



# Tay Valley Township 2021 Development Charges Update Study

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Council Presentation

September 7, 2021



# Introduction

## Development Charges

- Purpose of Development Charges (D.C.) is to recover the capital costs associated with the increase in need for services arising from residential and non-residential growth within a municipality
- Municipalities are empowered to impose D.C. via the Development Charges Act, 1997 (D.C.A.)
- The Tay Valley Township D.C. By-law 2019-045 came into effect on December 2, 2019

Service	RESIDENTIAL				NON-RESIDENTIAL	GREEN ENERGY
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per sq.ft. of Gross Floor Area)	(per 500 kW generating capacity)
<b>Municipal Wide Services:</b>						
Roads & Related	\$ 2,359	\$ 1,501	\$ 1,415	\$ 1,893	\$ 1.16	\$ 2,359
Fire Protection	\$ 501	\$ 319	\$ 301	\$ 402	\$ 0.24	\$ 502
Parks & Recreation	\$ 742	\$ 472	\$ 445	\$ 595	\$ 0.22	\$ -
Library	\$ 60	\$ 38	\$ 36	\$ 48	\$ 0.02	\$ -
Waste Diversion	\$ 33	\$ 21	\$ 20	\$ 26	\$ 0.01	\$ -
Growth-Related Studies	\$ 232	\$ 148	\$ 139	\$ 186	\$ 0.10	\$ 232
<b>Total Municipal Wide Services</b>	<b>\$ 3,927</b>	<b>\$ 2,499</b>	<b>\$ 2,356</b>	<b>\$ 3,150</b>	<b>\$ 1.75</b>	<b>\$ 3,093</b>



# Introduction

## Development Charges Update Study and By-law Amendment

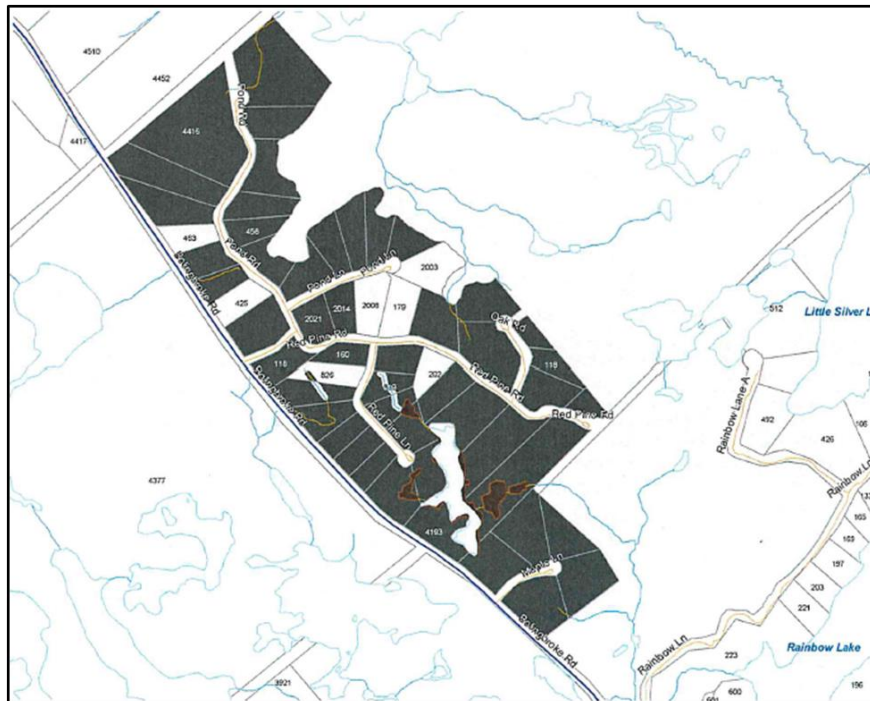
- D.C. Update Study prepared to amend the Township's 2019 D.C. Background Study and By-law 2019-045
- Purpose of the proposed D.C. by-law amendment is to:
  - Reflect recent amendments to the D.C.A. made through the *More Homes, More Choice Act*, and *COVID-19 Economic Recovery Act*, including:
    - Changes to the D.C. recoverable costs (i.e. removal of the 10% statutory deduction, updates to capital cost estimates and reallocation of service specific growth-related studies);
    - Introduce area-specific D.C.s for the Maberly Pines Area to recover costs to develop local service roads internal to an existing plan of subdivision; and
    - Statutory changes to by-law rules, i.e. timing of calculation, collection of D.C., and statutory exemptions

# Development Charges Update Study

## Growth Forecast Assumptions



- Township-wide growth forecast assumptions maintained from 2019 D.C. Background Study
- Area-specific D.C. for Maberly Pines Area would be applicable only within the key map area identified below, and imposed on the remaining 48 dwelling units to be developed in the future



# 2021 D.C. Update Study

## Changes to D.C. Eligible Costs



- Removal of the 10% statutory deduction from the calculation of the charge
- Updates to capital cost estimates and inclusion of additional projects
- Introduction of area-specific D.C. for Maberly Pines Area

Service/Class	D.C.-eligible Costs		
	2019 D.C. Background Study	2021 Update Study	Change (\$)
<b>Municipal-wide Services</b>			
Roads & Related	695,700	1,246,968	551,267
Fire Protection	147,737	118,387	(29,350)
Parks & Recreation	211,510	169,654	(41,856)
Library	17,007	19,891	2,884
Waste Diversion	9,541	10,601	1,060
Growth-Related Studies	68,408	105,308	36,900
<b>Total Municipal-wide Services</b>	<b>1,149,903</b>	<b>1,670,809</b>	<b>520,906</b>
<b>Area-specific Services</b>			
Roads & Related (Maberly Pines)	-	307,653	307,653
<b>Total Area-specific Services</b>	<b>-</b>	<b>307,653</b>	<b>307,653</b>
<b>TOTAL</b>	<b>1,149,903</b>	<b>1,978,461</b>	<b>828,558</b>

# 2021 D.C. Amendment

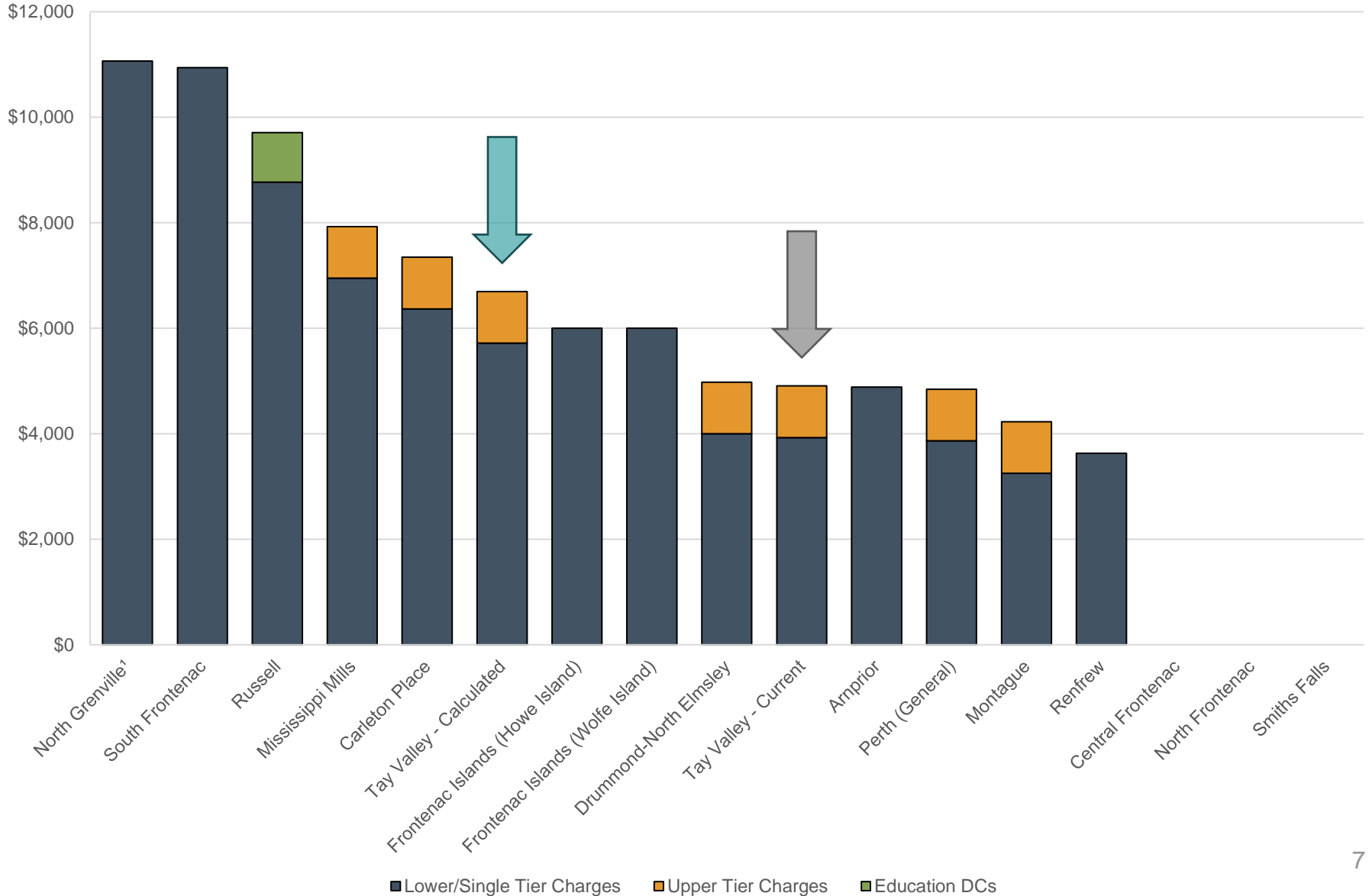
## Comparison of current and calculated rates (indexed to 2021)



Service	Residential (Single Detached)		Non-Residential (per sq.ft. GFA)		Solar/Wind (per 500 kW generating capacity)	
	Current	Calculated	Current	Calculated	Current	Calculated
<b>Municipal Wide Services:</b>						
Roads & Related	\$ 2,359	\$ 4,250	\$ 1.16	\$ 2.07	\$ 2,359	\$ 4,250
Fire Protection	\$ 501	\$ 403	\$ 0.24	\$ 0.20	\$ 501	\$ 403
Parks & Recreation	\$ 742	\$ 597	\$ 0.22	\$ 0.18	\$ -	\$ -
Library	\$ 60	\$ 70	\$ 0.02	\$ 0.02	\$ -	\$ -
Waste Diversion	\$ 33	\$ 36	\$ 0.01	\$ 0.02	\$ -	\$ -
Growth-Related Studies	\$ 232	\$ 360	\$ 0.10	\$ 0.16	\$ 232	\$ 360
<b>Total Municipal Wide Services</b>	<b>\$ 3,927</b>	<b>\$ 5,716</b>	<b>\$ 1.75</b>	<b>\$ 2.65</b>	<b>\$ 3,092</b>	<b>\$ 5,013</b>
<b>Area-Specific - Maberly Pines</b>						
Roads & Related		\$ 7,019				
<b>Total Area-Specific - Maberly Pines</b>	<b>\$ -</b>	<b>\$ 7,019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

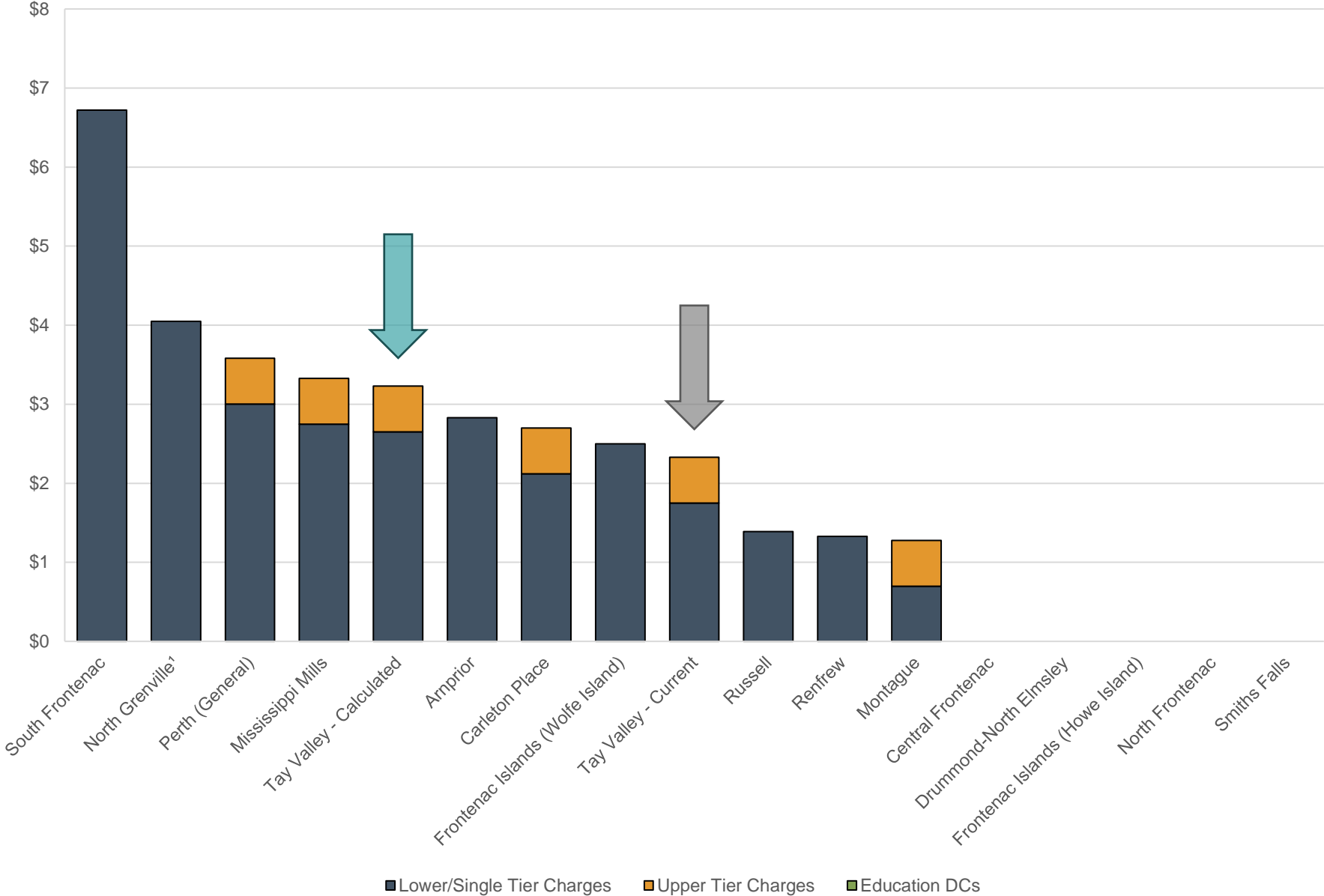
# Municipal D.C. Comparison

Residential Development Charges excl. Water & Wastewater Charges  
(per Fully Serviced Single Detached Dwelling)



# Municipal D.C. Comparison

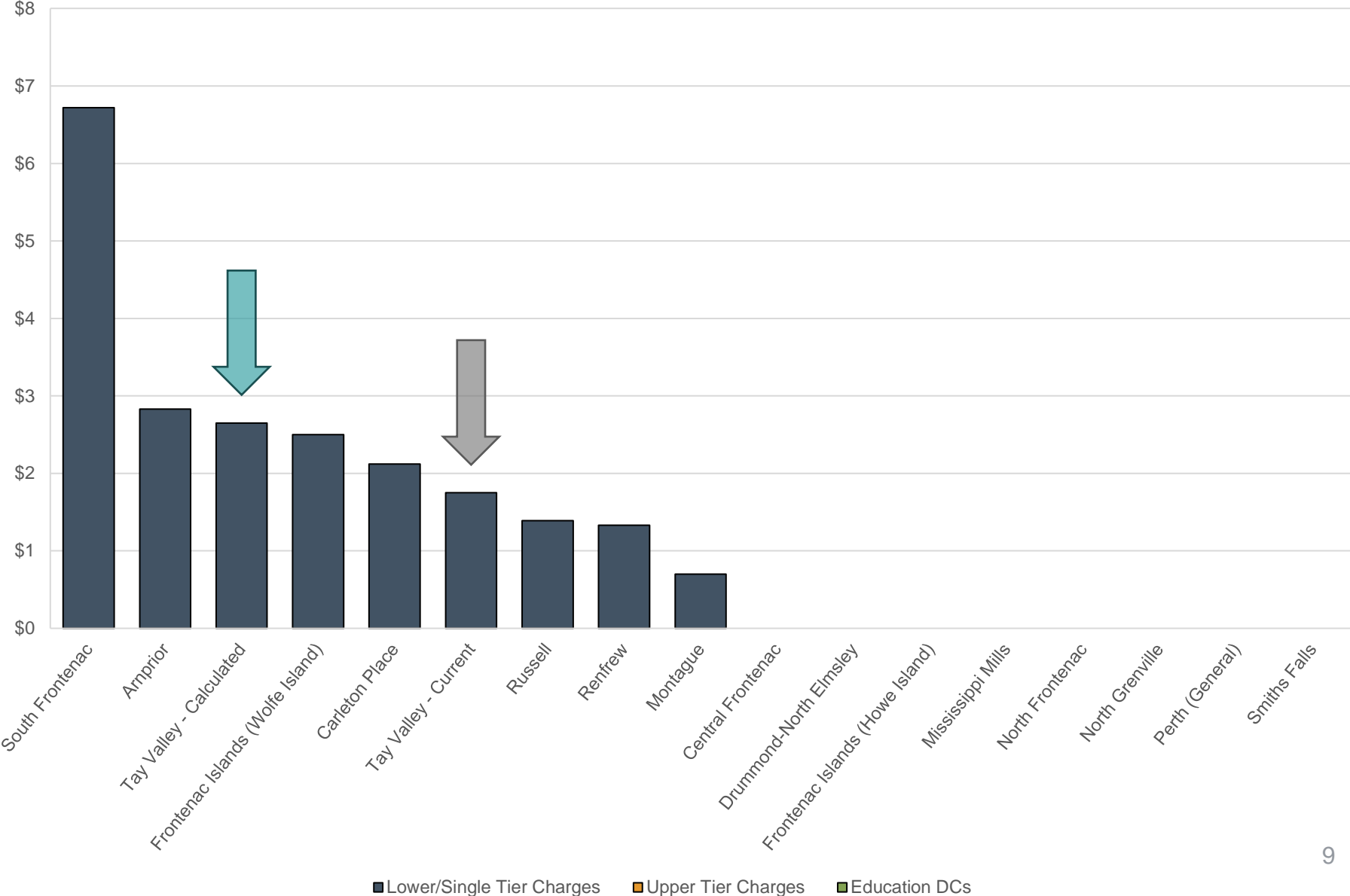
## Commercial Development Charges (per sq.ft. of GFA)

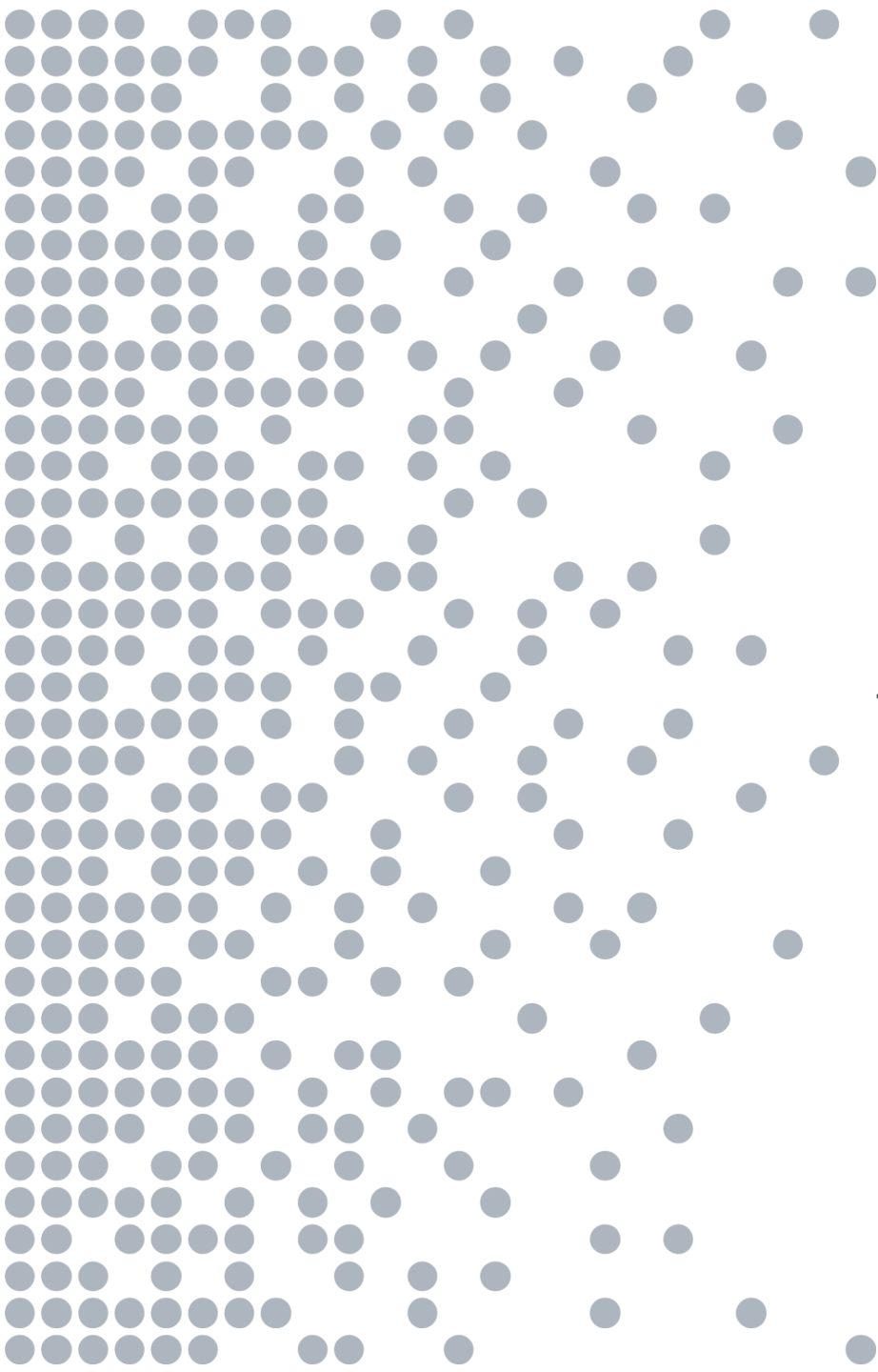




# Municipal D.C. Comparison

## Industrial Development Charges (per sq.ft. of GFA)





## D.C. By-law Policies

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## D.C. By-Law Policies



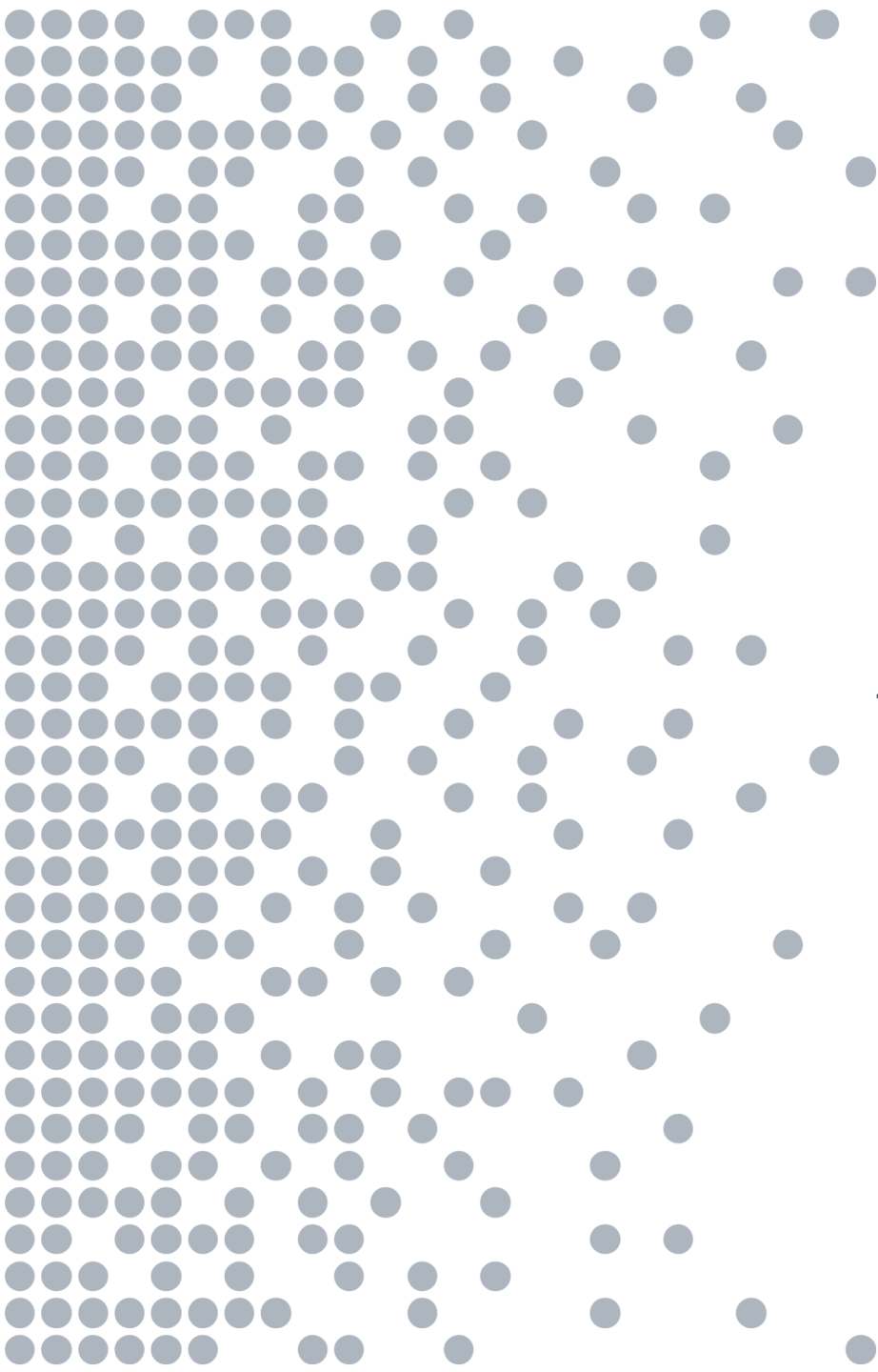
- **Except for the following revisions, policies contained within By-law 2019-045, remain unchanged**
- Rental housing and institutional developments will pay D.C.s in 6 equal annual payments, commencing from the date of occupancy
- Non-profit housing will pay D.C.s in 21 equal annual payments, commencing from the date of occupancy
- D.C. for developments proceeding through Site Plan or Zoning By-law Amendment will be determined based on the charges in effect on the day the application is made
  - Charges to be frozen for a maximum period of 2 years after planning application approval
- Interest on installment payments and charges calculated at Site Plan or Zoning By-Law Amendment application will be imposed at the Bank of Canada prime lending rate plus 2%



# D.C. By-Law Policies

## Statutory Exemptions

- Residential intensification (within existing residential buildings or structures ancillary to existing residential buildings):
  - May add up to two apartments for a single detached home as long as size of home doesn't double
  - Add one additional unit in medium & high density buildings
- The creation of a second dwelling unit in prescribed classes of new residential buildings, including structures ancillary to dwellings
- A University that receives regular and ongoing operating funds from the government for the purposes of post-secondary education.



## Next Steps

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## Next Steps



- Receive comments from Council on the D.C. Update Study and draft amending By-Law
- Public Meeting (September 14, 2021)
- Council to approve D.C Update Study, as amended, and consider adoption of amending D.C. By-law