Region of Peel
2012 Development Charges By-law Review

Staff Presentation and Public Meeting
June 14, 2012
DC Reporting - Background

- Council updated on DC performance, notably:
  - Fall 2008 – DCs not adequately recovering costs as 30% rate increase required
  - Decision not to increase rates due to economy and impact on development community
- January 2011 – advised of commencement of DC update (expected by-law to Council by summer 2012)
- March 29 – Preliminary DC rates made public
- April 4 – Preliminary background study made publicly available to facilitate start of BILD’s technical review
- May 10 – Final DC background study made public
- May 17 – Council and Development Industry informal meeting
Legislative Restrictions

- *Development Charges Act, 1997* has remained unchanged
- 10% deduction for soft services
- 10 year historical average service level cap
- Cannot collect DCs for:
  - Waste management service
  - General administration
  - Hospitals
DC Update Objectives

- To support eligible growth related costs in 2012 Capital Plan and forecasted spending
- To be consistent with Regional Official Plan
- Growth pays for growth – no impact on existing taxpayers
- DC Reserve Fund for each program to attain $0 balance at end of planning period
Development Charges Supported Programs

Water 39.30%

Roads 31.84%

Sewer 25.52%

Public Health 0.05%

Social Services 1.73%

Transhelp 0.02%

Growth Studies 0.06%

OPP 0.01%

Long Term Care 0.38%

Police 0.89%

Ambulance 0.21%

Social Services 1.73%

DC Funded Programs 2012-2031
## Proposed DC Rates

<table>
<thead>
<tr>
<th>Category</th>
<th>Current DC Rates</th>
<th>Proposed DC Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Residential</td>
<td>$17,629</td>
<td>$38,903</td>
</tr>
<tr>
<td>Large Apartment</td>
<td>$12,592</td>
<td>$27,788</td>
</tr>
<tr>
<td>Small Apartment</td>
<td>$6,548</td>
<td>$14,450</td>
</tr>
<tr>
<td>Industrial</td>
<td>$65.79 sq.m</td>
<td>$146.11 sq. m.</td>
</tr>
<tr>
<td>Non-Industrial</td>
<td>$94.21 sq.m</td>
<td>$210.62 sq. m.</td>
</tr>
</tbody>
</table>
DC Rates - GTA Comparison

Large Apartments/Condos

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Peel Proposed: Brampton</td>
<td>27,789</td>
<td>27,789</td>
<td>27,789</td>
<td>24,863</td>
<td>24,863</td>
<td>24,863</td>
<td>24,863</td>
<td>17,694</td>
<td>13,146</td>
<td>11,391</td>
</tr>
<tr>
<td>Peel Proposed: Caledon</td>
<td>16,941</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peel Proposed: Mississauga</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>York: Markham</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>York: Aurora</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>York: Vaughan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>York: Richmond Hill</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Halton - Greenfield: North Oakville</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Halton - Built: North Oakville</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Durham: Oshawa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
DC Rates - GTA Comparison

Small Apartments/Condos

<table>
<thead>
<tr>
<th>Region</th>
<th>Area Municipality</th>
<th>School Board</th>
<th>Go</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peel Proposed: Caledon</td>
<td>14,450</td>
<td>7,171</td>
<td></td>
</tr>
<tr>
<td>Peel Proposed: Mississauga</td>
<td>14,450</td>
<td></td>
<td>3,706</td>
</tr>
<tr>
<td>Peel Proposed: North Oakville</td>
<td>13,146</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peel Proposed: Richmond Hill</td>
<td>16,884</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peel Proposed: Brampton</td>
<td>14,450</td>
<td></td>
<td></td>
</tr>
<tr>
<td>York : Markham</td>
<td>16,884</td>
<td></td>
<td></td>
</tr>
<tr>
<td>York : North Oakville</td>
<td>17,694</td>
<td></td>
<td></td>
</tr>
<tr>
<td>York : Vaughan</td>
<td>16,884</td>
<td></td>
<td></td>
</tr>
<tr>
<td>York : Aurora</td>
<td>16,884</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Halton - Built: North Oakville</td>
<td>6,934</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Halton - Greenfield : North Oakville</td>
<td>6,934</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Oakville</td>
<td>7,162</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North York</td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North York</td>
<td>15,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North York</td>
<td>20,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North York</td>
<td>25,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North York</td>
<td>30,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North York</td>
<td>35,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
DC Rates - GTA Comparison

Industrial ($/m²)

- York: Richmond Hill
- York: Aurora
- York: Vaughan
- Halton - Greenfield : North Oakville
- Peel Proposed: Mississauga
- Peel Proposed: Brampton
- Peel Proposed: Caledon
- Halton - Built : North Oakville
- Durham : Oshawa

School Board
Area Municipality
Region
DC Rates - GTA Comparison

Non-Industrial ($/m²)

- York: Richmond Hill
- York: Aurora
- York: Vaughan
- Halton - Greenfield: North Oakville
- Halton - Built: North Oakville
- Peel Proposed: Brampton
- Peel Proposed: Mississauga
- Peel Proposed: Caledon
- Durham: Oshawa
DC Increases – Attributable Factors

Compared to 2007 DC Update:

- Growth capital program has increased from $3.3 billion to $4.8 billion
- Planning horizon is more constrained: 20 years (2012-2031) vs. 25 years
  - Fewer new residents and less GFA to allocate costs
- Increased levels of debt required
- No interim DC updates since 2007
Estimated DC Debt

Net Debt Outstanding (2010 - 2031)

$Millions

- 2,500
- 2,000
- 1,500
- 1,000
- 500
- 0


Debt Outstanding
Technical DC Review Process

- Final background study currently undergoing technical review by BILD consultants and others – 3 month process
- Purpose: Ensure DC eligible costs are calculated based on DC framework including deductions per *DC Act*
- Review activity:
  - First round of meetings in late April
  - Second round of meetings in late May
Proposed Policy Changes

- By-law generally remains unchanged
- Places of Worship exemption made more specific
  - Exemption based on ‘one room’ identified as place of worship or worship activity instead of ‘portion of building’ used only as a place of worship
- Conditions for deferral payment introduced
  - By-law currently enables CFO to enter into agreement for special payment (i.e. deferral)
  - Proposed conditions include posting of security; indexing of rates; 4-year limit; $500 admin fee; limited to non-residential development
2007 Transition Plan

- 2007 DC by-law transition provisions were complex and lengthy resulting in estimated $45 million shortfall in DC revenues
  - details varied by development category involving various dates for submission and approval of site plans and building permit applications
- $45 million contributed to current debt situation and to proposed increase in DC rates
- By-law was updated one year prior to expiry of prevailing by-law – now not the case
Considerations - 2012 Transition

- Current proposed DC by-law does not recommend any transition measures
- Development Industry has requested a transition be provided
- All input will be considered as part of recommending final plan
DC By-law - Next Steps

- Technical review to be completed
- Stakeholder consultations
- Updated DC By-law – July 5
- Current by-law expires October 3