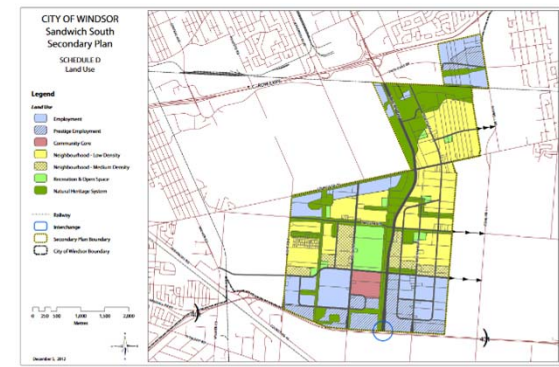


# City of Windsor

## Interim Development Charges Study for the Sandwich South Planning District

### Task Force Meeting #1



Wednesday, March 7<sup>th</sup>, 2018



# Today we will discuss...

- What are Development Charges?
- Background
- DCs in Windsor
- Development Charges Study Process
- Calculation of Area-Specific DCs
  - Work to date:
    - Preliminary Draft Development Forecast
    - Capital Projects for Consideration
- Next Steps

# What Are Development Charges?

- Fees imposed on development to fund “growth-related” capital costs
- DCs pay 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

# Key Legislation

- *Development Charges Act 1997 (DCA)*
  - Bill 73 “An Act to amend the Development Charges Act, 1997 and the Planning Act” received royal assent Dec 3, 2015
- Ontario Regulation 82/98
  - Amended by O. Reg. 428/15

# Overview of *DCA* and Associated Regulations

- Ineligible services are prescribed by *Regulations*
- Waste collection, recycling collection and management, and organic waste collection and management are now eligible
- Transit services are no longer subject to a 10% reduction and based on a "*planned*" level of service
- ***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
- Consideration for area-rating

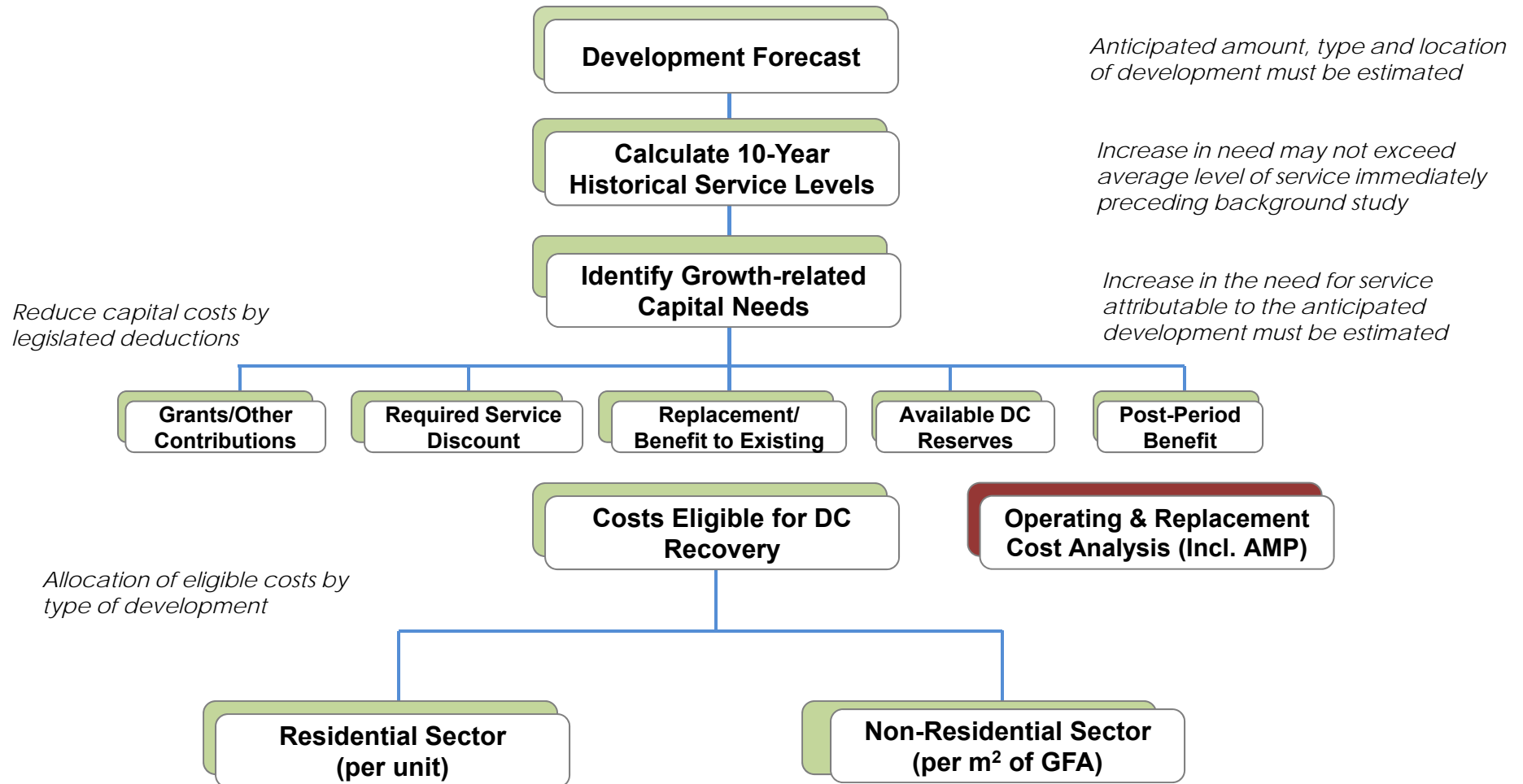
# Background

- The City passed DC By-law 60-2015 in June 2015
  - Imposes City-wide DCs for General Services and Engineered Services
  - By-law expires on June 1, 2020
- City to examine an area specific DC (ASDC) By-law for the Sandwich South Planning District (SSPD)
  - Set ASDC rates for Engineered Services only
  - Existing City-wide DC By-law will still apply in SSPD
  - Anticipate aligning by-laws as part of 2020 update

# Windsor City-wide DC Rate Structure

		Fully Calculated Rates (2015 DC Background Study)	
	Service	Residential Charge (per Single Detached Unit)	Commercial Charge (per sq. m.)
General Services	General Government	\$99	\$0.35
	Library Board	\$130	\$0.00
	Fire Services	\$176	\$0.55
	Police	\$166	\$0.55
	Indoor Recreation	\$600	\$0.00
	Park Development	\$514	\$0.00
	Public Works and Fleet	\$104	\$0.35
	Parking	\$94	\$0.30
	Transit	\$157	\$0.50
	<b>Subtotal</b>	<b>\$2,040</b>	<b>\$2.60</b>
Engineered Services	Roads and Related	\$13,539	\$64.60
	Sanitary Sewers and Pollution Control	\$2,247	\$10.69
	Storm Sewer & Municipal Drains	\$7,088	\$33.75
	Water Storage and Distribution	\$1,960	\$9.35
	<b>Subtotal</b>	<b>\$24,834</b>	<b>\$118.39</b>
<b>TOTAL DEVELOPMENT CHARGE</b>		<b>\$26,874</b>	<b>\$120.99</b>

# Overview of Study Process





# Services To be Examined

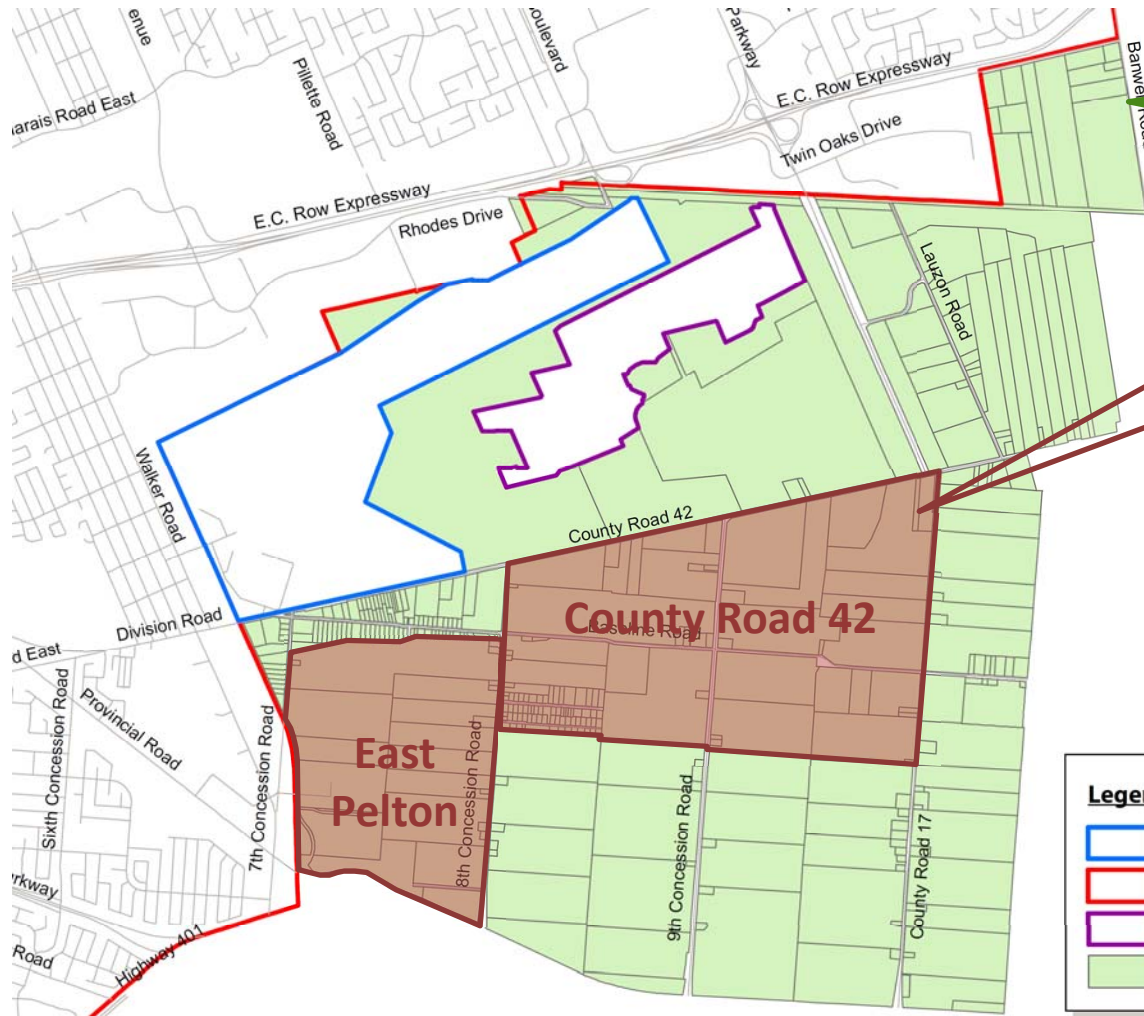
- The Sandwich South ASDC to be limited to engineered services:
  - Roads & Related
  - Sanitary Sewage
    - Linear
    - Pollution control to be covered by existing City-Wide DC (TBC)
  - Storm sewer & municipal drains
  - Water Services (EnWin)
    - Linear & Storage
    - Water Supply to be covered by existing City-Wide DC (TBC)
  - Studies related to the above

# Development Forecast

## REQUIREMENTS

- Forecast amount and type of development within the area
- Establish planning periods
  - The Sandwich South ASDC will consider a planning period of 2018-2036
- Types of development
  - Residential: population and dwelling units
  - Non-residential: non-residential floor space and employment

# Development Forecast: ASDC Study Area



ASDC study to exclude Airport and Solar Farm lands

Growth within the study area to 2036 will occur within the East Pelton and County Road 42 Secondary Plan areas

*Discussion point: Should the charge apply across the SSPD or only within the Secondary Plan areas?*

### Legend

- Airport Land
- City Boundary -Pre Town of Tecumseh
- Solar Farm Boundary
- Town of Tecumseh Transfer Lands

# Preliminary Residential Development Forecast

Preliminary Draft Forecast East Pelton and County Road 42 Secondary Plan Areas, 2018-2036				
	Single Detached	Semi/Row	Apartment	Total
<b>Residential Units</b>	2,700	800	1,000	<b>4,500</b>
<b>Population in New Units</b>	10,400	1,700	1,800	<b>13,900</b>
<i>Based on PPU*s*</i>	3.83	2.16	1.76	

*\*PPUs based on City of Windsor 2016 Statistics Canada Census data*

# Preliminary Employment Forecast

## Preliminary Draft Forecast to 2036 East Pelton and County Road 42 Secondary Plan Areas, 2018-2036

	Major Office	Population-Related	Employment Land	Total
<b>Employment</b>	0	7,500	3,100	<b>10,600</b>
<b>Growth in New Space (sq.m.)</b>	0	525,000	310,000	<b>835,000</b>
<i>Based on sq.m./worker:</i>	27	70	100	

# Development-Related Capital Program

## REQUIREMENTS

- Council must express intent to undertake capital works for them to be included in DC Study
- DC eligible costs must exclude:
  - Grants, subsidies & contributions
  - Benefit to existing or replacement elements
  - Uncommitted DC reserve funds
  - 10% 'general' service deduction
  - "Post-period" benefit

# Capital Program Example: Sanitary Sewers

## Sample capital program from 2015 City-wide DC Background Study:

CITY OF WINDSOR  
DEVELOPMENT-RELATED CAPITAL PROGRAM  
SANITARY SEWERS 2015 - 2024

NO.	Road	From	To	Timing	Estimated Project Costs							
					Gross Cost	Grants and Subsidies	Benefit to Existing Share	Available DC Reserves	Growth-Related Not Included	Post Period Allocation	Net Growth-Related	
<b>Sandwich South Sanitary Sewers</b>												
1	County Road 42	Pelton Spur	8th Concession	1 - 10 yrs	\$1,650,000	\$0	0%	\$0	\$0	\$0	\$1,399,395	\$250,605
2	9th Concession	County Road 42	Hwy 401	10+	\$7,750,000	\$0	0%	\$0	\$0	\$0	\$7,750,000	\$0
3	County Road 17	County Road 42	Hwy 401	10+	\$8,850,000	\$0	0%	\$0	\$0	\$0	\$8,850,000	\$0
4	Legacy Park Drive	Provincial Road	Walker Road	10+	\$700,900	\$0	0%	\$0	\$0	\$0	\$700,900	\$0
5	Sandwich South - Ph 1A, 1B, & 3			2007	\$5,425,000	\$0	0%	\$0	\$0	\$0	\$4,601,040	\$823,960
6	Sandwich South - Ph 2 & 4-6			2009-2012	\$30,276,000	\$23,456,000	0%	\$0	\$1,390,995	\$0	\$3,583,143	\$1,845,862
<b>Subtotal Sandwich South Sanitary Sewers</b>					<b>\$54,651,900</b>	<b>\$23,456,000</b>		<b>\$0</b>	<b>\$1,390,995</b>	<b>\$0</b>	<b>\$26,884,478</b>	<b>\$2,920,427</b>

# ASDC Capital Program Considerations

- Important to tie-in with capital budget and master plans
- Capital projects should provide benefit and servicing capacity to development within the study area
  - i.e. road widening, trunk extensions, pumping stations
- Do any projects provide a benefit beyond the area being considered for the ASDC?
- Is there a benefit-to-existing of any of the projects?
  - For example, address existing deficiencies?
- Local service guidelines
  - What is the developer expected to provide directly as a condition of subdivision or site plan agreement?



# What is "Growth-Related"?

- Factors to consider:
  - Would you undertake the project in the absence of growth?
  - Is the need for the project being driven by a specific development, or overall growth in the area?
  - Is a component of the project related to regular repair or maintenance?
  - Is the project in whole, or in part, replacing an existing asset (could be a relocation)?
  - To what extent do the upgraded elements of an infrastructure replacement relate to growth (i.e. increased servicing capacity)?

# Capital Projects for Consideration in ASDC

## Roads & Related

- Lauzon Parkway: improvements, widenings, interchange and bridge (2021-2031)
- County Road 42 widenings (2021-2031)
- New E-W arterial (2031)

## Sanitary Sewage

- Linear infrastructure required to service the study area
- Treatment infrastructure to be covered by existing City-wide DC

## Storm sewer & municipal drains

- Annexed Lands Stormwater Charge Studies (2018, 2022)
- Upper Little River River channel improvements and stormwater management facilities
- Local stormwater management facilities and storm sewers

## Water Services (EnWin)

- Linear infrastructure to be identified by ongoing AECOM study
- Supply infrastructure to be covered by existing City-wide DC

# Calculation of Rates

## Key Steps

- Allocate costs between residential and non-residential sectors
- Prepare cash flow analysis to reflect project and development timing
- Calculate charges:
  - Residential – per dwelling unit type
  - Non-residential – per square metre of GFA
- *Discussion Point: consideration of establishing land area based charges (\$/ha)?*

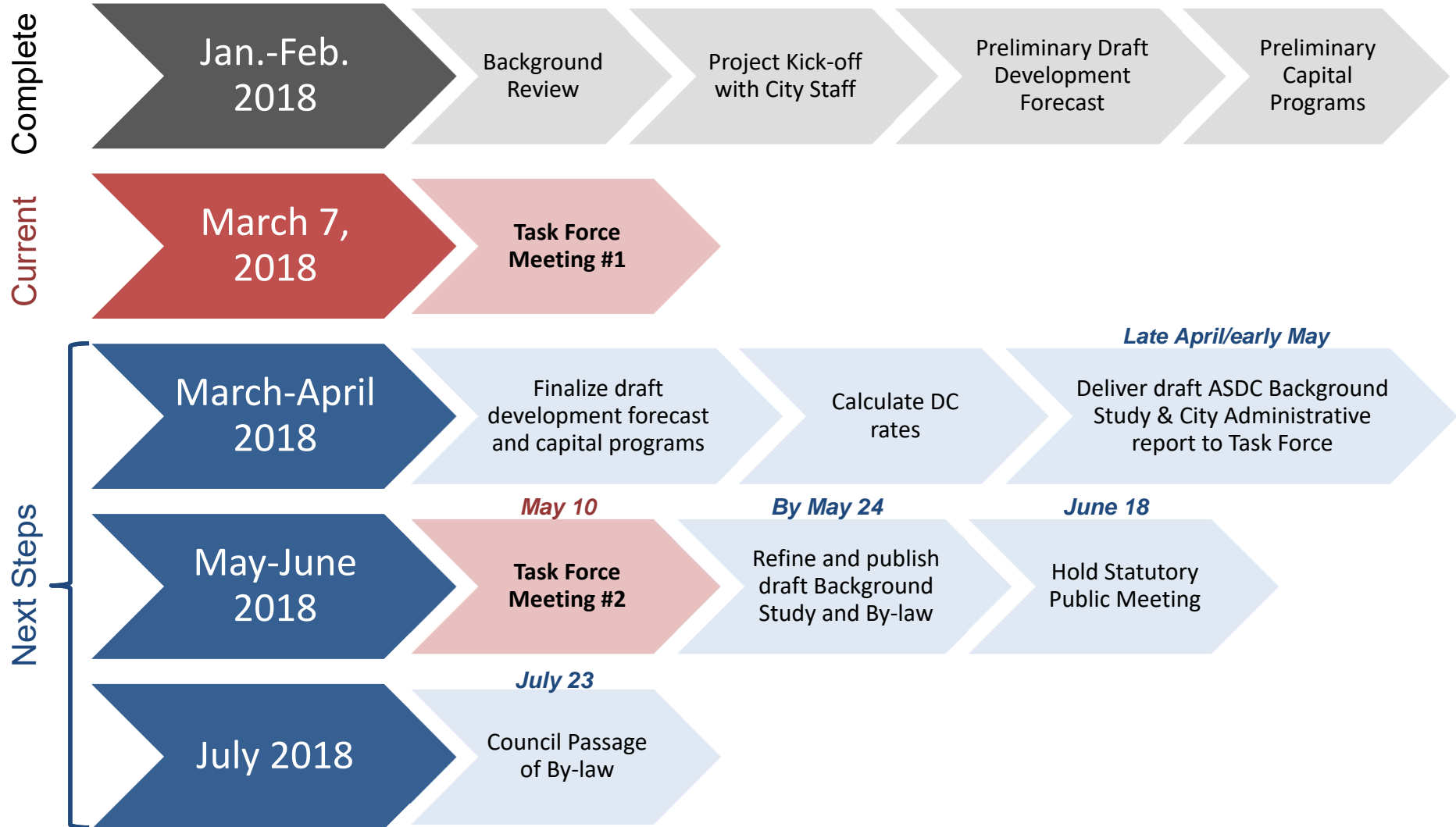
# Key Steps in Passing a DC By-law

- Release DC background study 60 days prior to by-law passage (including on website)
- Advertise public meeting
- Release DC study and proposed by-law
- Hold statutory public meeting
- Receive feedback and amend proposed charges and by-law if warranted
- Determine if additional public meeting is required
- By-law passage by Council

# Policy Items for Consideration

- Review of DC policies to be undertaken with input from Task Force members:
  - Application of ASDC throughout SSPD vs. Secondary Plan areas only
  - Structure of charge
  - Non-statutory exemptions
    - Consistent with City-wide DC By-law?
  - Local services policies
  - Developer costing agreements
    - Front-ending or service in-lieu agreements

# Study Process & Next Steps



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