Growth Management Principles

- Growth guided by and conforms to Regional Official Plan
- Growth pays for growth – no impact on existing taxpayers
- Infrastructure to be provided in a way that maximizes efficient delivery and minimizes impact on communities
- Debt to be issued for growth infrastructure leveraging Region’s high credit rating, but not to extent of compromising its high credit rating
Options - Impacts

Impact on servicing development

Impact on competitiveness

Impact on credit rating

Impact on ‘growth pays for growth’
Estimated DC Debt

Net Debt Outstanding (2010 - 2031)

$Millions

Debt Outstanding
Transition Assistance - Considerations

- DC model incorporates:
  - 20-year capital spending
  - Planning and financial assumptions
  - Financing costs (including debt)
- Estimates DC rates that recover costs and gets DC reserves to $0 balance
- Estimates annual revenues
  - $175M in 2012 and $443M in 2013
- Financial risk of not realizing revenues exists
- No transition costs incorporated
- Transition plan is within Council’s control
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
Public Consultation

- May 17 – Council and Development Industry informal, open meeting
- June 14 – mandatory public information meeting required under DC Act
  - Verbal and written submissions

Stakeholder Input
- Meetings with development industry and business sector
Technical Review

- 3 month process to date
  - Commenced April 4 with release of preliminary DC Background Study
  - Final DC Background Study released May 10
- 3 rounds of meetings – late April, May & June
- BILD was requested a list of issues to mutually resolve pre-July 5
  - Review not complete;
  - completed issues list not provided
  - Preliminary findings shared, further work still pending
  - Financial review submitted
<table>
<thead>
<tr>
<th>Category</th>
<th>Current Rates</th>
<th>DC Study Rates</th>
<th>Proposed Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Res.</td>
<td>$17,629</td>
<td>$38,905</td>
<td>$37,721</td>
</tr>
<tr>
<td>Large Apt.</td>
<td>$12,592</td>
<td>$27,789</td>
<td>$26,943</td>
</tr>
<tr>
<td>Small Apt.</td>
<td>$6,548</td>
<td>$14,450</td>
<td>$14,011</td>
</tr>
<tr>
<td>Industrial</td>
<td>$65.79 sq.m</td>
<td>$146.12 sq.m</td>
<td>$141.77 sq.m</td>
</tr>
<tr>
<td>Non-Ind</td>
<td>$94.21 sq.m</td>
<td>$210.62 sq.m</td>
<td>$204.28 sq.m</td>
</tr>
</tbody>
</table>
Major Themes from Consultations

- DC rate/quantum too great an increase
- Need for transition period
- Need to assist industrial development
- Need more time for analysis – defer implementation to October
Pre-payment Option

- Residential
  - M-Plan submitted by October 3
  - Full payment of DCs at old rate
  - Registration of M-Plan within 6 months

- Industrial
  - Site plan submitted by October 3
  - Full payment of DCs at old rate
  - Building permit drawn within one year

- Significant financial impact - $200 million
Projection of Increased Utility Rates

Combined Water & Wastewater Utility Bill – Residential

<table>
<thead>
<tr>
<th>Location</th>
<th>2011</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halton</td>
<td>$1,312</td>
<td>$872</td>
</tr>
<tr>
<td>Peel</td>
<td>$915</td>
<td>$474</td>
</tr>
<tr>
<td>Toronto</td>
<td>$1,880</td>
<td>$766</td>
</tr>
<tr>
<td>Vaughan</td>
<td>$1,772</td>
<td>$784</td>
</tr>
<tr>
<td>Richmond Hill</td>
<td>$1,935</td>
<td>$816</td>
</tr>
<tr>
<td>Markham</td>
<td>$2,037</td>
<td>$807</td>
</tr>
<tr>
<td>Durham</td>
<td>$1,788</td>
<td>$878</td>
</tr>
</tbody>
</table>
Recommended Implementation Plan

- Residential categories
  - Relief for eligible homebuyers

- Phase-in for:
  - Non-residential-Industry and Non-residential-Office
  - Non-residential-Other
Residential Categories

- New DC rates take effect July 9, 2012 at building permit issuance
- Units subject to pay at old DC rates if application for relief made and meets conditions
- Purchase and sale agreement entered prior to May 1st with original closing date January 31 ’13
- Purchaser is eligible to benefit on only one unit
- Documents to be validated
- CFO to be delegated authority to establish administrative procedures - process to be audited

Benefit
- Developers/builders and purchasers are protected from increase
## Non-residential-Industrial/Office

- **Non-residential – Industrial / Office**
  - Phase-in increases at 25% intervals starting October 1, 2012

- **Benefit**
  - Allows time (18 months) from today to adjust to full rates

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Industrial Per sq. m.</th>
<th>Office Per sq. m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct 1’12</td>
<td>$84.79</td>
<td>$121.73</td>
</tr>
<tr>
<td>Jan 1’13</td>
<td>$103.78</td>
<td>$149.25</td>
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<tr>
<td>July 1’13</td>
<td>$122.78</td>
<td>$176.76</td>
</tr>
<tr>
<td>Jan 1’14</td>
<td>$141.77</td>
<td>$204.28</td>
</tr>
</tbody>
</table>
Non-residential-Other

- **Non-residential – Other**
  - Phase-in increase at one-third intervals starting July 9, 2012

- **Benefit**
  - Allows time (12 months) to adjust to full rates

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Non-Res-Other Per sq. m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 9, 2012</td>
<td>$130.90</td>
</tr>
<tr>
<td>Jan 1, 2013</td>
<td>$167.59</td>
</tr>
<tr>
<td>July 1, 2013</td>
<td>$204.28</td>
</tr>
</tbody>
</table>
DC By-law - Immediate Term

- Adopt updated DC by-law with rates effective July 9th
  - Implementation plan includes protection for purchased residential units and phase-ins for non-residential development
  - CFO to be delegated authority to administer details to support residential relief from DC rate increases
- Complete technical review
- Current by-law expires October 3rd
- Deferral of by-law to October to cost $33M
- Estimated $48M DCs collected in June
Next Steps - Longer Term

- Undertake review of employment to further inform Regional planning/servicing initiatives
  - Development community participation/collaboration
- Monitor closely DC finances and report annually through Capital Budget process
Conclusion

Implementation Plan promotes

- Consistency with Regional Official Plan
- Maintains ‘growth paying for growth’ principle
- Growth capital program continues to be delivered effectively and efficiently
- Prudent use of debt to fund growth infrastructure while maintaining high credit rating
DC Rates - GTA Comparison

Single Family Residential

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

Region of Peel
Working for you
DC Rates - GTA Comparison

Large Apartments

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

GO
School Board
Area Municipality
Region
DC Rates - GTA Comparison

Small Apartments

<table>
<thead>
<tr>
<th>Region</th>
<th>Area Municipality</th>
<th>School Board</th>
<th>Go</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halton - Greenfield</td>
<td>17,694</td>
<td>6,934</td>
<td></td>
</tr>
<tr>
<td>York : Vaughan</td>
<td>16,884</td>
<td>7,414</td>
<td></td>
</tr>
<tr>
<td>York : Markham</td>
<td>16,884</td>
<td>7,162</td>
<td></td>
</tr>
<tr>
<td>York : Aurora</td>
<td>16,884</td>
<td>7,011</td>
<td></td>
</tr>
<tr>
<td>Peel Proposed: Brampton</td>
<td>14,011</td>
<td>9,397</td>
<td></td>
</tr>
<tr>
<td>York : Richmond Hill</td>
<td>16,884</td>
<td>5,099</td>
<td></td>
</tr>
<tr>
<td>Halton - Built: North Oakville</td>
<td>6,934</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peel Proposed: Caledon</td>
<td>13,852</td>
<td>7,536</td>
<td></td>
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<tr>
<td>Peel Proposed: Missisaug</td>
<td>14,011</td>
<td>6,638</td>
<td></td>
</tr>
<tr>
<td>Durham : Oshawa</td>
<td></td>
<td>3,706</td>
<td>7,171</td>
</tr>
</tbody>
</table>
DC Rates - GTA Comparison

Industrial ($/m$^2$)

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

York : Richmonnd Hill: 64.88
York : Aurora: 25.68
York : Vaughan: 405.67
Halton - Greenfield : North Oakville: 268.99
Halton - Built : North Oakville: 236.91
Peel Proposed: Brampton: 101.55
Peel Proposed: Mississauga: 66.51
Peel Proposed: Caledon: 48.13
Durham : Oshawa: 31.97