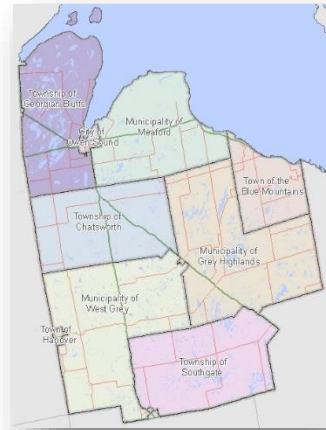


County of Grey Development Charges Study Council Information Session



Thursday, June 23, 2016

HEMSON
Consulting Ltd.

 **Grey
County**
Colour It Your Way

Today we will discuss...

- Development Charges Overview
- 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 “growth-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

Other Municipal Revenue Sources

- Direct developer contributions
 - Infrastructure required as part of a subdivision agreement
 - i.e. internal roads, sidewalks, streetlights, small water/sewer mains, park elements etc.
- Property taxes and utility rates
 - Long-term repair and replacement of infrastructure
 - Statutory and non-statutory reductions on DCs
 - Ineligible infrastructure

Amendments to the DCA and Associated Regulations

- Ineligible services to be prescribed by *Regulations*
- Transit services are no longer subject to a 10% reduction and based on a “*planned*” level of service
- Waste collection and treatment now eligible
- Asset Management Plan (AMP) must demonstrate that assets are “*financially sustainable*” over their full lifecycle
- Longer consultation period – DC Background Study made available 60 days prior to the passage of a DC By-law
- Additional reporting requirements

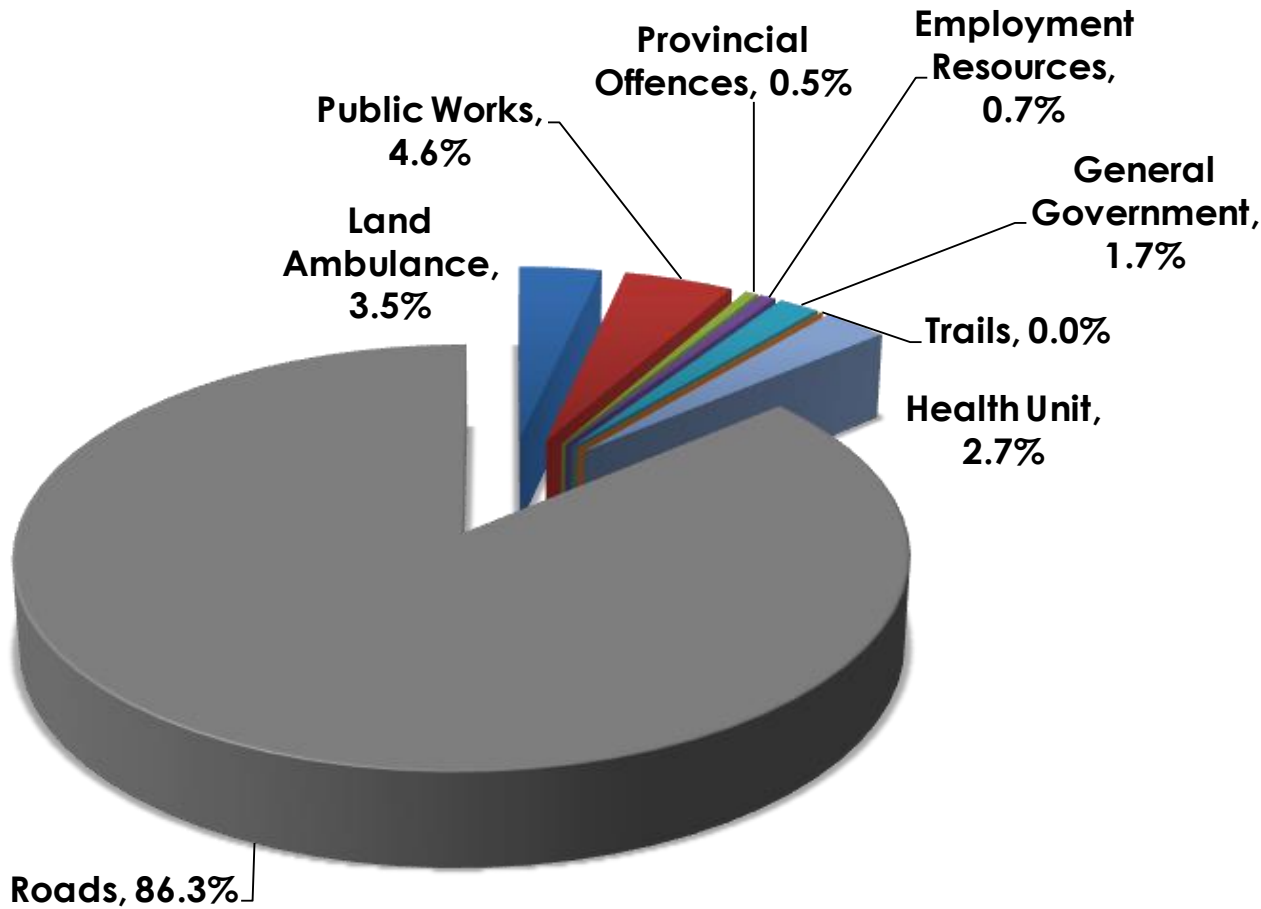
Ineligible Services

- The *Development Charges Act* does not allow for the inclusion of:
 - Cultural and entertainment facilities, including museums, theatres and art galleries
 - Tourism facilities including convention centres
 - Parkland acquisition
 - Hospitals
 - Headquarters for general administration of municipalities and local boards
 - Landfill sites and waste incineration services

Background

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

Grey County – Current Rates



Note: Non-residential development is exempt from payment of DCs.

Residential Charges Per Unit

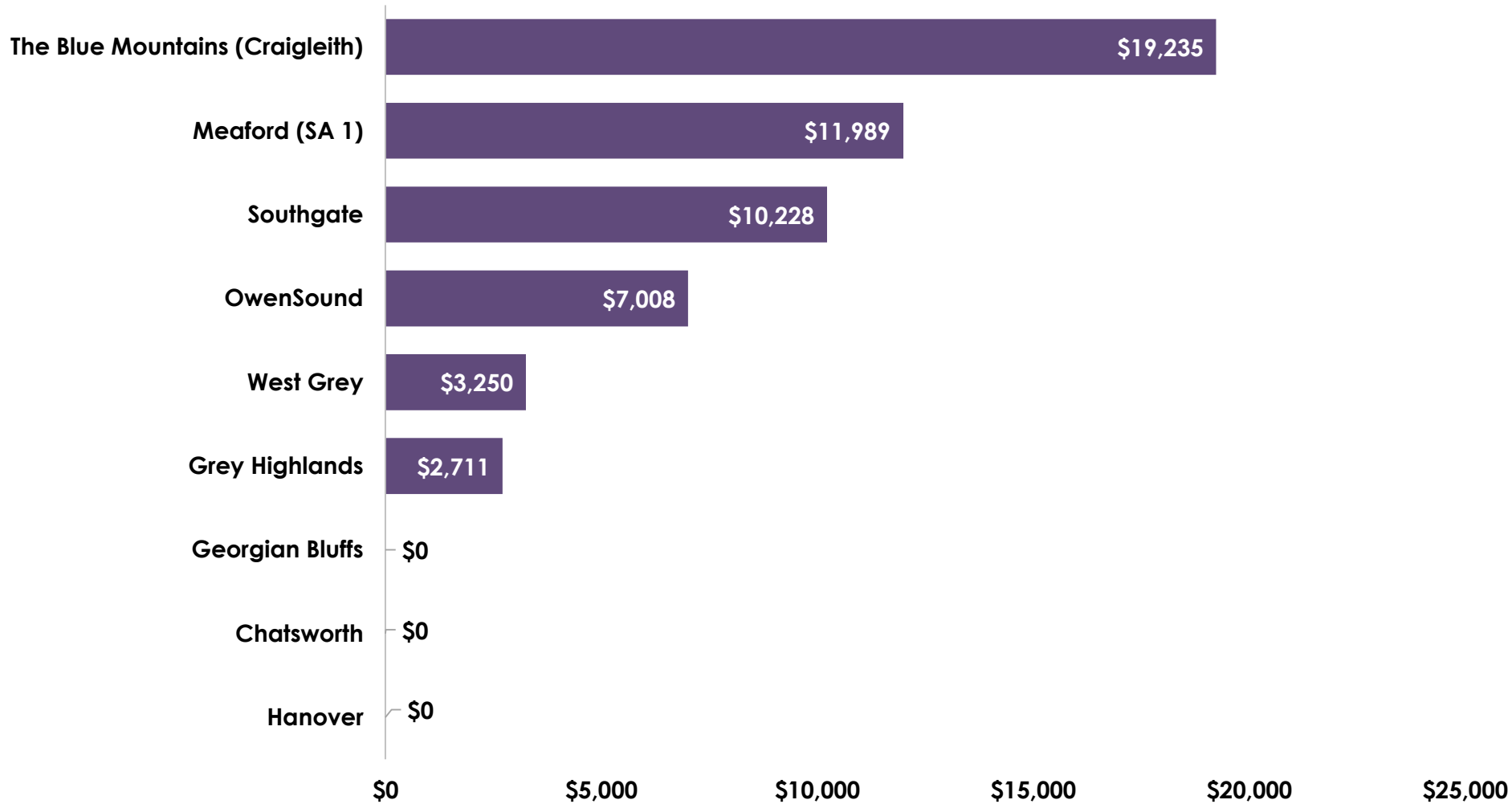
Residential A
 > 225 sq.m.
\$5,296

Residential B
 225 sq.m. – 110 sq.m.
\$4,414

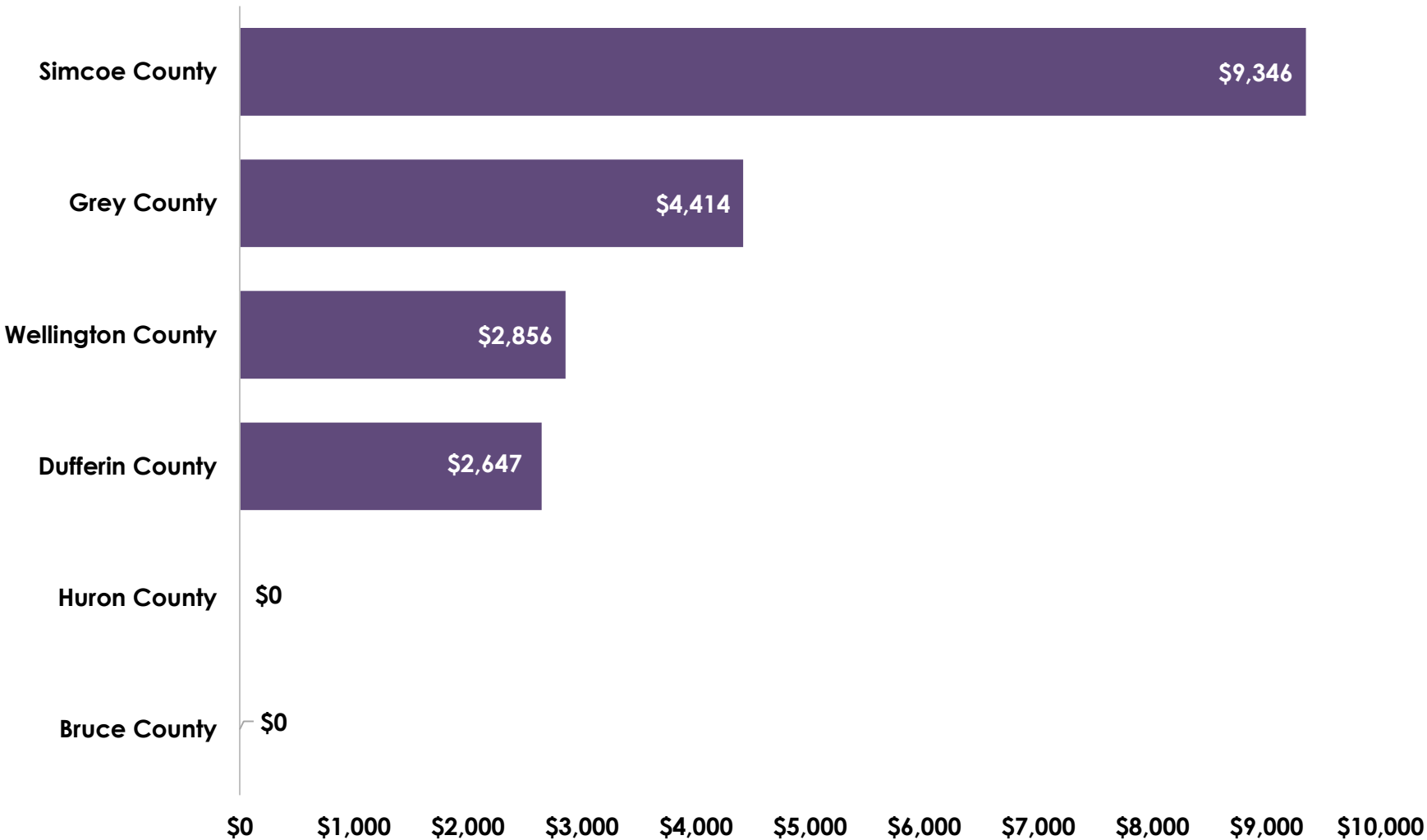
Residential C
 < 110 sq.m.
\$3,531

Wind Turbines
\$5,275

Residential DC Rate Comparison Lower Tier



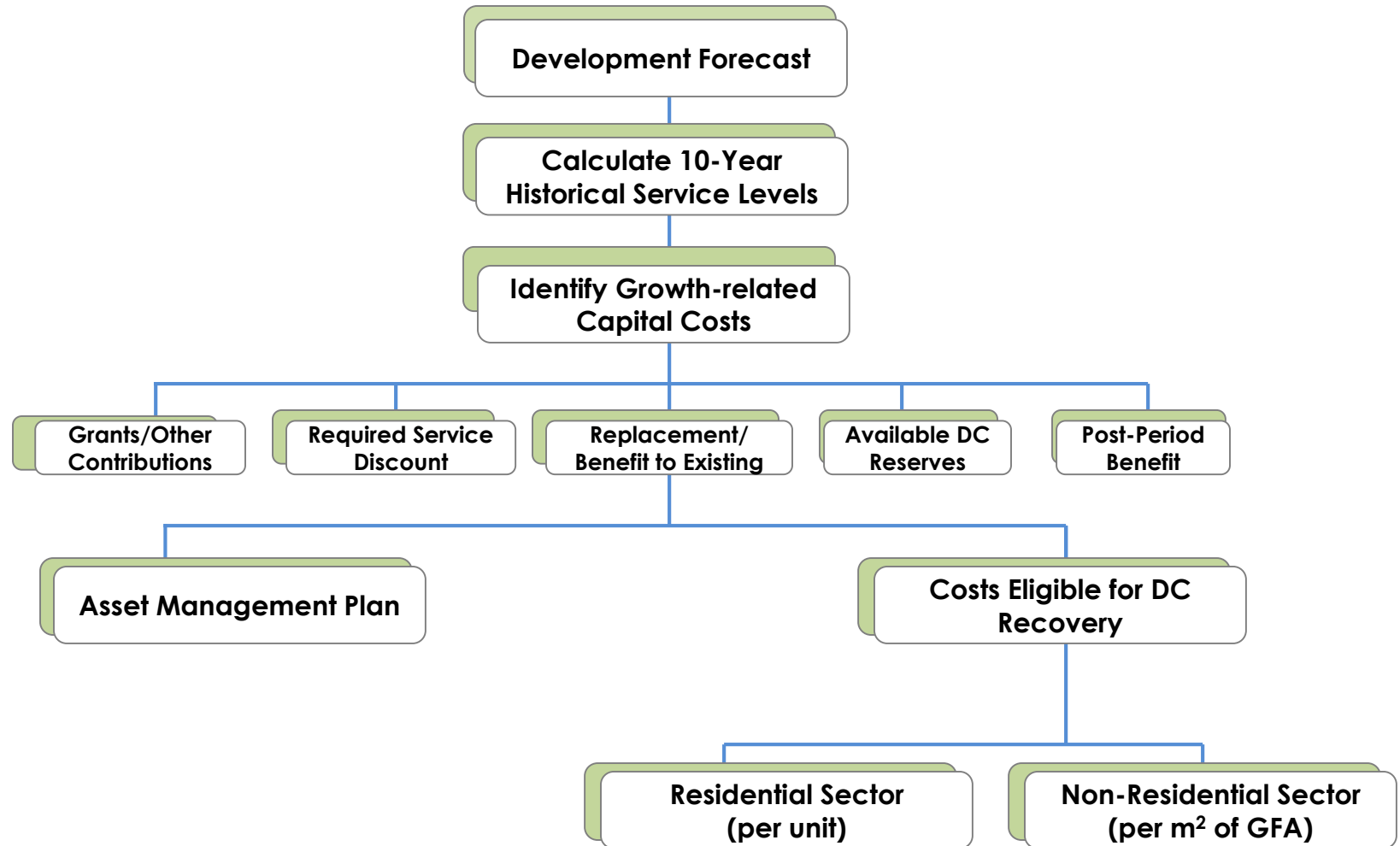
Residential Rate Comparison Neighboring Counties



Study Process To Date

- DC Study initiated
 - February 2016
- Steering Committee Meeting
 - June 9, 2016
- Council Information Session
 - June 23, 2016

Study Process



Development Forecast

- Forecast amount, type and location of development
- Based on approved *GMS Update, December 2015*
- 2 planning horizons:
 - 10 years for general 'soft' services (2017-2026)
 - Long term for engineered services (2017-2041)
- Total or 'adjusted' population numbers used, which combines census population and population in seasonal dwelling units
- Types of development
 - Residential – population and household forecast
 - Non-residential – forecast non-residential floor space and employment

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. > 110 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

Residential Forecast

	10 Year Growth		Long-Term Growth	
	Old Study	New Study	Old Study (to 2031)	New Study (to 2041)
Total Population*	n/a	7,200	n/a	17,269
Total Dwellings **	7,218	3,592	16,407	7,218
Population in New Housing	20,210	9,045	45,938	18,410

Notes:

* Total population includes population in Seasonal Recreational Units

** Total dwellings includes Seasonal Recreational Units

Non-Residential Forecast

	10 Year Growth		Long-Term Total	
	Old Study	New Study	Old Study (to 2031)	New Study (to 2041)
Total Employment	2,332	229	3,982	3,264
New Floor Space	125,000	11,010	214,086	72,590

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

Historical Service Levels

Service	Cost Recovery	10-Year Service Level	Maximum Allowable Funding Envelope
Land Ambulance	90%	\$64.94/pop+ empl	\$434,195
Public Works	100%	\$214.09/pop+ empl	\$1.59 million
Provincial Offences	90%	\$9.17/pop+ empl	\$61,312
Employment Resources	90%	\$18.21/pop+ empl	\$58,297
Trails	90%	\$37.30/capita	\$241,704
Health Unit	90%	\$118.80/pop+ empl	\$794,309

Historical Service Levels, continued

Service	Cost Recovery	10-Year Service Level	Maximum Allowable Funding Envelope
Social Services	90%	\$436.02/capita	\$2.83 million
Long Term Care	90%	\$535.62/capita	\$3.47 million
Children's Services	90%	\$15.28/capita	\$98,986
Roads	100%	\$3,288.55/pop+ empl	\$67.52 million

Growth-Related Capital Programs

- Capital programs compiled in consultation with County staff
- Capital costs 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

Land Ambulance

Total Capital Program	Replacement BTE	10% Reduction	Future DC's (Post-2026)	DC Recovery (2017-2026)
\$942,700	\$0	\$59,400	\$449,100	\$434,200

- Maximum allowable funding envelope: \$434,200
- 2017-2026 capital program:
 - Recovery of negative reserve fund balance (\$349,174)
 - New paramedic station in Chatsworth – 2017 – \$587,500
 - \$235 / square foot
 - Furniture & equipment for new station – 2017 – \$6,000

Public Works

Total Capital Program	Replacement BTE	Available Reserves	Future DC's (Post-2026)	DC Recovery (2017-2026)
\$500,000	\$450,000	\$335,300	\$0	\$0

- Maximum allowable funding envelope: \$1,590,475
- 2017-2026 capital program:
 - Additional Sand and Salt Storage Facility
- **No charge** – available reserve funds exceed DC eligible costs

Provincial Offences

Total Capital Program	Other Recoveries	BTE, 10% and Prior Growth	Future DC's (Post-2026)	DC Recovery (2017-2026)
\$12,123,300	\$10,607,900	\$1,031,800	\$422,300	\$61,300

- Maximum allowable funding envelope: \$61,310
- 2017-2026 capital program:
 - POA Expansion in County Building – 2017 - \$12.1 million
 - POA Share = 13%
 - BTE Share = 57% - new space replacing existing Owen Sound Office & Courts

Employment Resources

Total Capital Program	Replacement BTE	10% & Available Reserves	Future DC's (Post-2026)	DC Recovery (2017-2026)
\$24,000	\$12,200	\$11,800	\$0	\$0

- Maximum allowable funding envelope: \$58,300
- 2017-2026 Capital Program:
 - Provision for expanded itinerant space in Dundalk – Various
 - BTE Share = 51% - new space replacing 5,100 sq.ft. of existing space
- **No charge** – available reserve funds exceed DC eligible costs

Trails

Total Capital Program	Replacement BTE	10% Reduction	Future DC's (Post-2026)	DC Recovery (2017-2026)
\$201,000	\$170,000	\$3,000	\$0	\$28,000

- Maximum allowable funding envelope: \$241,700
- 2017-2026 capital program:
 - Recovery of negative reserve fund balance (\$1,043)
 - Annual trail improvements – stone dusting & grading
 - BTE Share = 85% - improvement of existing trails

Health Unit

Total Capital Program	Bruce County Share	BTE, 10% & Prior Growth	Future DC's (Post-2026)	DC Recovery (2017-2026)
\$14,277,700	\$11,364,000	\$2,430,200	\$0	\$483,500

- Maximum allowable funding envelope: \$794,310
- 2017-2026 capital program:
 - Recovery of negative reserve fund balance (\$277,720)
 - Health Unit Expansion – County Capital Contribution
 - BTE Share = 58% - replaced 24,600 sq.ft. of existing space
 - \$79,000 County contribution collected each year since 2006 removed from DC calculation

General Government

Total Capital Program	Replacement BTE	10% Reduction	Future DC's (Post-2026)	DC Recovery (2017-2026)
\$793,900	\$166,300	\$50,900	\$0	\$576,800

- Maximum allowable funding envelope: N/A
- 2017-2026 capital program:
 - GMS Update x2
 - DC Study x2
 - Housing Study Update x2 (25% BTE)
 - Active Transportation Master Plan (75% BTE)
 - Long Term Care Strategy (50% BTE)

Roads & Related

Category 1: Expansions/New Roads

Total Capital Program	Other Recoveries	Replacement & Available Reserves	Future DC's (Post-2041)	DC Recovery (2017-2041)
\$53,995,000	\$5,470,800	\$12,084,200	\$8,533,400	\$27,906,600

- 2017-2041 Capital Program:
 - Project cost and benefit to existing shares based on design class benchmark
 - Major road projects:
 - County Road 21, 19, 17B, 54, 1, 28

Roads & Related

Category 2: Classification Upgrade

Total Capital Program	Other Recoveries	Replacement	Future DC's (Post-2041)	DC Recovery (2017-2041)
\$26,526,400	\$1,067,000	\$12,316,700	\$739,000	\$12,403,700

- 2017-2041 Capital Program:
 - Project cost based on design class benchmark
 - Benefit to existing shares based on benchmark costs
 - Shared project
 - Grey Road 10 shared with Bruce County

Roads & Related

Category 3: Surface Treatment

Total Capital Program	Other Recoveries	Replacement	Future DC's (Post-2041)	DC Recovery (2017-2041)
\$12,625,900	\$0	\$6,137,700	\$0	\$6,488,300

- 2017-2041 Capital Program:
 - Project cost based on design class benchmark
 - Benefit to existing shares based on benchmark costs
 - No shared projects

Roads & Related

Category 4: Intersection Improvements

Total Capital Program	Other Recoveries	Replacement	Future DC's (Post-2041)	DC Recovery (2017-2041)
\$7,665,000	\$1,959,200	\$1,426,500	\$357,700	\$3,921,700

- 2017-2041 Capital Program:
 - Project costs provided by staff
 - Benefit to existing shares = 25% of net project cost
 - Shared projects
 - Grey Road 25 & Grey Bruce Line shared with Bruce County
 - Grey Road 19 & 21 shared with Collingwood & Simcoe County
 - Grey Road 15 & 15th Street shared with Owen Sound
 - Grey Road 124 & Grey Road 31 shared with Simcoe County

Roads & Related

Category 5: Culverts

Total Capital Program	Other Recoveries	Replacement & Available Reserves	Future DC's (Post-2041)	DC Recovery (2017-2041)
\$690,000	\$90,000	\$0	\$25,000	\$575,000

- 2017-2041 Capital Program:
 - All new culverts, no BTE shares
 - Shared projects
 - Grey Road 21 culvert shared with Simcoe County

Roads & Related Category 6: Studies

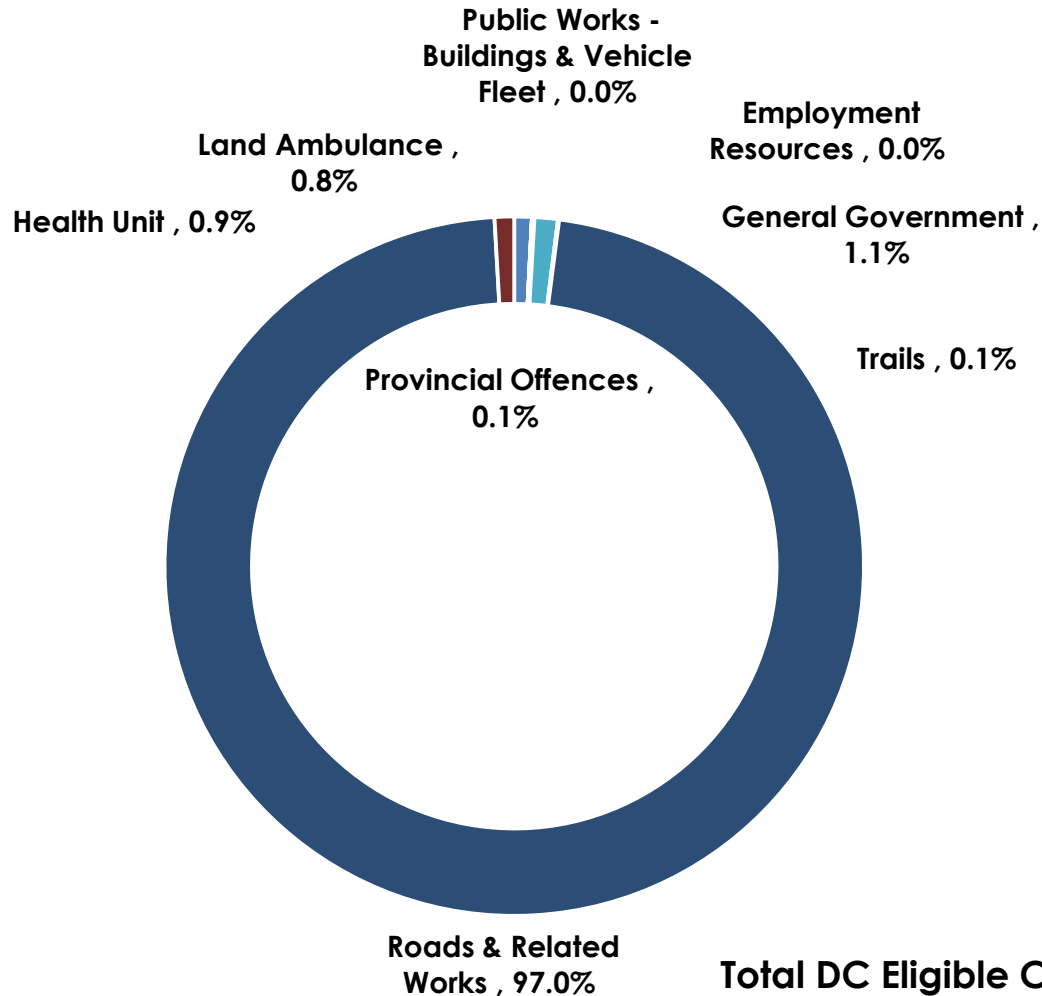
Total Capital Program	Other Recoveries	Replacement & Available Reserves	Future DC's (Post-2041)	DC Recovery (2017-2041)
\$700,000	\$0	\$0	\$0	\$700,000

- 2017-2041 Capital Program:
 - Development-related studies
 - Grey Road 40 EA
 - Grey Road 1 and 15 Master Drainage Study
 - TMP Updates x2
 - EA allowance for growth related projects

Capital Cost Deductions

	10-year Capital Program (\$ millions)	Roads & Related Capital Programs (\$ millions)
Total Gross Cost	\$28.9	\$102.2
Less: Grants & Subsidies	\$22.0	\$8.6
Less: Benefit to Existing Share	\$3.2	\$28.8
Less: 10% Discount	\$0.3	\$0.0
Less: Reserve Funds	\$1.0	\$3.2
Less: Post-Period Benefit	\$0.9	\$9.7
DC Eligible Costs	\$1.6	\$52.0

DC-Eligible Project Costs



DC Rate Calculation

Residential:

- Expressed as a charge per capita
- Currently levied as charge per unit by unit size (sq.ft.)
 - Recommend switching to a charge per unit type based on built form
- Wind turbines levied as a \$/turbine

Non-Residential:

- Calculated as a charge per sq.m.
- No non-residential charge levied in Grey

Wind Turbines

- County currently levies a DC for wind turbines – \$5,275 / turbine
- Since 2012, the County has collected DCs for 35 wind turbines
- Currently no outstanding applications
- Recent OMB decisions require careful consideration when determining increased need for municipal servicing



Current By-law: Exemptions

- Statutory
 - Board of education
 - Municipality or local board
- Discretionary
 - Public hospitals
 - Institutional church uses
 - Temporary buildings or structures
 - Unserviced agricultural land, buildings or structures
 - Farm buildings
 - Structures designed to accommodate seasonal agricultural laborers
 - Industrial development

Current By-law: Other Provisions

- DCs shall be indexed every January 1st
- 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
Release Background Study and Draft By-law	3 August
Advertise Public Meeting	22 August
Stakeholder Information Session (tbc)	23 or 25 August
Statutory Public Meeting (tbc)	13 or 20 September
By-law Passage	4 October
Current by-law expires	3 January 2017