DEVELOPMENT CHARGES COUNCIL WORKSHOP Township of North Huron August 22, 2016



Agenda

- Development Charges
 - What they are, rules and regulations, history in North Huron
- Development Charge process
 - How development charges are calculated
- 2016 North Huron Development Charges
 - Forecasts, projects and calculated charges
- Next Steps

What are Development Charges?

- A tool available to municipalities to fund infrastructure put in place to service development.
- Development Charges Act (DCA) was put in place in 1989.
- The DCA sets out the specific rules and process that must be follow to enact a Development Charges bylaw. This includes completing a Background Report to support the type of projects collected for, and amount of charges. It must be updated every 5 years.
- Idea is that 'growth pays for growth' so that the existing tax payers are not bearing the cost of servicing growth.

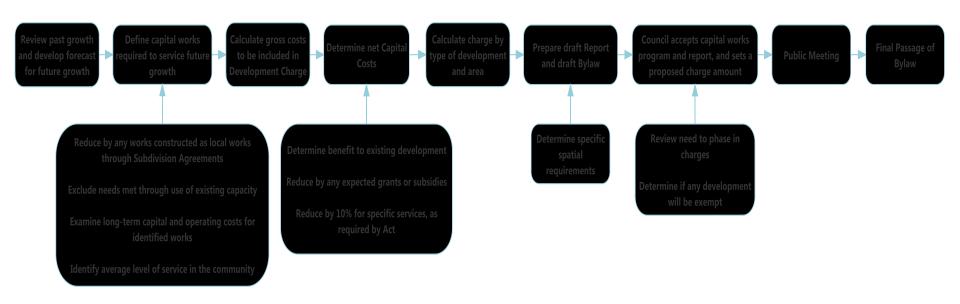
DCA and Regulations

- DCA was amended with the passing of Bill 73 Smart Growth for Our Communities Act, passed December 3, 2015.
- Some of the amendments:
 - Ineligible services will be listed in the regulation.
 - Can collect for transit services, waste collection and treatment (but not for landfills or incinerators).
 - Background Report must include an asset management plan, consideration of area/service specific bylaws.
 - Background Report must be made available 60 days prior to passing of by-law.
 - For development of one building that requires more than one building permit, DCs are payable at issuance of first building permit.
 - For development that has two or more phases (not constructed concurrently), each phase is considered a separate development.
 - Changes to reporting requirements (Statement of Treasurer).

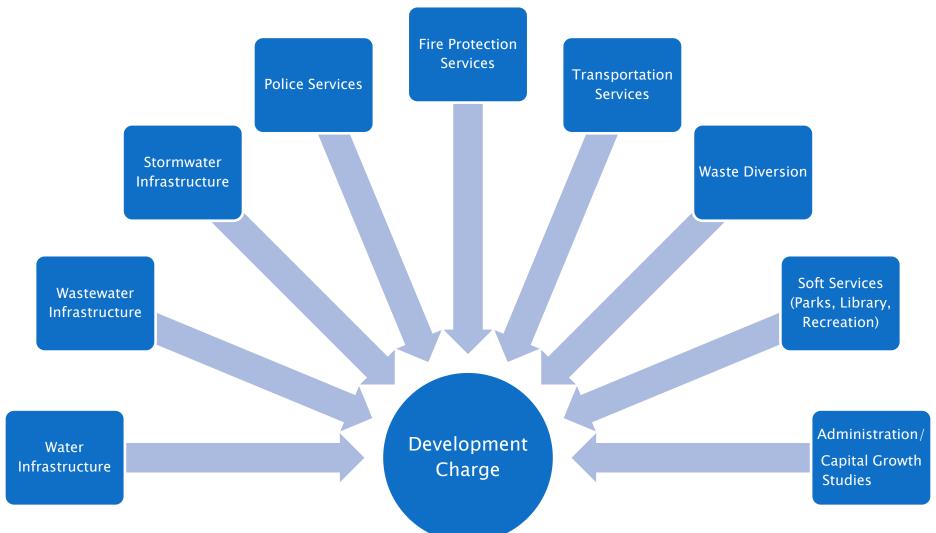
North Huron Development Charges

- North Huron first implemented development charges in 2011.
- By-law No. 43-2011, passed Oct 17, 2011 was the previous Development Charge By-law.
- The previous By-law will expired and a new bylaw and associated Background Report is required.

Determining a DC



Types of Eligible Projects



Calculating DCs

Determine net cost (total cost less grants/ subsidies/ contributions

Determine benefit to existing development

Determine benefit to residential and non-residential

Determine development charge per person

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: Sanitary Sewage Service SERVICE COMPONENT: Sewage Treatment - Lucan

Details of Service

Description:

Lucan constructed a new sewage treatment facility in the mid 1990's. This project included upgrading and expanding an existing facility, a new pumping station, forcemain and sewer. The facility was designed for a capacity of 2,400 person equivalents based on 450 litres per capital per day. Lucan implemented a project to reduce extraneous flows to the treatment facility. The average per capital flow to the facility, based on the past 4 year monitoring period, was 326 litres per person per day. The new standard for sewage treatment capacity, based on this data, is 350 litres per person per day. Based on this standard, the facility has an effective capacity of 3,086 person equivalents. Development charges have been collected for the facility since its inception,

The facility has reached capacity and a new upgrading project is being undertaken that will add an additional 400 households of capacity. Key components of the upgrading will enable this additional capacity, other components are maintenance related. Some of the costs of the new filter, UV equipment and SCADA equipment will be assessed against both existing and new development.

Analysis of Long Term Capital and Operating Costs:

The project has received two thirds grant funding from upper level governments. The remainder of the capital costs will be paid by the existing user base through reserves and rates, and through a development charge to new growth. Operating costs will be borne by the users of the facility.

Costs

Project Costs (related to growth): \$1,833,775.00
Received or Expected Capital Grants, Subsidies or Contributions: \$1,222,528.00
Net Cost: \$611,447.00

Allocation of Costs

Benefit to Existing

The net cost above is related to projects which increase the capacity at the facility, but also represent a replacement of existing facilities used by the present population. This project will benefit existing and future development equally on a per capita basis. Based on 4,126 person equivalents of capacity, 3,086 previous equivalents plus the new expansion of 400 hh @ 2.6 pph.

Residential/ Non-Residential Cost Allocation: Capacity at the facility will be allocated as development occurs. There is no non-residential share. Capacity is expressed as person equivalents, which includes all uses. The non-residential cost allocation is based on the current assessment split for Lucan Biddulph of 94.5% residential/4.5% non-residential.

Development Charge Calculation

Residential: The residential development charge = \$611,447 x 94.5% / 4,126 = \$140.00 per person.

Non-Residential: n/

√a.

Calculate DC for area and unit type

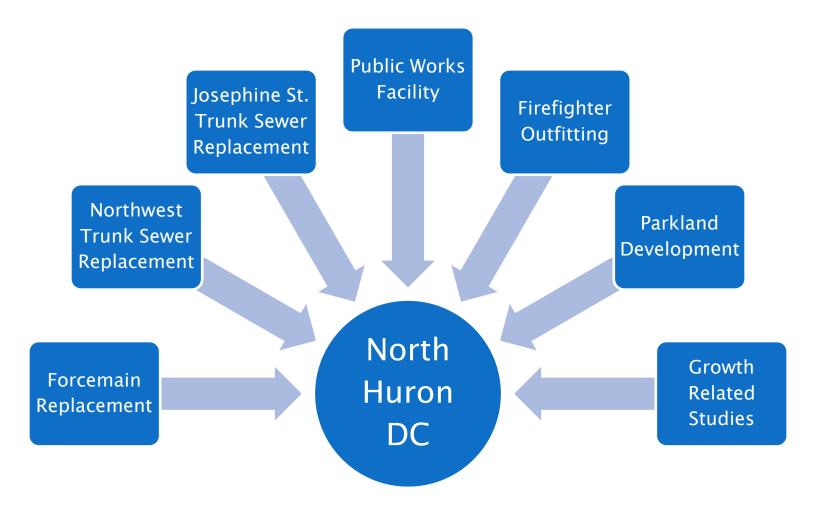
Lakeshore

Residential Type	Persons Per Unit	Sanitary	Water	Transportation	Fire Protection	Administration	Less 10%	Total
Single and Semi-Detached	2.6	\$ -	\$ 683.11	\$ 895.40	\$ -	\$ 236.37	\$ 181.49	\$ 1,633.39
Multiple Units and Townhouses	2.1	\$ -	\$ 551.74	\$ 723.21	\$ -	\$ 190.92	\$ 146.59	\$ 1,319.28
Apartments	1.5	\$ -	\$ 394.10	\$ 516.58	\$ -	\$ 136.37	\$ 104.70	\$ 942.34
Residential Nursing/Retirement	1 per bedroom	\$ -	\$ 262.73	\$ 344.38	\$ -	\$ 90.91	\$ 69.80	\$ 628.23
Non-Residential	per sq. ft.	\$ -	\$ 0.07	\$ 0.12	\$ -	\$ 0.01	\$ 0.02	\$ 0.19

Rural - Huron

Residential Type	Persons Per Unit	Sanitary	Water	Transportation	Fire Protection	Administration	Less 10%	Total
Single and Semi-Detached	2.6	\$ -	\$ -	\$ 895.40	\$ -	\$ 236.37	\$ 113.18	\$ 1,018.60
Multiple Units and Townhouses	2.1	\$ -	\$ -	\$ 723.21	\$ -	\$ 190.92	\$ 91.41	\$ 822.71
Apartments	1.5	\$ -	\$ -	\$ 516.58	\$ -	\$ 136.37	\$ 65.29	\$ 587.65
Residential Nursing/Retirement	1 per bedroom	\$ -	\$ -	\$ 344.38	\$ -	\$ 90.91	\$ 43.53	\$ 391.77
Non-Residential	per sq. ft.	\$ -	\$ -	\$ 0.12	\$ -	\$ 0.01	\$ 0.01	\$ 0.12

2011 North Huron DC Projects



2011 Calculated Charges

Wingham Ward							
	Persons	Sanitary		Fire			
Residential Type	per Unit	Sewage	Transportation	Protection	Parkland	Admin.	Total
Single and Semi-detached	3	\$8,486.67	\$734.02	\$56.81	\$291.60	\$417.53	\$9,986.63
Apartments – 2 bedrooms							
+	1.5	\$4,243.33	\$367.01	\$28.40	\$145.80	\$208.76	\$4,993.31
Apartments - Bachelor & 1							
bedroom	1.1	\$3,111.78	\$269.14	\$20.83	\$106.92	\$153.09	\$3,661.76
Other Multiples	2.5	\$7,072.22	\$611.69	\$47.34	\$243.00	\$347.94	\$8,322.19
Non-Residential (per m ²)	-	\$7.11	\$0.15	\$0.04	\$0.00	\$0.26	\$7.56

Blyth and East Wawanosh							
	Persons	Sanitary		Fire			
Residential Type	per Unit	Sewage	Transportation	Protection	Parkland	Admin.	Total
Single and Semi-detached	3	\$0.00	\$734.02	\$56.81	\$291.60	\$393.34	\$1,475.77
Apartments - 2 bedrooms							
+	1.5	\$0.00	\$367.01	\$28.40	\$145.80	\$196.67	\$737.88
Apartments - Bachelor & 1							
bedroom	1.1	\$0.00	\$269.14	\$20.83	\$106.92	\$144.22	\$541.11
Other Multiples	2.5	\$0.00	\$611.69	\$47.34	\$243.00	\$327.78	\$1,229.81
Non-Residential (per m ²)	-	\$0.00	\$0.15	\$0.04	\$0.00	\$0.26	\$0.45

2011 Development Charges

 In 2011, Council exercised the option to set the Wingham Ward charges at less than the calculated amount:

Wingham Ward							
	Persons	Sanitary		Fire			
Residential Type:	per Unit	Sewage	Transport.	Protection	Parkland	Admin.	Total
Single and semi detached	3.0	\$ 3,024.23	\$ 734.02	\$ 56.81	\$ 291.60	\$ 393.34	\$4,500.00
Apartments – 2 bedrooms							
+	1.5	\$ 1,512.12	\$ 367.01	\$ 28.40	\$ 145.80	\$ 196.67	\$ 2,250.00
Apartments - Bachelor & 1							
bedroom	1.1	\$ 1,108.89	\$ 269.14	\$ 20.83	\$ 106.92	\$ 144.22	\$ 1,650.00
Other Multiples (not							
included above)	2.5	\$ 2,520.19	\$ 611.69	\$ 47.34	\$ 234.00	\$ 327.78	\$ 3,741.00

Blyth and East Wawanosh	Blyth and East Wawanosh											
	Persons	Sanitary		Fire								
Residential Type:	per Unit	Sewage	Transport.	Protection	Parkland	Admin.	Total					
Single and semi detached	3.0	\$ 0.00	\$ 734.02	\$ 56.81	\$ 291.60	\$ 393.34	\$ 1,475.77					
Apartments – 2 bedrooms												
+	1.5	\$ 0.00	\$ 367.01	\$ 28.40	\$ 145.80	\$ 196.67	\$ 737.88					
Apartments - Bachelor & 1												
bedroom	1.1	\$ 0.00	\$ 269.14	\$ 20.83	\$ 106.92	\$ 144.22	\$ 541.11					
Other Multiples (not												
included above)	2.5	\$ 0.00	\$ 611.69	\$ 47.34	\$ 234.00	\$ 327.78	\$ 1,229.81					

Forecasting

- Examine trends in population and building permit data
- Develop forecasts for population, housing and non-residential development
- Look at census and building permit data, housing studies, other population forecasts

Year	Population	Dwellings
2006	5,015	2,064
2011	4,884	2,043

Household Trends (2011–2016)

	Blyt	h	East Wav	vanosh	Wingh	ıam	North H	luron
	Single	Multi-	Single	Multi-	Single	Multi-	Single	Multi-
	Family	Unit	Family	Unit	Family	Unit	Family	Unit
2011	1	1	2	0	4	1	7	2
2012	0	0	5	0	1	0	6	0
2013	1	0	1	0	2	0	4	0
2014	2	0	0	0	0	0	2	0
2015	1	0	2	1	1	0	4	1
Total	5	1	10	1	8	1	23	3
Annual Average	1	0.2	2	0.2	1.6	0.2	4.6	0.6

- Population declined between 1986 and 2011 by 66 persons. This equates to an average annual decrease of -0.04%.
- The number of households has moderately increased since 1986, despite population decline. This is due to a general aging of the population and demographic changes (seniors living longer, smaller family size, increased number of single-occupied homes).

2016 DC Forecasts

Households

		East		North
Year	Blyth	Wawanosh	Wingham	Huron
2016	432	374	1,295	2,101
2021	439	382	1,311	2,132
2026	446	390	1,328	2,164
2031	453	398	1,344	2,195
2036	460	406	1,361	2,227
2041	467	414	1,377	2,258
10-year change	14	16	33	63
20-year change	28	32	66	126
25-year change	35	40	82	157

Non-Residential: no non-residential growth in the past 5 years, with only minimal prior to that. No indication there will be significant change. Given this, a non-residential growth forecast was not developed.

2016 DC Projects

Project	Description	Estimated Cost (before grants, etc.)
Northwest Trunk Sewer Replacement (Wingham)	Replacement of undersized sections of the northwest trunk sewer	\$1,600,000
Blyth Well (Blyth)	Replacement of the Blyth wells with some capacity for future growth	\$839,484
Public Works Facility (All Wards)	Replacement of an undersized public works facility. New building expected to have the working space equivalent of 7 bays.	\$2,000,000
Firefighter Outfitting (All Wards)	Firefighters will be added as development in the Township continues.	\$3,630
Parkland Development	The Township undertakes parkland development projects as required. Estimated cost is \$40,000 per acre.	-
Capital Growth Studies	Includes the cost of Development Charge Background Study.	\$293,500

2016 Development Charges

	Wingham											
Residential Type		Sanitary										
	Persons	Sewage	Water			Parks and						
	Per Unit	Service	Services	Transport.	Firefighting	Recreation	Admin.	Total				
Single and Semi-Detached	2.5	\$6,906.25	\$0.00	\$754.29	\$52.89	\$270.00	\$574.09	\$8,557.51				
Multiple Units and Townhouses	2.1	\$5,801.25	\$0.00	\$633.60	\$44.43	\$226.80	\$482.23	\$7,188.31				
Apartments (2 bedrooms +)	1.5	\$4,143.75	\$0.00	\$452.57	\$31.73	\$162.00	\$344.45	\$5,134.51				
Apartments (Bachelor and 1 bedroom)	1.1	\$3,038.75	\$0.00	\$331.89	\$23.27	\$118.80	\$252.60	\$3,765.30				

	Blyth											
Residential Type		Sanitary										
	Persons	Sewage	Water			Parks and						
	Per Unit	Service	Services	Transport.	Firefighting	Recreation	Admin.	Total				
Single and Semi-Detached	2.5	\$0.00	\$912.30	\$754.29	\$52.89	\$270.00	\$574.09	\$2,563.56				
Multiple Units and Townhouses	2.1	\$0.00	\$766.34	\$633.60	\$44.43	\$226.80	\$482.23	\$2,153.39				
Apartments (2 bedrooms +)	1.5	\$0.00	\$547.38	\$452.57	\$31.73	\$162.00	\$344.45	\$1,538.14				
Apartments (Bachelor and 1 bedroom)	1.1	\$0.00	\$401.41	\$331.89	\$23.27	\$118.80	\$252.60	\$1,127.97				

East Wawanosh									
Residential Type		Sanitary							
	Persons	Sewage	Water			Parks and			
	Per Unit	Service	Services	Transport.	Firefighting	Recreation	Admin.	Total	
Single and Semi-Detached	2.5	\$0.00	\$0.00	\$754.29	\$52.89	\$270.00	\$574.09	\$1,651.26	
Multiple Units and Townhouses	2.1	\$0.00	\$0.00	\$633.60	\$44.43	\$226.80	\$482.23	\$1,387.06	
Apartments (2 bedrooms +)	1.5	\$0.00	\$0.00	\$452.57	\$31.73	\$162.00	\$344.45	\$990.76	
Apartments (Bachelor and 1 bedroom)	1.1	\$0.00	\$0.00	\$331.89	\$23.27	\$118.80	\$252.60	\$726.55	

DC Rate Comparison

	Single and Semi Detached Unit Development Charge			
Saugeen Shores	\$14,799			
Kincardine (proposed)	\$8,826 phased to \$13,689 (in 2020)			
North Perth (Listowel)	\$12,238			
Lucan-Biddulph (Lucan)	\$6,400			
West Perth (Mitchell)	\$5,300			
North Huron (Wingham) (2011)	\$4,545			
South Huron (Exeter)	\$3,537			

Legislative Requirements

- Public Meeting
 - Must be advertised at least 20 days prior in local newspaper.
- Background Report
 - Must be available 60 days prior to passage of the bylaw. Made available August 9 - bylaw can be passed after October 7th)
- Draft By-law
 - Must be available 2 weeks before Public Meeting.
- Notice of Passage of By-law and Appeal Period
 - 40 day appeal period after passage
 - Must issue Notice of Passage (not later than 20 days after passage) stating end of appeal period.

To Move Forward

- Need Council to set a development charge that can be included in the draft By-law
 - Allows for review of the charges by public and development industry
 - Can be changed following the public meeting
- Example previous Council set charge to approximately half of the calculated charge.

Next Steps

- Council set Development Charge amounts
- Finalize Background Report
- Prepare a draft By-law (available September 2)
- Hold a Public Meeting (September 19)
- Pass Bylaw (October 17)

Questions?