



Region of Peel 2012 Development Charges By-law Review

***Staff Presentation and
Public Meeting***

June 14, 2012



DC Reporting - Background

- Current DC by-law (115-2007) approved October 4, 2007 – expires October 3, 2012
- 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

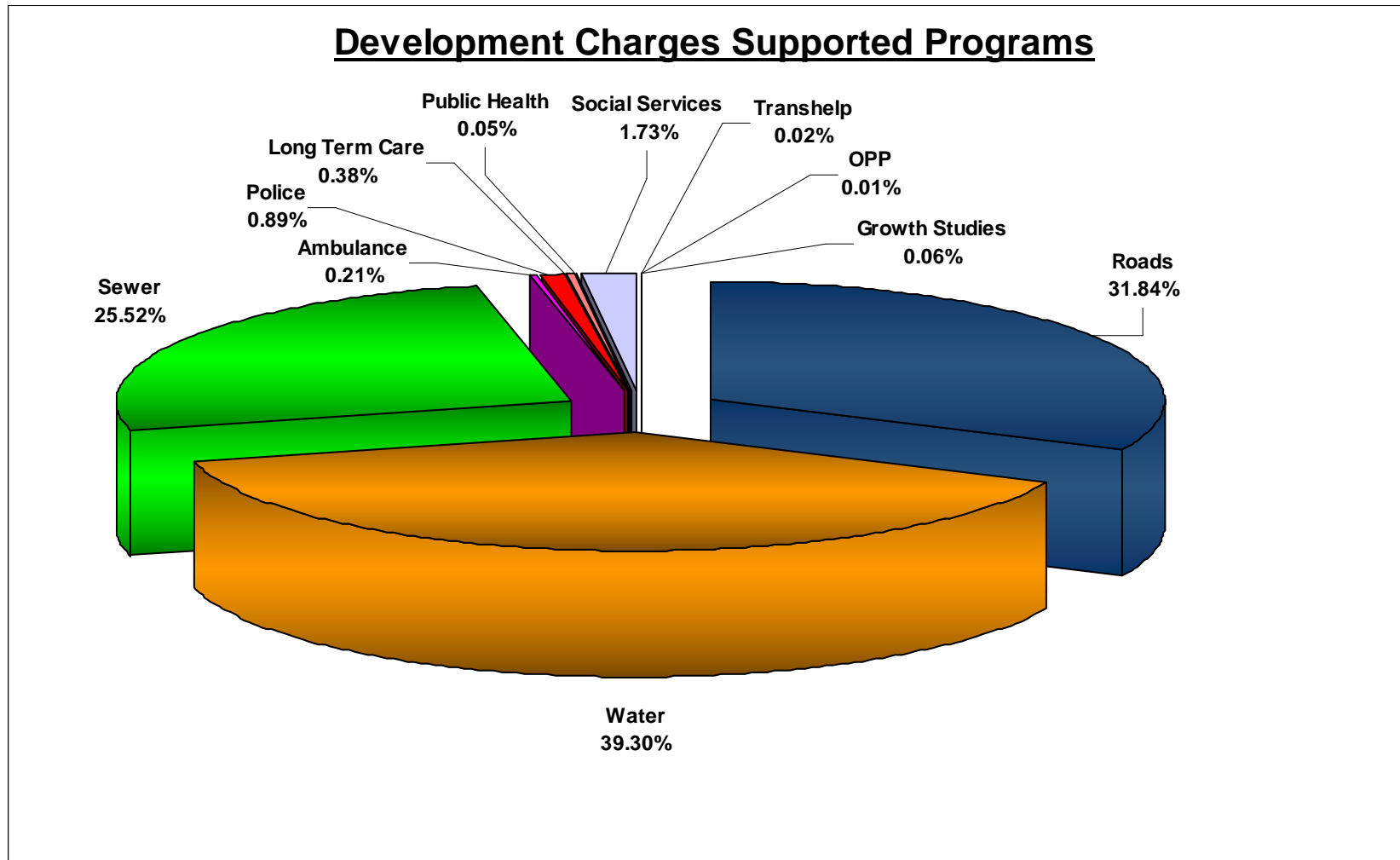
- *Development Charges Act, 1997* has remained unchanged
- 10% deduction for soft services
- 10 year historical average service level cap
- Cannot collect DCs for:
 - Waste management service
 - General administration
 - Hospitals



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

DC Funded Programs 2012-2031

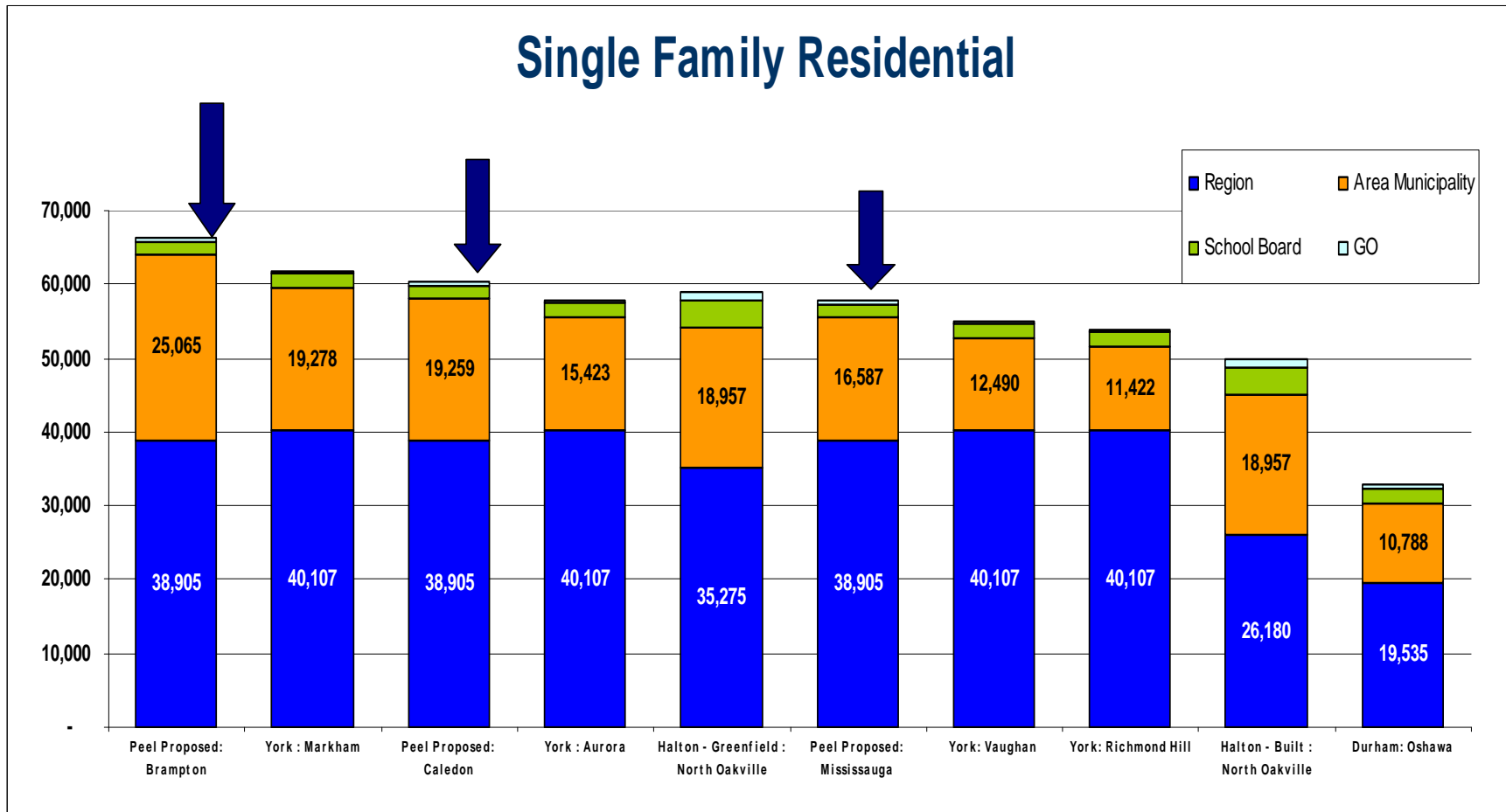




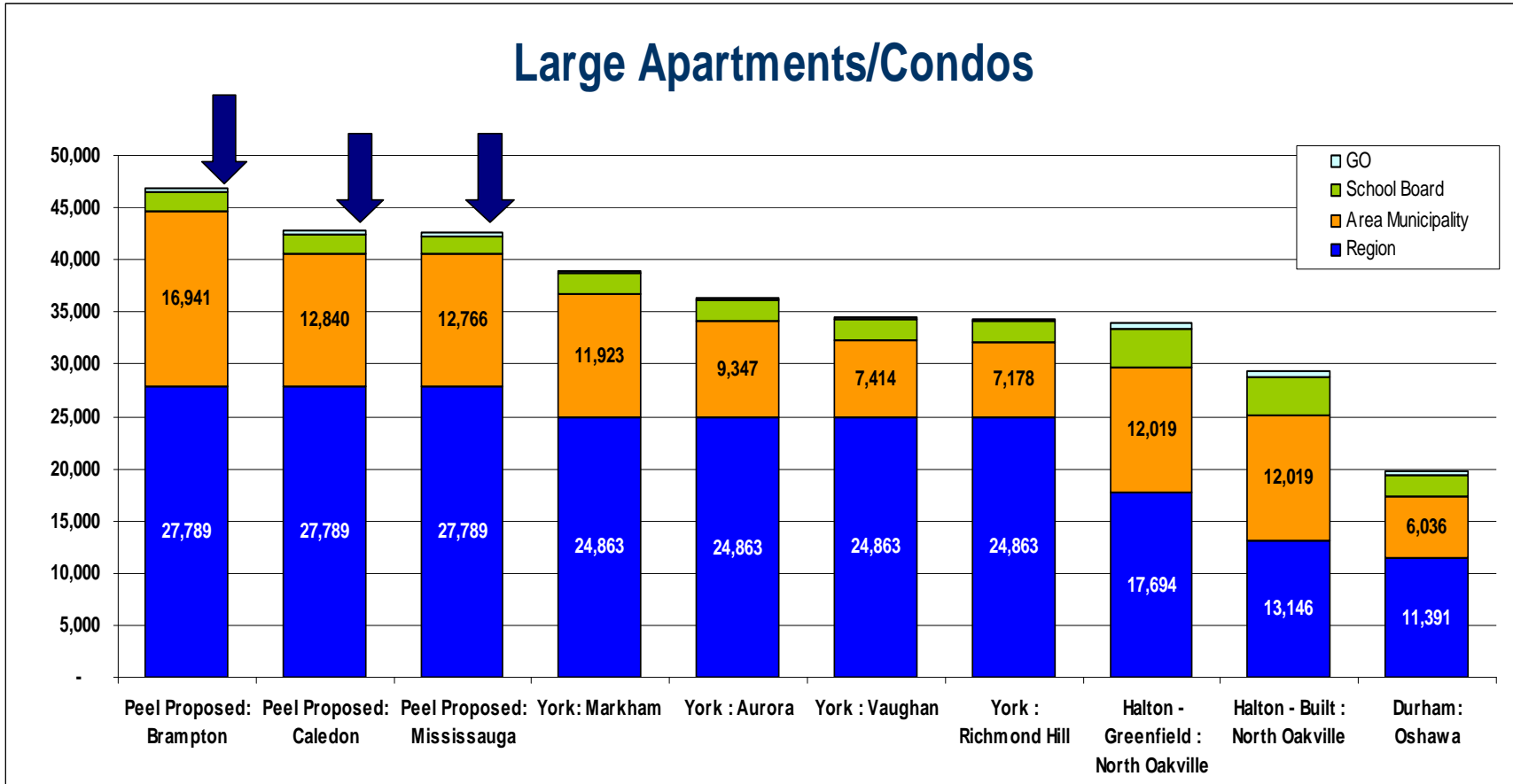
Proposed DC Rates

Category	Current DC Rates	Proposed DC Rates
Other Residential	\$17,629	\$38,903
Large Apartment	\$12,592	\$27,788
Small Apartment	\$6,548	\$14,450
Industrial	\$65.79 sq.m	\$146.11 sq. m.
Non-Industrial	\$94.21 sq.m	\$210.62 sq. m.

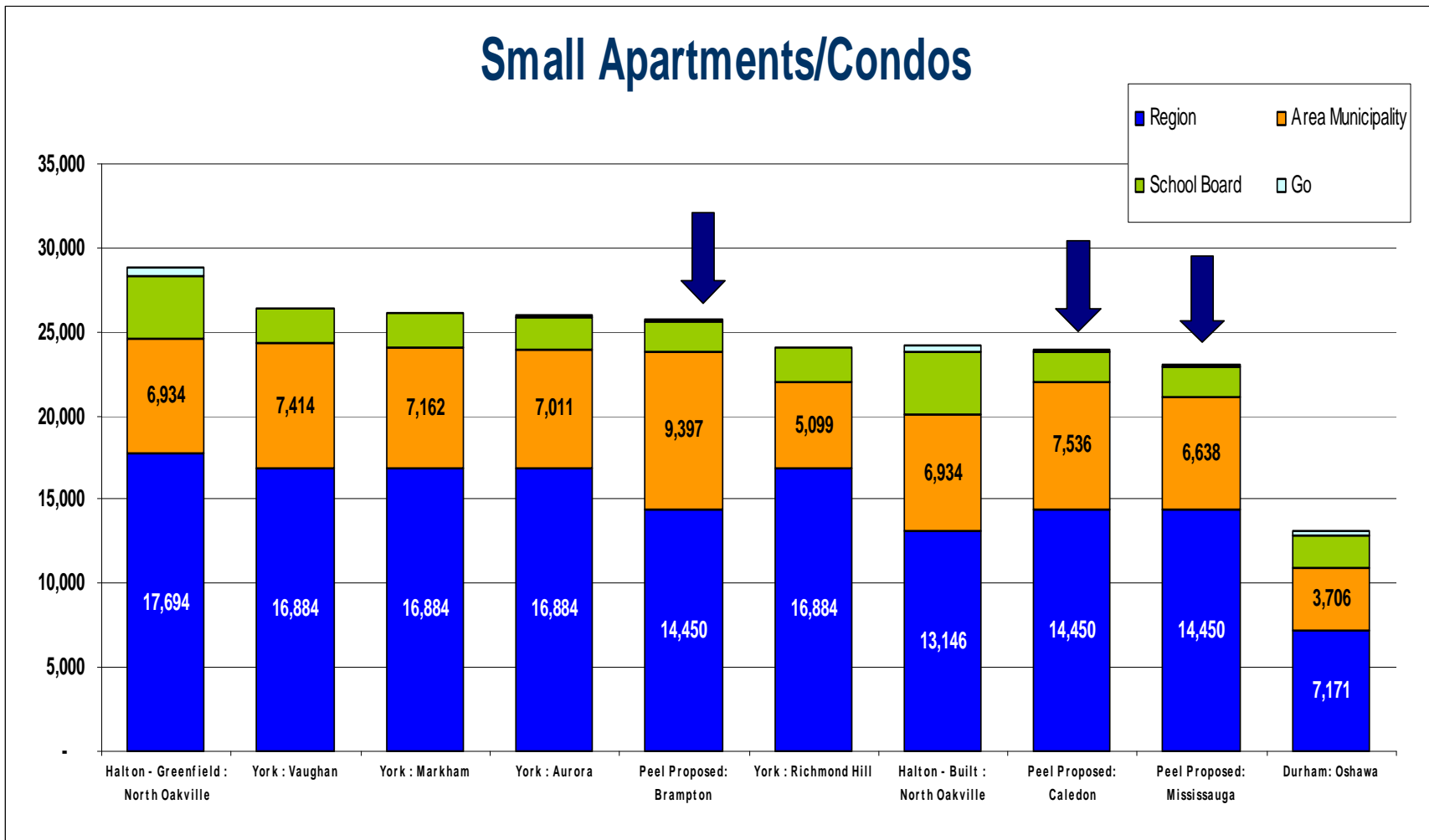
DC Rates - GTA Comparison



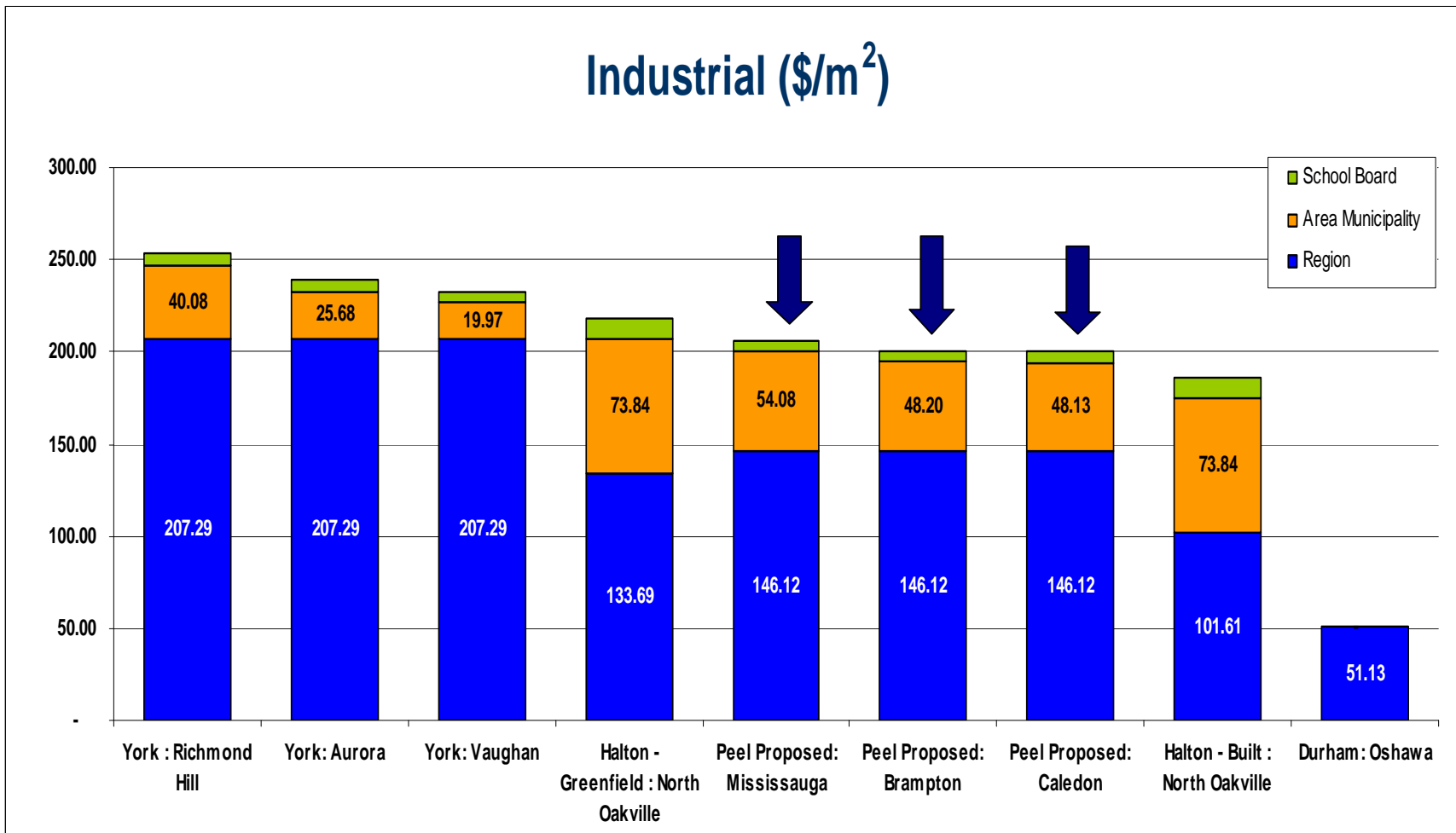
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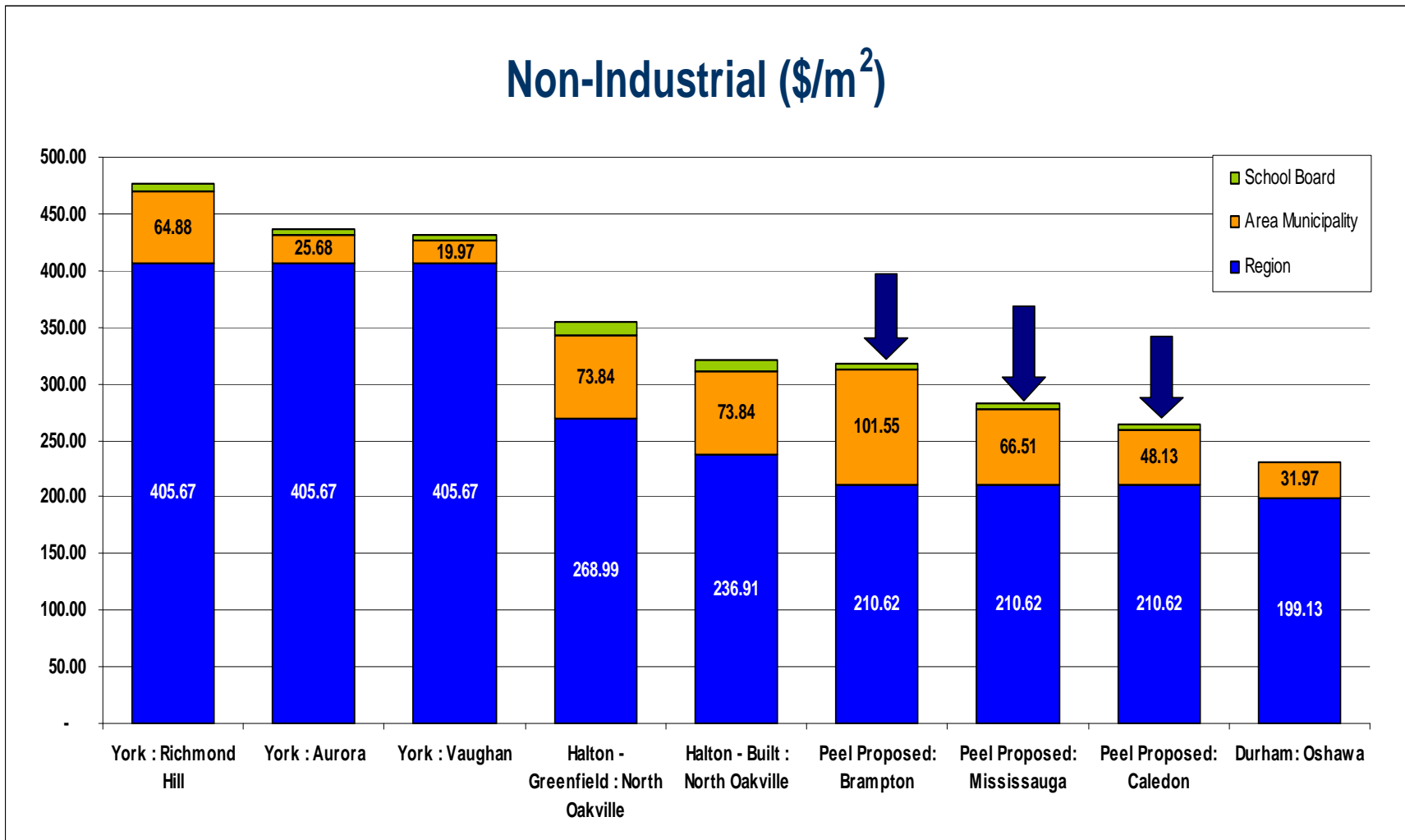
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DC Rates - GTA Comparison





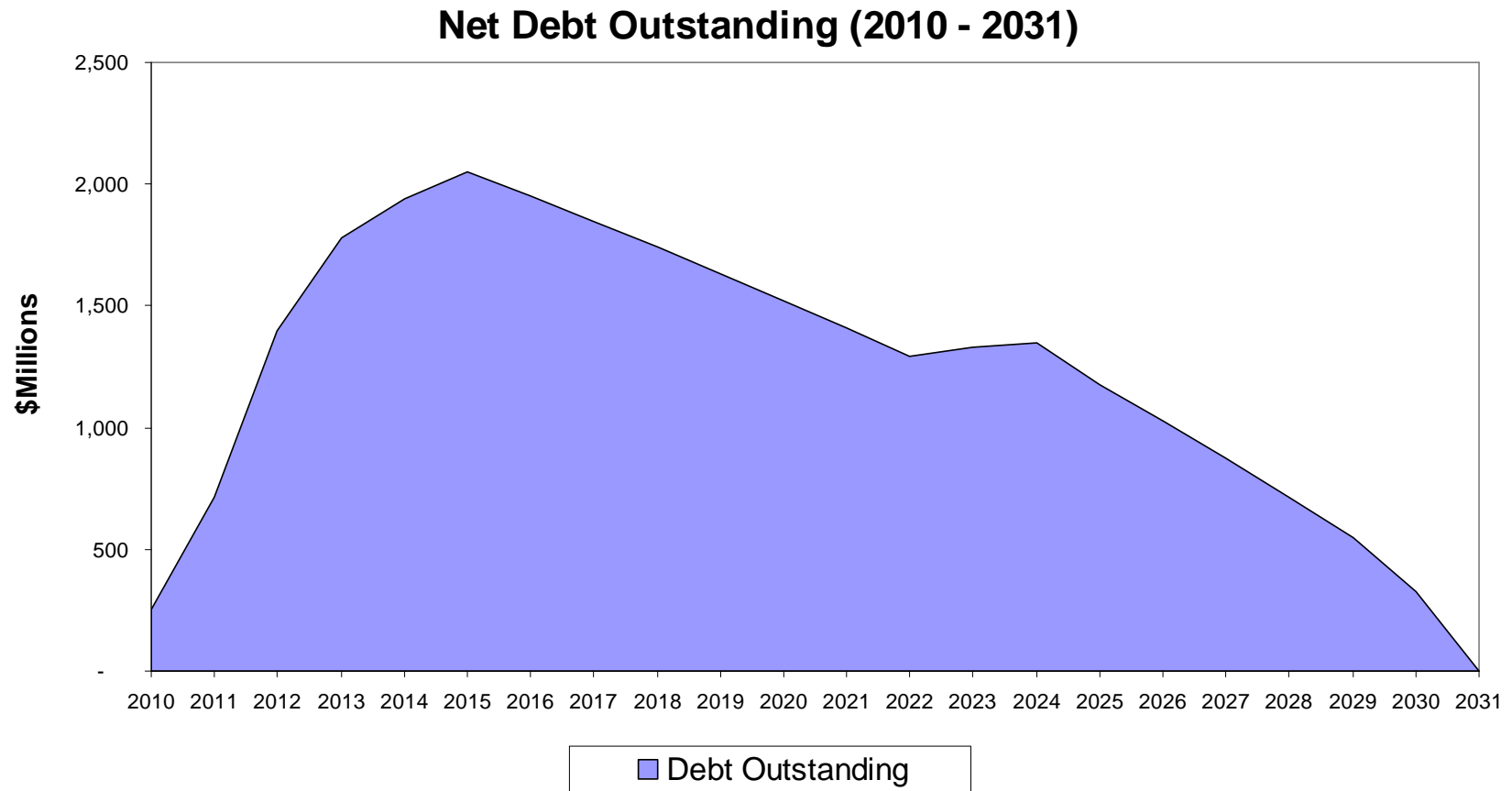
DC Increases – Attributable Factors

Compared to 2007 DC Update:

- Growth capital program has increased from \$3.3billion 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





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