



# Municipality of Clarington 2020 Development Charges Background Study

Development Industry Stakeholder Consultation

February 19, 2020

# Agenda



- Introduction
- Study Process
- Development Charges (D.C.) Calculation Methodology
- D.C. Background Study Findings
- D.C. Impacts and Municipal Comparisons
- D.C. By-law Policies
- Next Steps



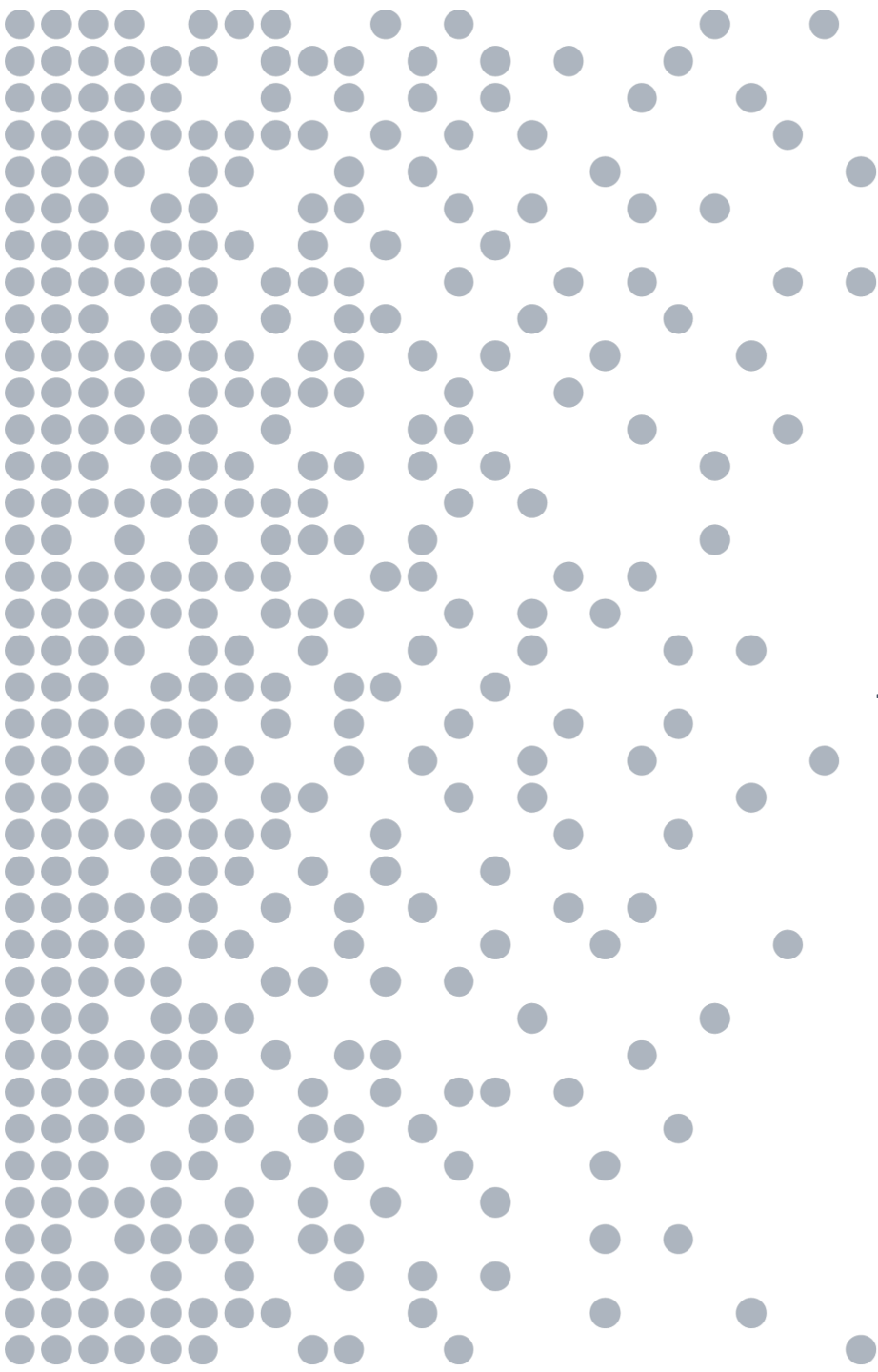
# Development Charges

## Purpose and Background

- To recover the capital costs associated with residential and non-residential growth within a municipality
- Municipalities are empowered to impose D.C.s via the *Development Charges Act, 1997*, as amended (D.C.A.)
- The Municipality of Clarington's D.C. By-law 2015-035 came into effect on July 1, 2015
- Under the requirements of the D.C.A., a D.C. by-law expires 5 years after the date it came into effect (i.e. June 30, 2020)

# Study Process

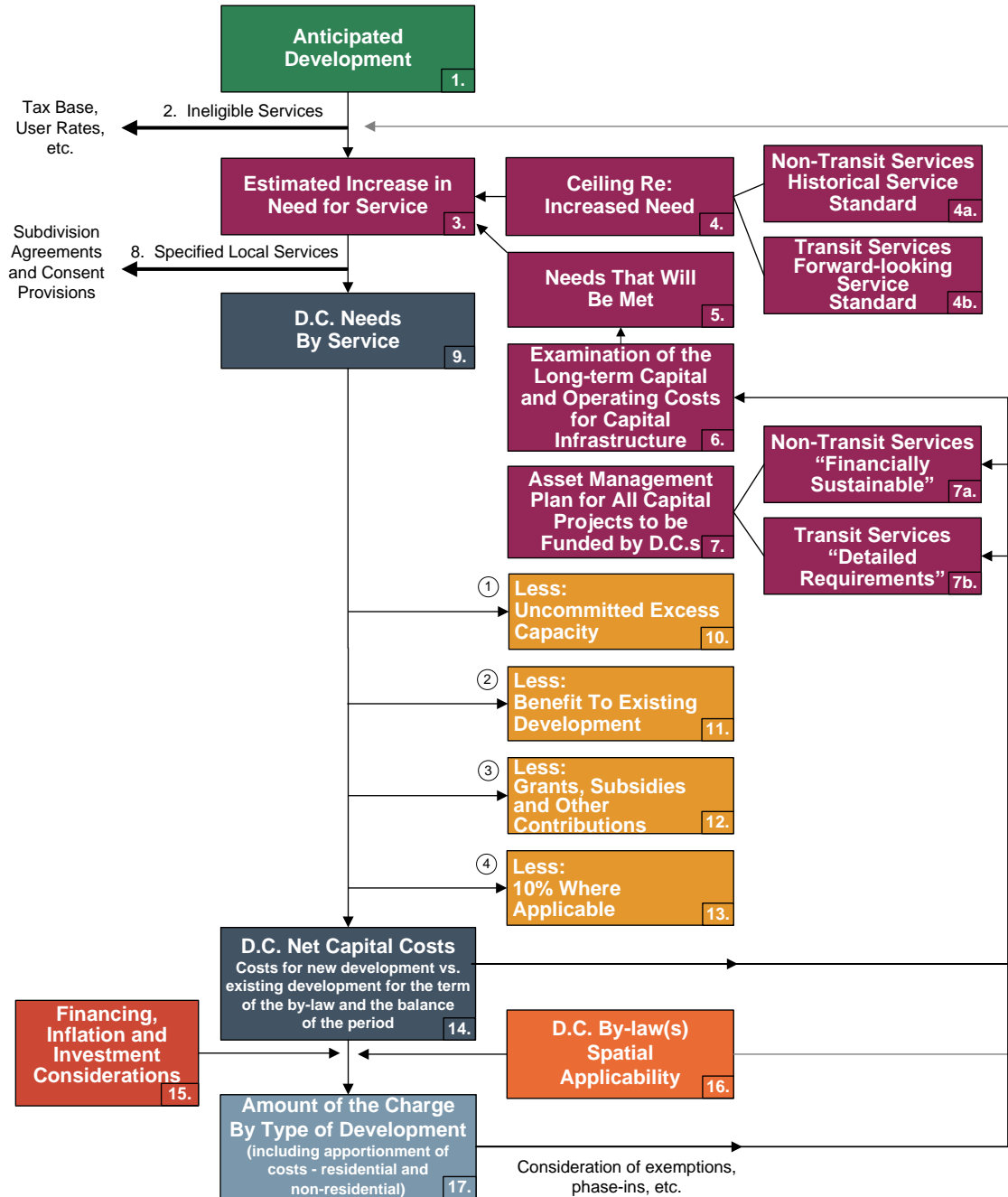


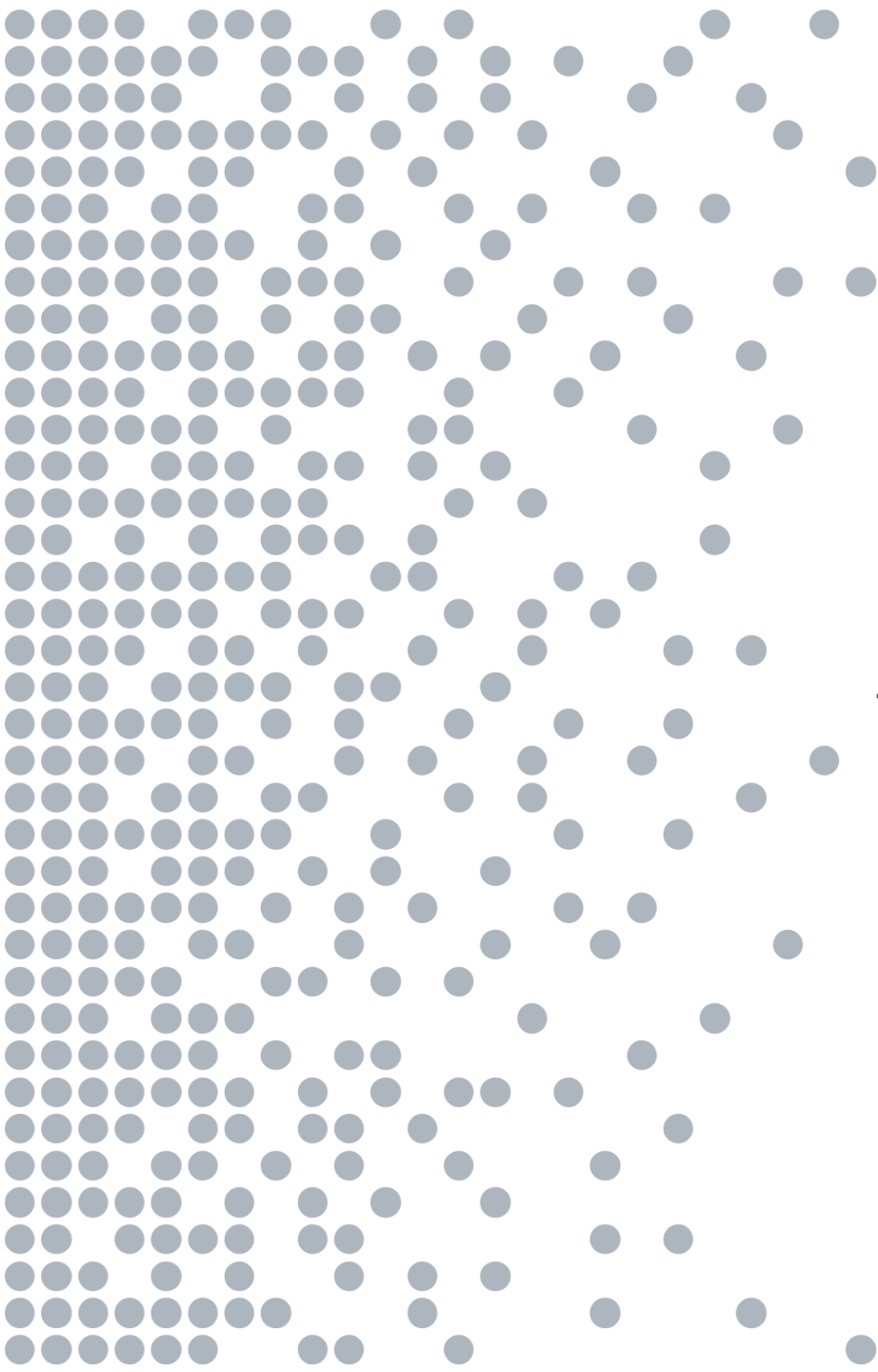


## Methodology

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The Process of Calculating a Development Charge under the Act that must be followed





## D.C. Background Study Findings

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Details in Technical Appendix  
provided under separate  
cover

# Growth Forecast



- Consistent with Region of Durham Official Plan to 2031

Time Horizon	Residential <sup>1</sup>		Non-Residential	
	Net Population	Residential Units	Employment <sup>2</sup>	Sq.m. of G.F.A.
Early 2020	98,394	36,112	21,861	
Early 2030	128,526	47,843	28,314	
Mid 2031	133,734	49,799	28,918	
Incremental Change				
10-year (2020-2030)	30,132	11,731	6,453	408,000
11-year (2020-2031)	35,340	13,687	7,057	461,000

1. Excludes institutional population

2. Excludes No fixed place of work & work at home





# Increase in Need for Service

## D.C. Service Definitions

### **Proposed Services**

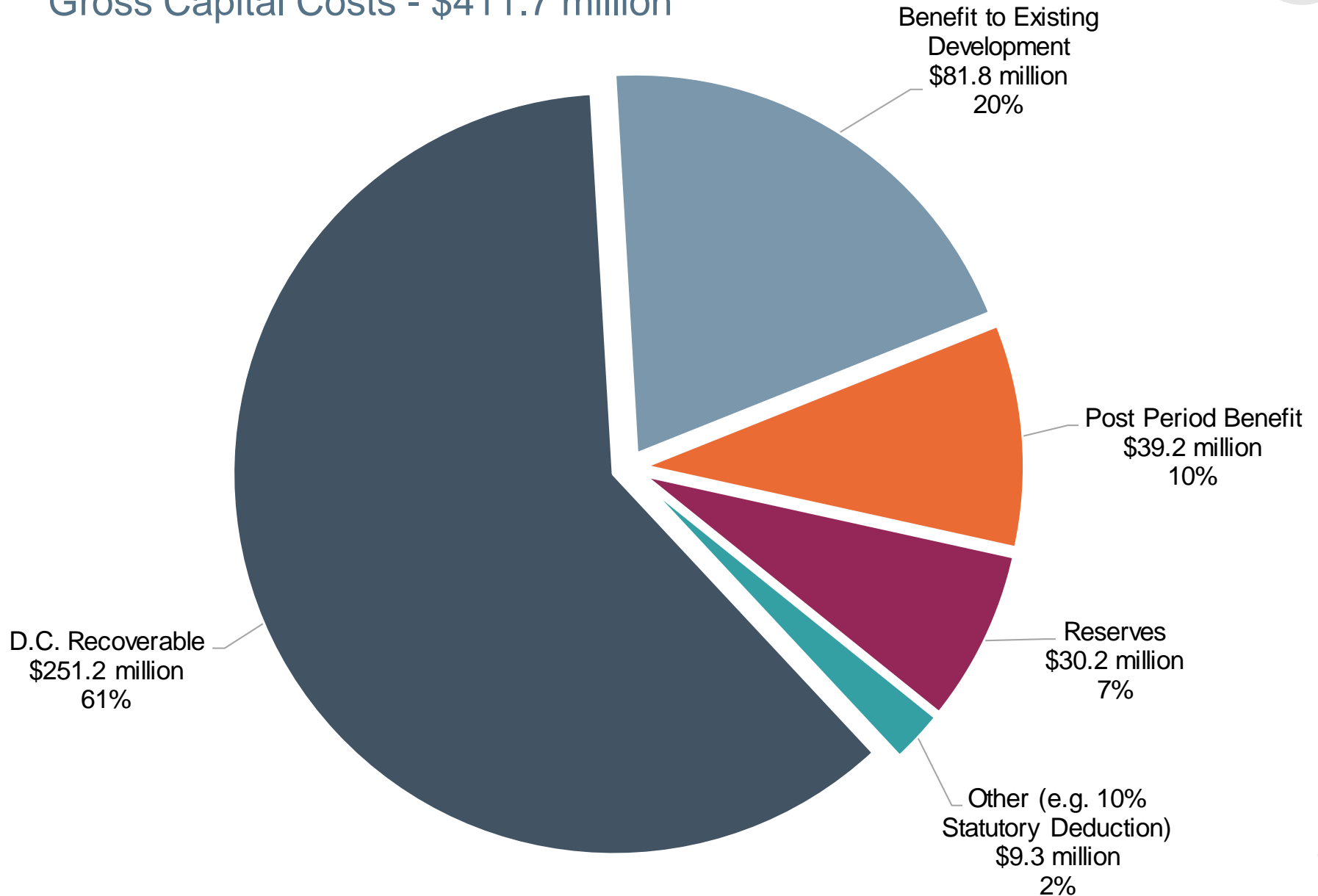
- 10-Year Services (2020-2029)
  - Fire
  - Parks and Recreation
  - Animal Services
  - Library
  - Parking
  - Administration Studies
- 11-Year Services (2020-2031)
  - Roads and Related

### **Current Services**

- Fire
- Parks
- Library
- Indoor Recreation
- Parking
- Administration Studies
- Operations
- Roads & Related

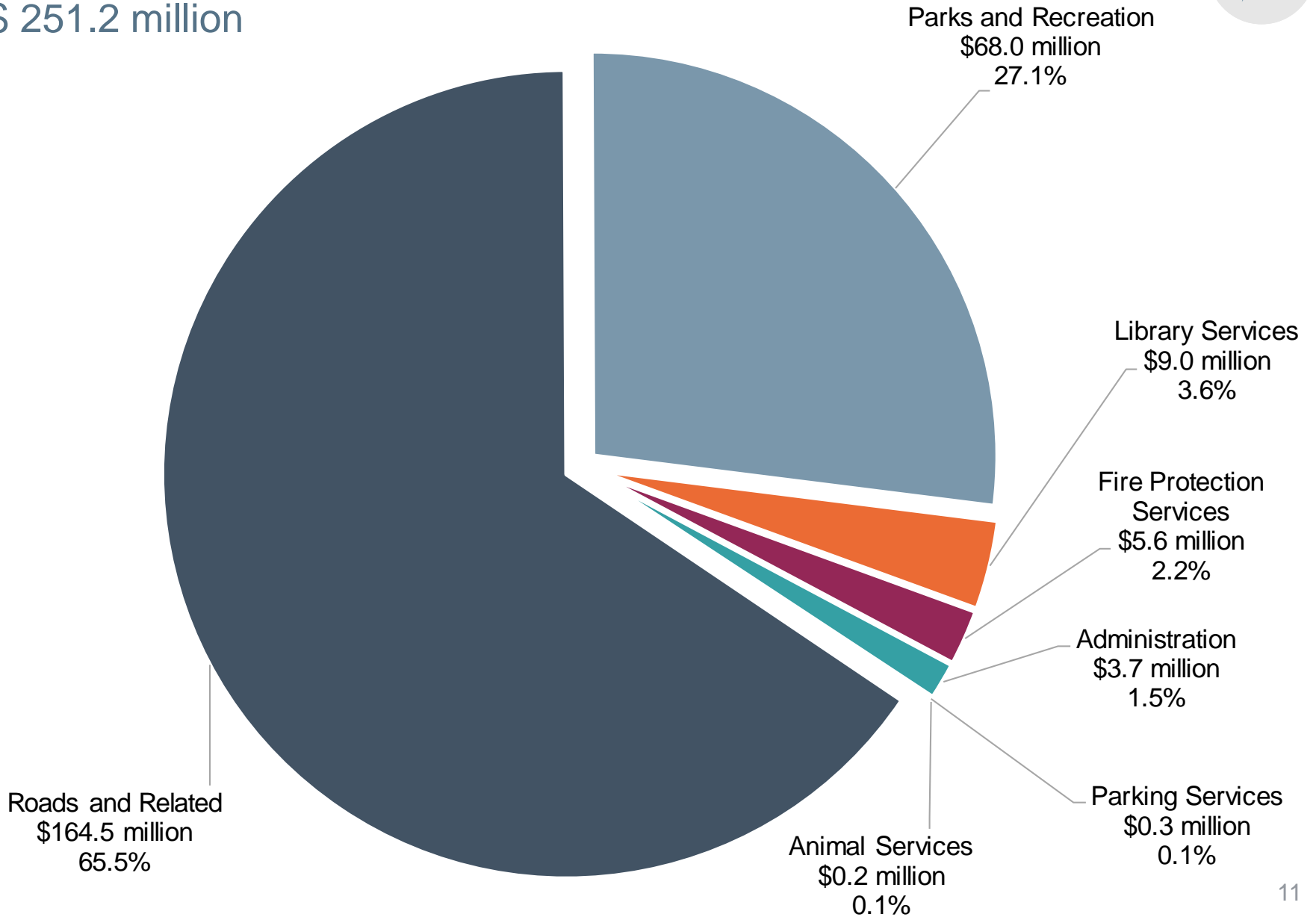
# Anticipated Capital Needs

Gross Capital Costs - \$411.7 million



# D.C. Recoverable Costs by Service

\$ 251.2 million



# Changes vs. 2015 D.C. Background Study



## Roads and Related Services

- D.C. recoverable costs of \$164.5 million vs. \$135.8 million in 2015 Study
- Anticipated capital needs for roads updated to reflect:
  - Additional needs identified in the Transportation Master Plan
  - Inclusion of public works share of Operations Services

## Fire Services

- D.C. recoverable costs of \$5.6 million vs. \$8.1 million in 2015 Study
- Anticipated capital needs updated to reflect:
  - Re-assessment of future fleet needs
  - Application of D.C. reserve fund balances (\$5.1 million vs. \$2.1 million in 2015)

# Changes vs. 2015 D.C. Background Study



## **Parks and Recreation Services**

- Parks, Indoor Recreation, and Operations Services (parks share) included within Parks and Recreation Services
- D.C. recoverable costs of \$68.0 million vs. \$46.2 million in 2015 Study
- Anticipated capital needs for updated to reflect:
  - Development of additional growth-related parks to 2029
  - Needs Identified in 2017 Indoor Facilities Strategy

## **Library Services**

- D.C. recoverable costs of \$9.0 million vs. \$5.4 million in 2015 Study
- Anticipated capital needs updated to reflect:
  - New South Bowmanville Library Branch
  - Provision for Courtice Street Library facility space

# Changes vs. 2015 D.C. Background Study



## **Animal Control Services**

- D.C. recoverable costs of \$152,000
  - Included within Operations Service in 2015 Study

## **Parking**

- D.C. recoverable costs of \$0.3 million vs. \$0.4 million in 2015 Study
- Capital needs include provision for additional off-street parking in Bowmanville

## **Administrative Studies**

- D.C. recoverable costs of \$4.4 million vs. \$3.6 million in 2015 Study



# Calculated Schedule of Development Charges

## Charge Structure

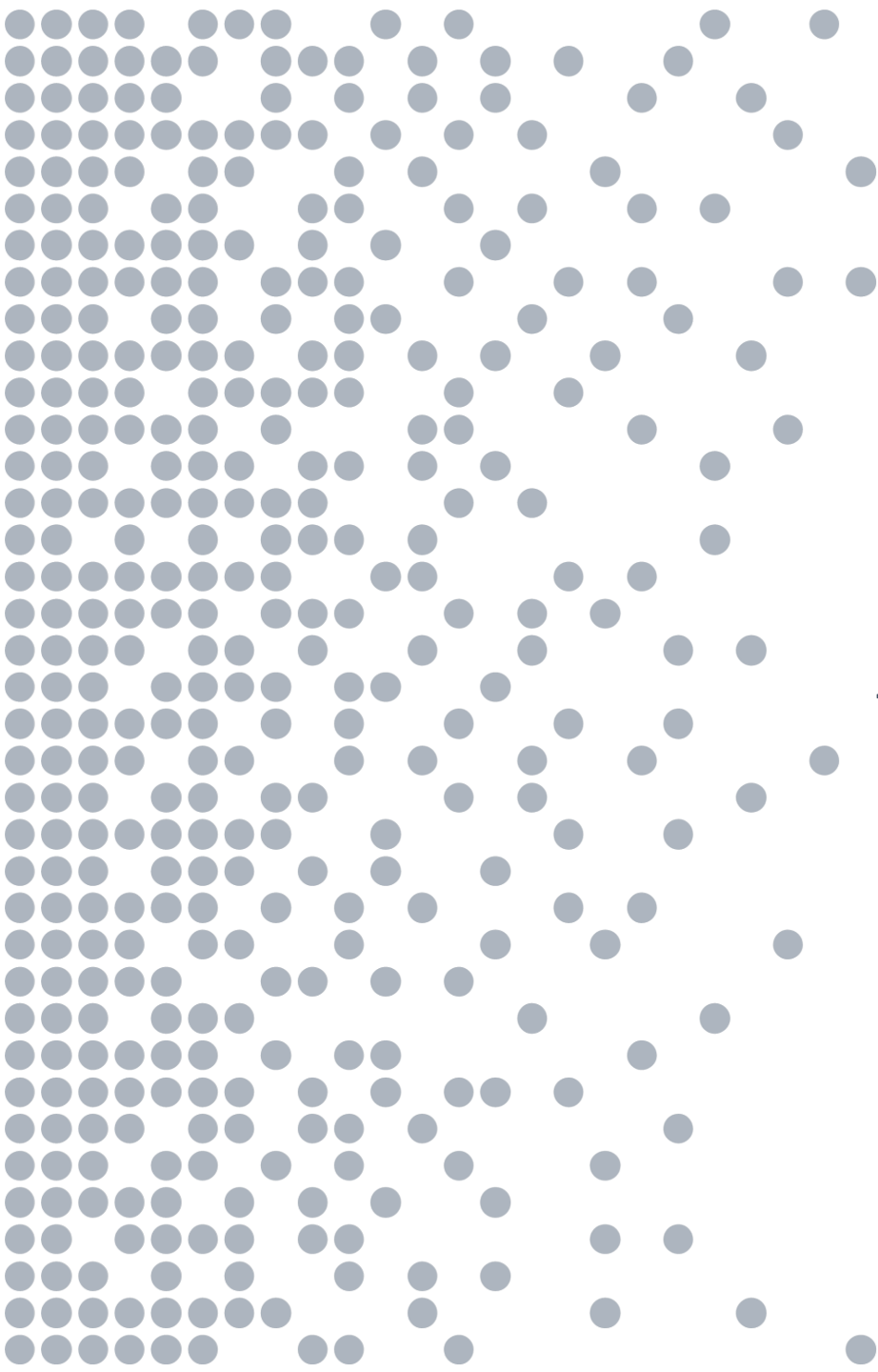
- The Municipality's 2015 D.C. By-law imposes charges for non-residential development, on a differentiated basis by industrial and non-industrial uses (Roads & Related services only)
- Lower density development assumptions are applied to industrial employment growth, as compared to commercial and institutional employment growth, based on floor space per worker surveys
- These development densities result in relatively lower calculated D.C.s for industrial development, as compared to commercial and institutional developments

# Calculated Schedule of Development Charges



Service	RESIDENTIAL				NON-RESIDENTIAL (per sq.m. of Gross Floor Area)	
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	Industrial	Non-Industrial
<b>Municipal Wide Services:</b>						
Roads and Related Services	11,582	6,166	3,785	9,493	32.82	100.20
Fire Protection Services	454	242	148	372	2.47	2.47
Parking Services	24	13	8	20	0.13	0.13
Parks and Recreation Services	6,899	3,673	2,255	5,655	-	-
Animal Services	15	8	5	12	-	-
Library Services	898	478	294	736	-	-
Administration	301	160	98	247	1.64	1.64
<b>Total Municipal Wide Services</b>	<b>20,173</b>	<b>10,740</b>	<b>6,593</b>	<b>16,535</b>	<b>37.06</b>	<b>104.44</b>





## D.C. Impacts and Municipal Comparisons

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# Development Charge Comparison

## Residential



**Residential (Single Detached) Comparison**

Service	Current	Calculated
<b>Municipal Wide Services:</b>		
Roads and Related Services	7,882	11,582
Fire Protection Services	911	454
Operations Services	884	n/a
Parking Services	45	24
Parks and Recreation Services	7,154	6,899
Animal Services	n/a	15
Library Services	844	898
Administration	428	301
<b>Total Municipal Wide Services</b>	<b>18,148</b>	<b>20,173</b>

# Development Charge Comparison

## Non-Residential



### Commercial/Institutional (per sq.m.) Comparison

Service	Current	Calculated
<b>Municipal Wide Services:</b>		
Roads and Related Services	62.08	100.20
Fire Protection Services	5.19	2.47
Operations Services	5.05	n/a
Parking Services	0.26	0.13
Parks and Recreation Services	-	-
Animal Services	n/a	-
Library Services	-	-
Administration	2.46	1.64
<b>Total Municipal Wide Services</b>	<b>75.04</b>	<b>104.44</b>

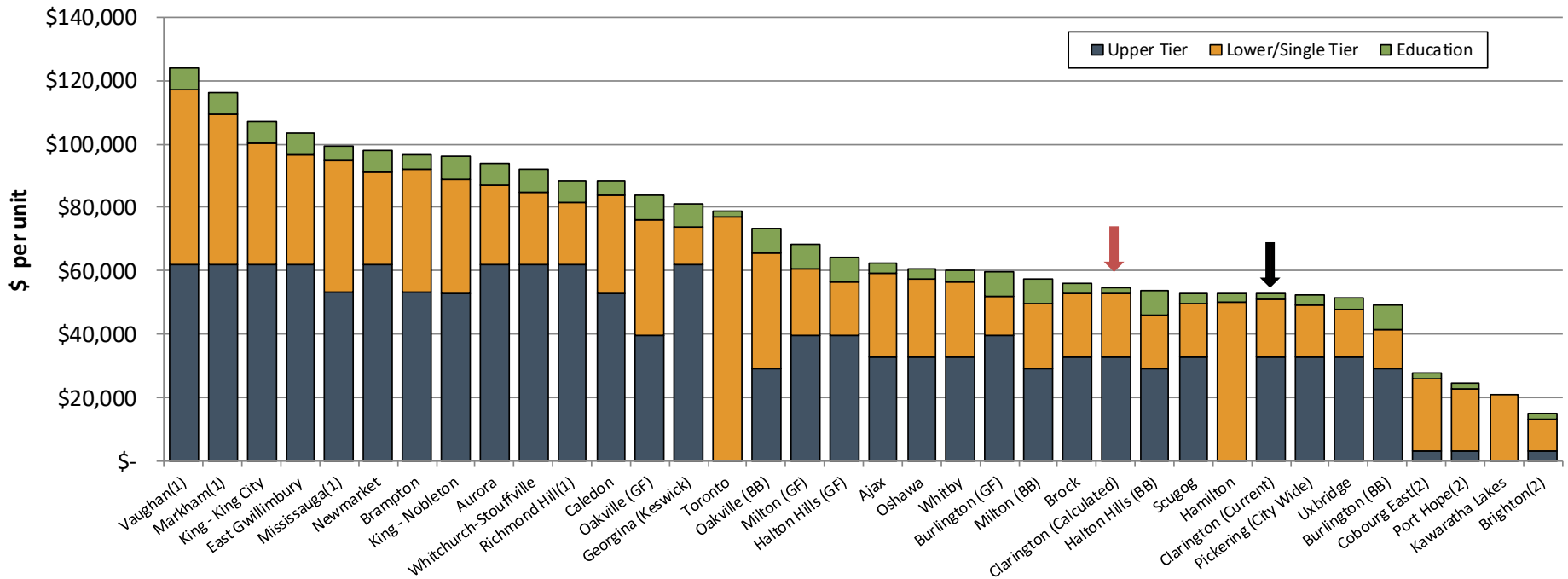
### Industrial (per sq.m.) Comparison

Service	Current	Calculated
<b>Municipal Wide Services:</b>		
Roads and Related Services	27.76	32.82
Fire Protection Services	5.19	2.47
Operations Services	5.05	n/a
Parking Services	0.26	0.13
Parks and Recreation Services	-	-
Animal Services	n/a	-
Library Services	-	-
Administration	2.46	1.64
<b>Total Municipal Wide Services</b>	<b>40.72</b>	<b>37.06</b>

# Municipal D.C. Comparison per Single Detached Residential Dwelling Unit



**Residential Development Charges  
Per Single Detached Dwelling for Greater Toronto Area Municipalities  
as of February 18, 2020**



BB=Built Boundary & GF=Greenfield.

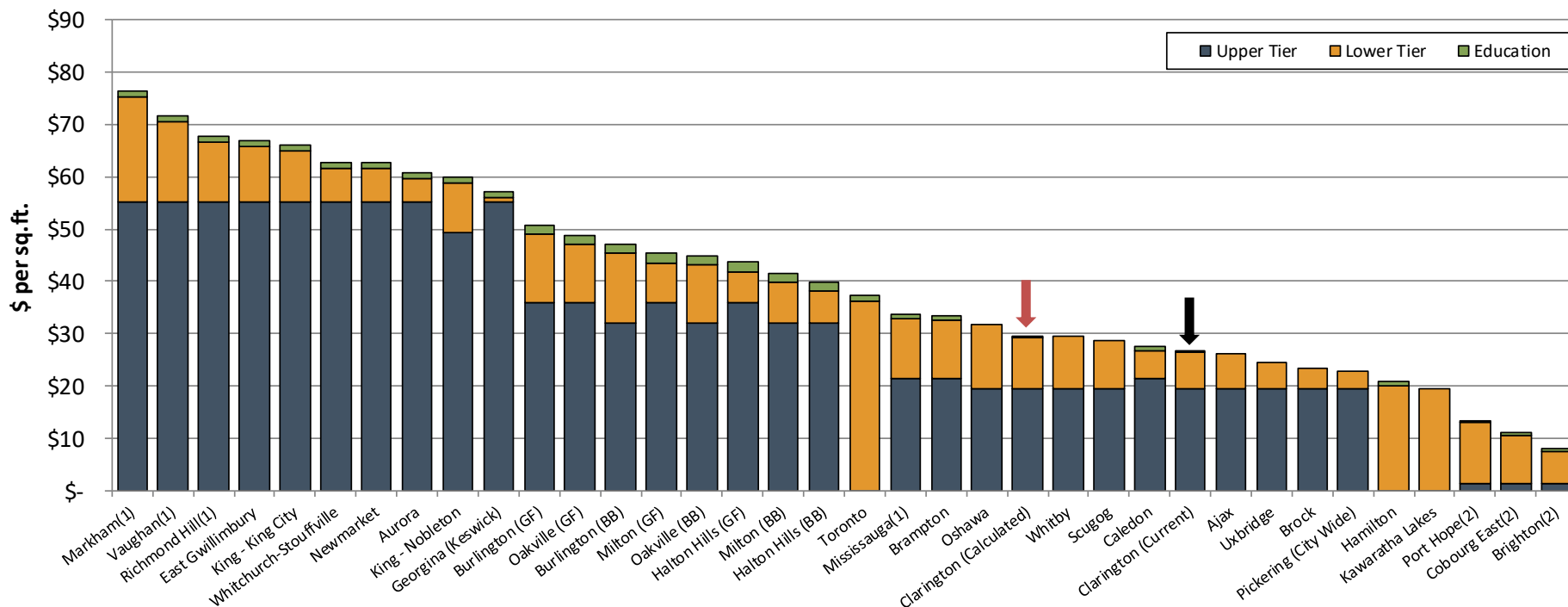
1. A component of the charge has been converted from a per hectare charge to a hypothetical single detached unit.
2. Upper tier charges reflect proposed 2020 charges.

# Municipal D.C. Comparison

## \$ per Square Foot of Retail Gross Floor Area



**Non-Residential Development Charges  
Per GFA of Retail Floor Area for Greater Toronto Area Municipalities  
as of February 18, 2020**



BB=Built Boundary & GF=Greenfield.

1. A component of the charge has been converted from a per hectare charge to a hypothetical charge per sq.ft. of G.F.A.

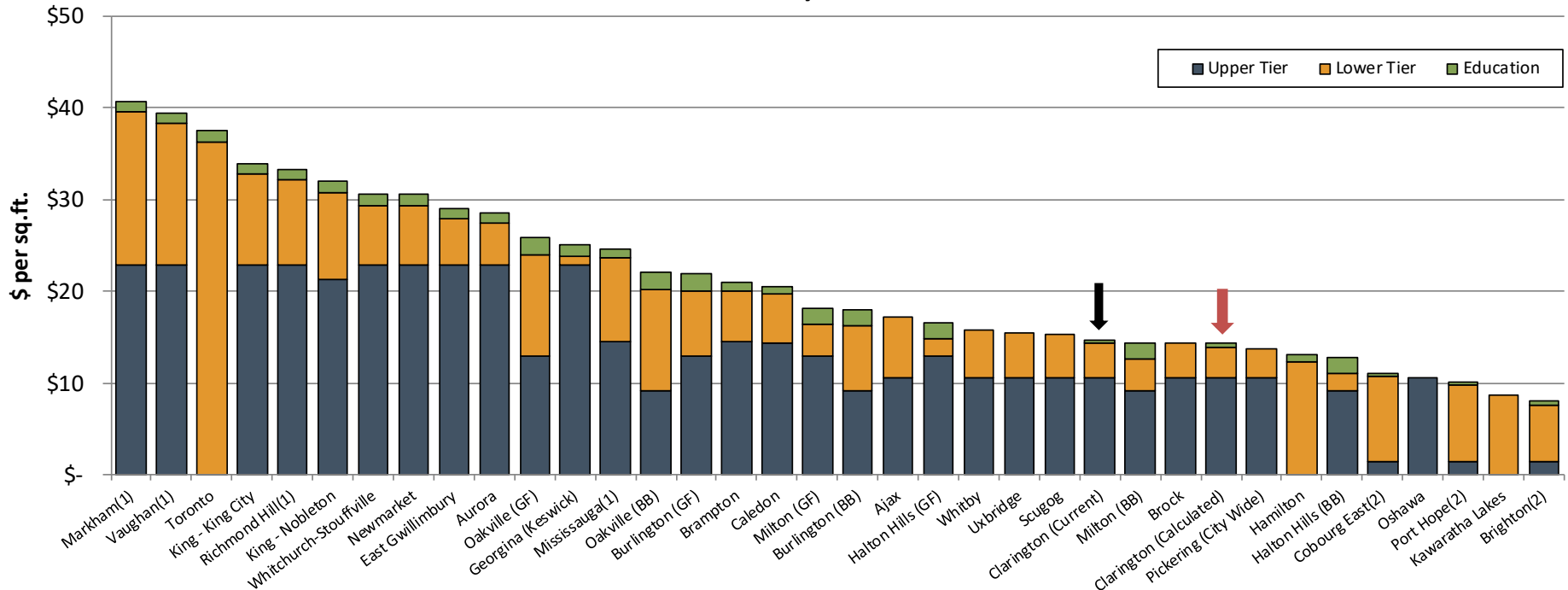
2. Upper tier charges reflect proposed 2020 charges.

# Municipal D.C. Comparison

## \$ per Square Foot of Industrial Gross Floor Area



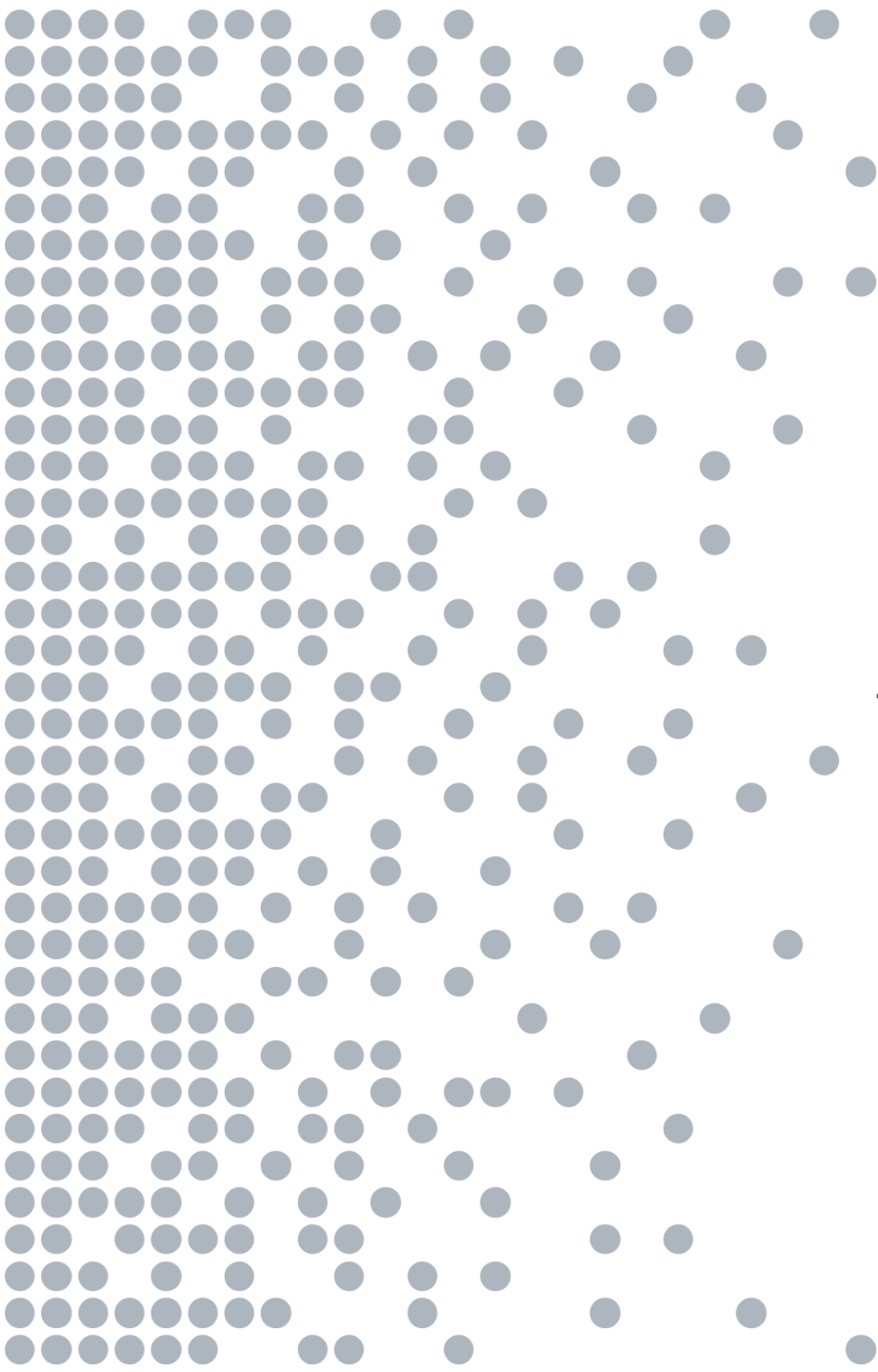
**Non-Residential Development Charges  
Per GFA of Industrial Floor Area for Greater Toronto Area Municipalities  
as of February 18, 2020**



BB=Built Boundary & GF=Greenfield.

1. A component of the charge has been converted from a per hectare charge to a hypothetical charge per sq.ft. of G.F.A.

2. Upper tier charges reflect proposed 2020 charges.



## D.C. By-law Policies

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# D.C. By-Law Policies

## Timing of Collection

- The Municipality's D.C. by-law will continue to provide for calculation and collection of the charges at the time of building permit issuance
- D.C. for developments proceeding through Site Plan or Zoning By-law Amendment will be determined based on the charges in effect on the day of the complete application
  - Charges to be frozen for a maximum period of 2 years after planning application approval





# D.C. By-Law Policies

## Timing of Collection

- Payment in installments
  - Rental housing and institutional developments would pay D.C.s in 6 equal annual payments, commencing from the date of occupancy
    - “**rental housing**” development means development of a building or structure with four or more dwelling units all of which are intended for use as rented residential premises
    - “**institutional development**” means development of a building or structure intended for use:
      - long-term care homes;
      - retirement homes;
      - universities and colleges;
      - memorial homes; clubhouses; or athletic grounds of the Royal Canadian Legion; and
      - Hospices



# D.C. By-Law Policies

## Timing of Collection

- Payment in installments (cont'd)
  - Non-profit housing would pay D.C.s in 21 equal annual payments, commencing from the date of occupancy
    - **“non-profit housing development”** means development of a building or structure intended for use as residential premises by,
      - a corporation without share capital to which the *Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing;
      - a corporation without share capital to which the *Canada Not-for-profit Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing; or
      - a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act*.
- Municipality’s current policy allows for deferrals for apartment buildings with at least 3 stories



# D.C. By-Law Policies

## Interest Charges

- The D.C.A. allows municipalities to charge interest on installment charges, and on charges determined at Site Plan or Zoning Bylaw Amendment application
- In this regard, the Municipality is reviewing their desired approach to determining and imposing interest charges



# D.C. By-Law Policies

## Statutory D.C. Exemptions

- The D.C.A. provides statutory exemptions for:
  - Industrial building expansions (may expand by 50% with no D.C.)
  - Residential intensification:
    - May add up to two apartments for a single detached home as long as size of home doesn't double
    - Add one additional unit in medium & high density buildings
  - Upper/Lower Tier Governments and School Boards



# D.C. By-Law Policies

## Statutory D.C. Exemptions

- Upon Proclamation
  - Statutory exemption for secondary residential
    - Exemption for the creation of additional dwelling units, in prescribed classes of existing residential buildings or structures ancillary to existing residential buildings, and
    - The creation of a second dwelling unit in prescribed classes of proposed new residential buildings, including structures ancillary to dwellings



## D.C. Policies

### Non-Statutory D.C. Exemptions – Current Exemptions to be Maintained

#### Full Exemptions

- Hospitals and colleges or universities
- Buildings used for research purposes located in the Clarington Science Park or the Clarington Energy Park
- Buildings or structures used for agricultural or agri-tourism purposes and farm bunkhouses;
- Places of worship
- For existing industrial buildings, enlargements of 100% or less, on the same lot, whether or not it is attached, excluding large industrial
- Existing commercial buildings less than 250 square metres, located in Revitalization areas, enlargements of 50% or less
- The conversion of a heritage building, located in Revitalization areas or on the Jury lands

#### 50% Exemption

- New industrial buildings on a vacant lot



## D.C. Policies

### Non-Statutory D.C. Exemptions - Current Exemptions to be Discontinued

#### 50% Exemptions

- Masonry-clad apartments or mixed-use buildings, 6 or more stories, located in the Bowmanville West Town Centre, with a density exceeding 100 units per hectare
- Masonry-clad multi-story mixed-use buildings with 2 or more stories, and a ground floor area that is 50% or less of the total GFA, located in Revitalization areas
- Masonry-clad apartment or retirement residence with 4 or more stories, located in revitalization areas



## D.C. By-Law Policies

### Redevelopment Credits – Current Policy to be Maintained

- Redevelopment credits on conversions or demolitions of existing buildings or structures are generally granted to recognize what is being replaced on site (not specific in the Act but provided by case law)
  - Redevelopment credits granted within 5-years of demolition
- Brownfield credits are available equal to the costs of assessment and cleanup, but not to exceed the total otherwise payable, excluding gas stations
- Expropriated land credit for a building relocated within the boundary of the original lot
- Relocation of a heritage building refund upon re-designation on new lot

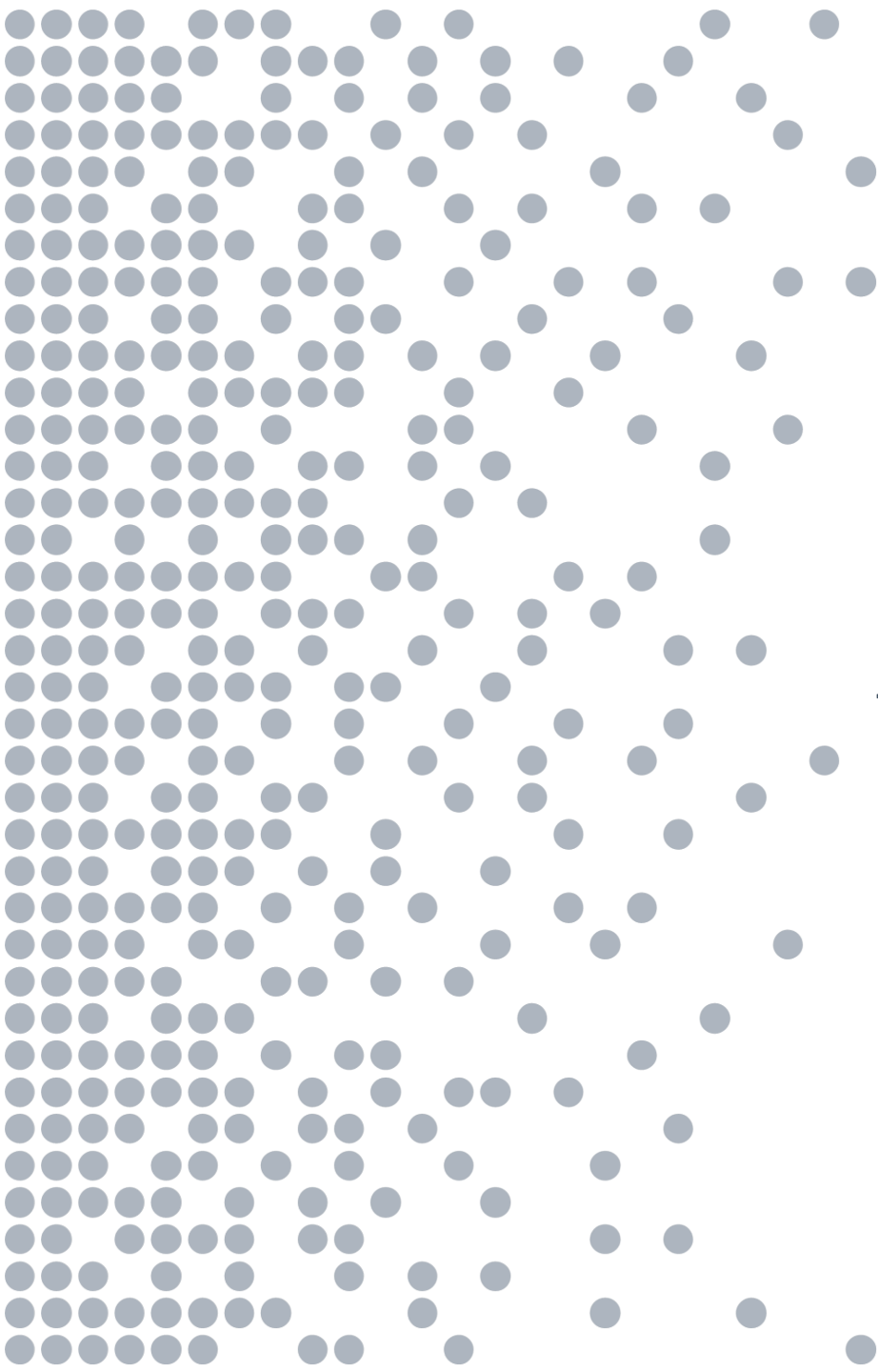




# D.C. By-Law Policies

## D.C. Indexing

- The current D.C. by-law provides for mandatory indexing of the charge on January 15<sup>th</sup> of each year
- Timing of indexing to be moved to July 1<sup>st</sup> of each year to align with the Region of Durham D.C. indexing provisions



## Next Steps

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# Next Steps



- Review feedback from stakeholders with Municipality's D.C. Project Steering Committee
- Council workshop to present draft findings and by-law policies (March 2020)
- Release D.C. Background Study to public at least 60 days prior to by-law passage (by April 15, 2020)
- Public Meeting of Council
- By-law Passage (June 15, 2020)
- Expiry of current by-law (June 30, 2020)