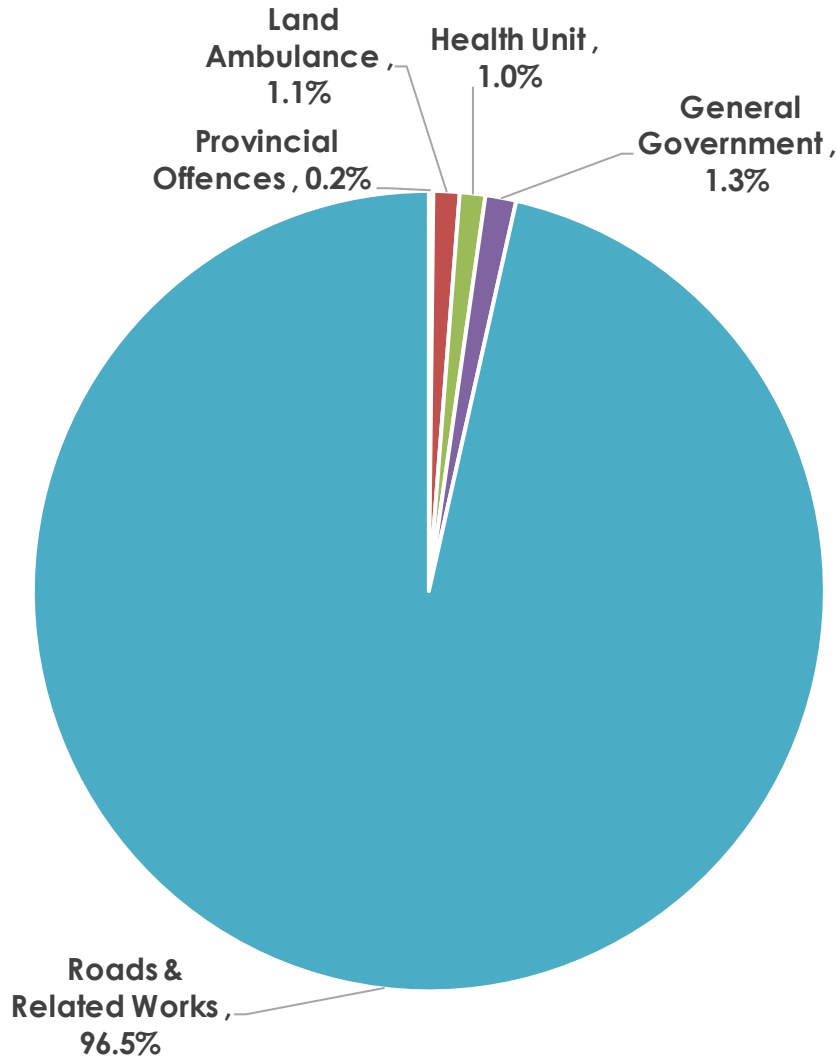
Single & Semi-Detached  
**\$6,753**

Rows & Other Multiples  
**\$4,702**

Apartments  
**\$3,992**

Wind Turbine  
**\$2,416.05 / turbine**

# Calculated Non-Residential DC Rate



Non-Residential Charges / Sq.M  
**\$83.49**

# Current vs. Calculated Residential DCs \$/Single Detached Unit

Service	Current Charge (Res B)	Calculated Charge (SDU)	Difference \$
Land Ambulance	\$153	\$142	(\$11)
Public Works - Buildings & Vehicle Fleet	\$203	\$0	(\$203)
Provincial Offences	\$23	\$20	(\$3)
Employment Resources	\$29	\$0	(\$29)
General Government	\$76	\$162	\$86
Trails	\$1	\$8	\$7
Health Unit	\$120	\$139	\$19
Roads and Related	\$3,808	\$6,282	\$2,474
<b>TOTAL CHARGE PER UNIT</b>	<b>\$4,413</b>	<b>\$6,753</b>	<b>\$2,340</b>

# 2011 vs. 2016 Calculated Non-Residential DCs \$/SQ.M

Service	2011 Calculated Charge	Calculated Charge	Difference \$
Land Ambulance	\$1.00	\$0.89	(\$0.11)
Public Works - Buildings & Vehicle Fleet	\$1.32	\$0.00	(\$1.32)
Provincial Offences	\$0.15	\$0.15	(\$0.00)
Employment Resources	\$0.20	\$0.00	(\$0.20)
General Government	\$0.49	\$1.05	\$0.56
Trails	\$0.00	\$0.00	\$0.00
Health Unit	\$0.77	\$0.87	\$0.10
Roads and Related	\$26.18	\$80.53	\$54.35
<b>TOTAL CHARGE PER SQ.M</b>	<b>\$30.11*</b>	<b>\$83.49</b>	<b>\$53.38</b>

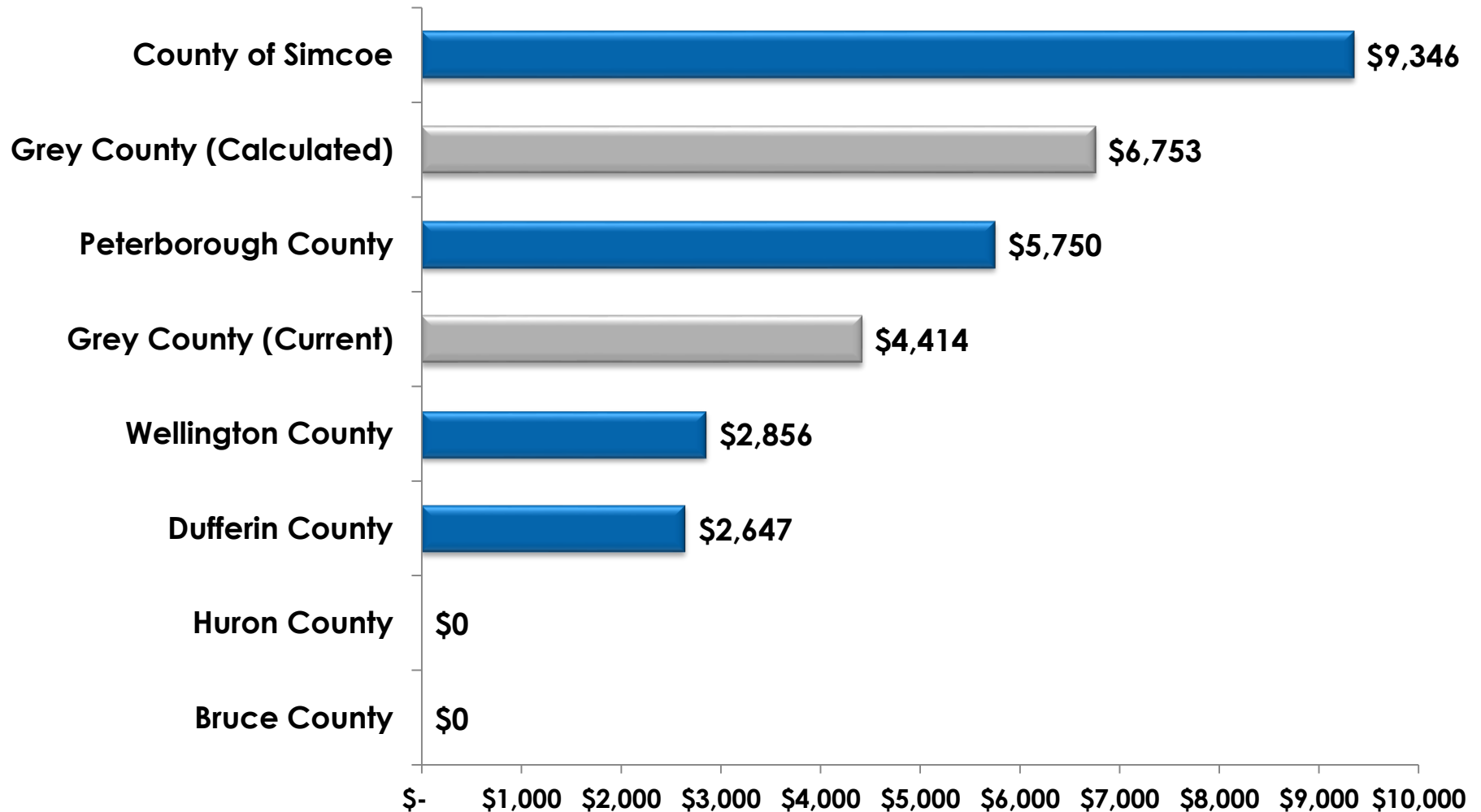
Note \*: 2011 Study calculated a rate of \$27.66/sq.m. Rate has been indexed to 2016 dollars for comparison purposes  
County Currently exempts all non-res development, with the exception of wind turbines from the payment of DCs

# Reasons for Rate Changes

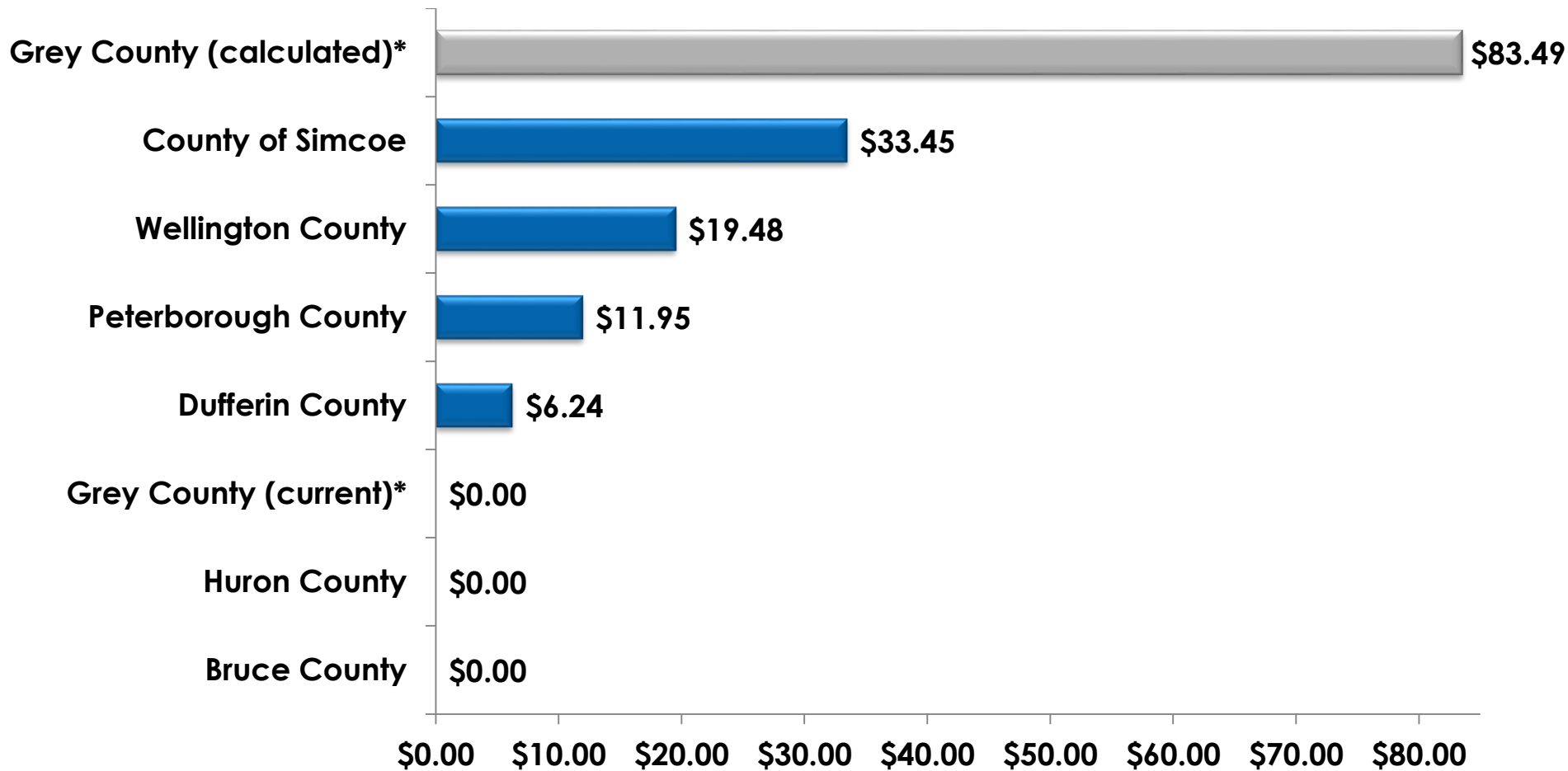
- Less residential and non-residential development anticipated
  - 50% of 2011 dwelling unit growth
  - 40% of 2011 non-res space growth
- General services charges decreasing
  - Fewer development-related capital costs incorporated into rate calculation
- More long-term costs shifting to non-residential sector
  - Long-term non-residential allocation increased from 8% in 2011 to 15%



# Upper-Tier Rate Comparison Residential - \$/SDU



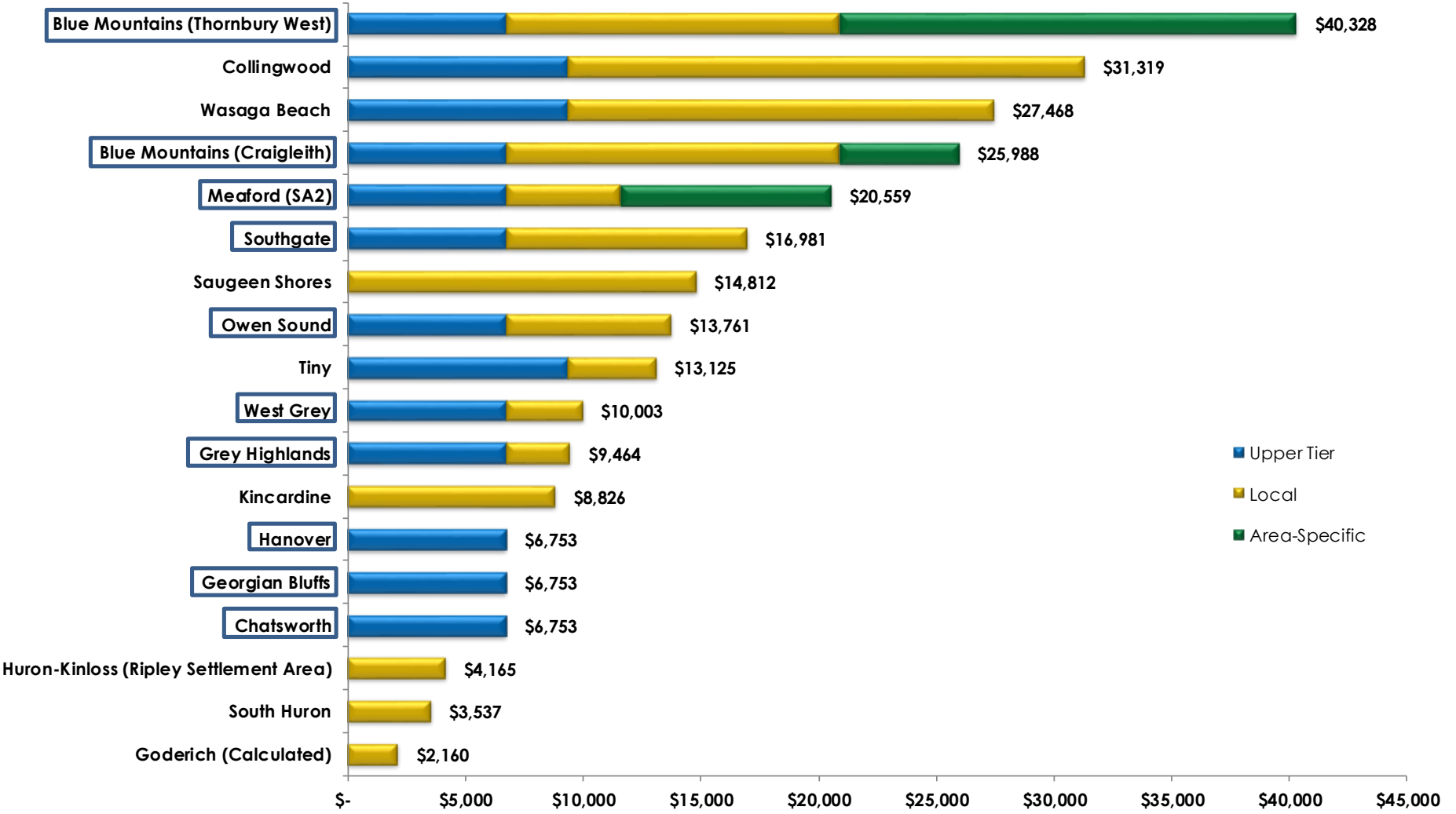
# Upper-Tier Rate Comparison Non-Residential - \$/Sq.M



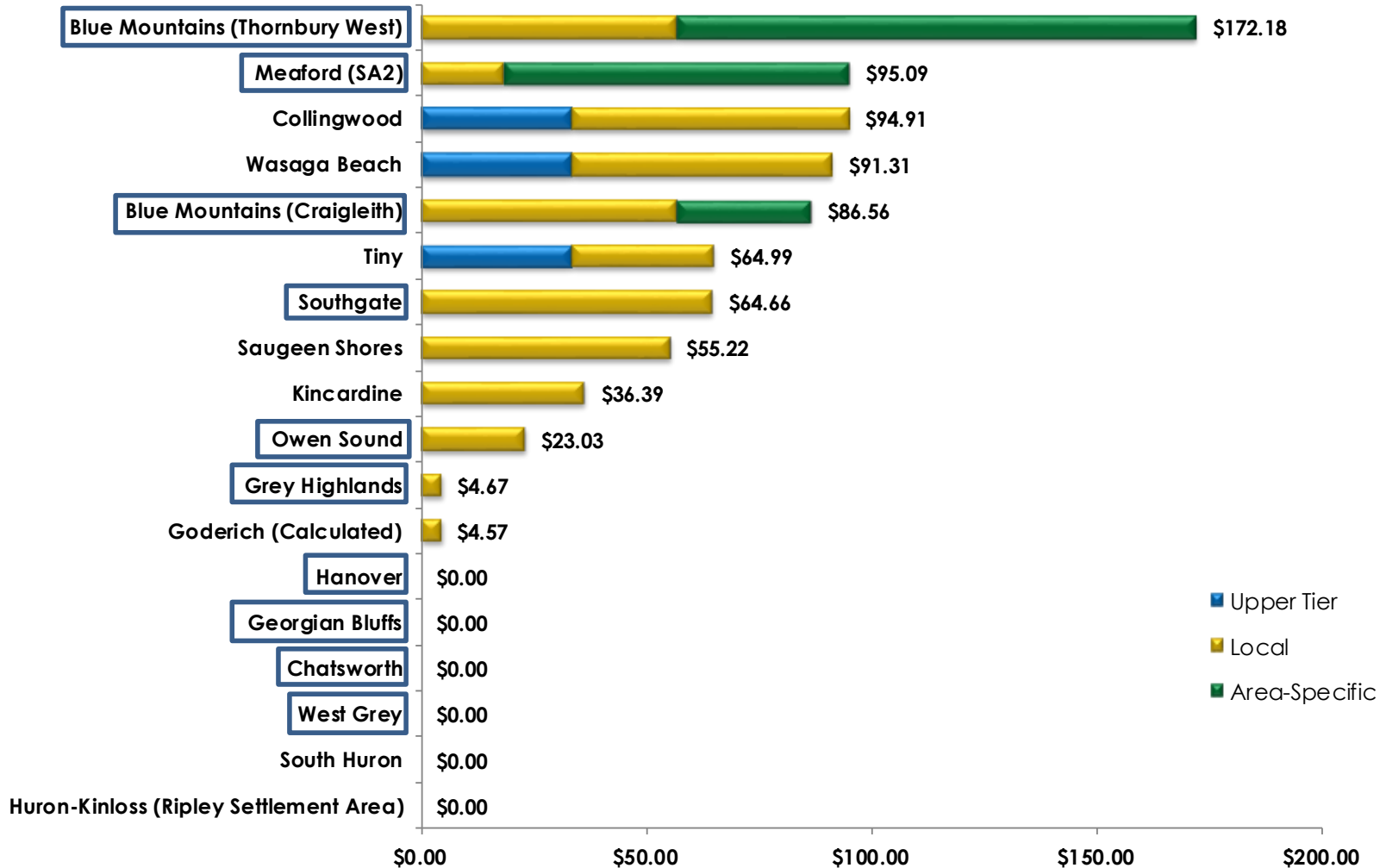
Note\*: Grey County currently exempts all non-residential development, with the exception of wind turbines. Council to consider continuing exemption.

# Lower-Tier Rate Comparison

## Residential - \$/Single Detached Unit



# Lower-Tier Rate Comparison Non-Residential - \$/Sq.M



Note: Grey County currently exempts all non-residential development, with the exception of wind turbines. Council to consider continuing exemption.

# Residential DC Rate Structure

- County currently calculates DCs on “household” basis and levies DCs based on size
  - Res A – > 225 sq.m.
  - Res B – <225 sq.m.
  - Res C – 110 sq.m.
- Recommend moving to DCs based on unit type
  - Single & semi-detached
  - Rows & other multiples
  - Apartments
- In line with best practices and more defensible—though different from Blue Mountains and Grey Highlands approach
- Represents the relationship between the type of development and associated demand on municipal services
  - Occupancy a better indicator of servicing needs than unit size

# Wind Turbines

- Assumptions used in Turbine Calculation:
  - 2017-2026 forecast: **44** turbines
  - 2017-2041 forecast: **109** turbines
  - Employees / turbine: **1.0**
  - Employment generated: **44** (10-year) and **109** (long-term)
- Applied to public works and roads and related only
- \$2,416.05 / turbine = \$2,859.09 or 54% decrease from current charge



Note: forecast based on number of turbines constructed since turbine DC was introduced

# Current By-law: Exemptions

- Statutory
  - Board of education
  - Municipality or local board
- Discretionary
  - Public hospitals
  - Institutional church uses
  - Land or buildings for agricultural use that do not receive municipal sewer or water services
  - Farm buildings
  - Temporary buildings or structures
  - Structures designed to accommodate seasonal agricultural laborers
  - Industrial buildings

Note: Council passed non-residential DCs of \$0/sq.m. Therefore, no non-residential development other than wind turbines is required to pay DCs

# Current By-law: Other Provisions

- DCs shall be indexed every January 1<sup>st</sup>
- DC credits for redevelopment provided redevelopment occurs within 5 years
- Local services are not funded through DCs
- Timing of payment
  - Default collection is building permit issuance
  - *DCA* provides for early or late collection under agreement



# Next Steps

Activity	Date
Statutory Public Meeting	6 September
Refine Study & Rates if Required	September
By-law Passage	4 October
Current by-law expires	3 January 2017