

# 2023 Development Charge Study

Bruce County Stakeholder Meeting

July 5, 2023

10:30 AM

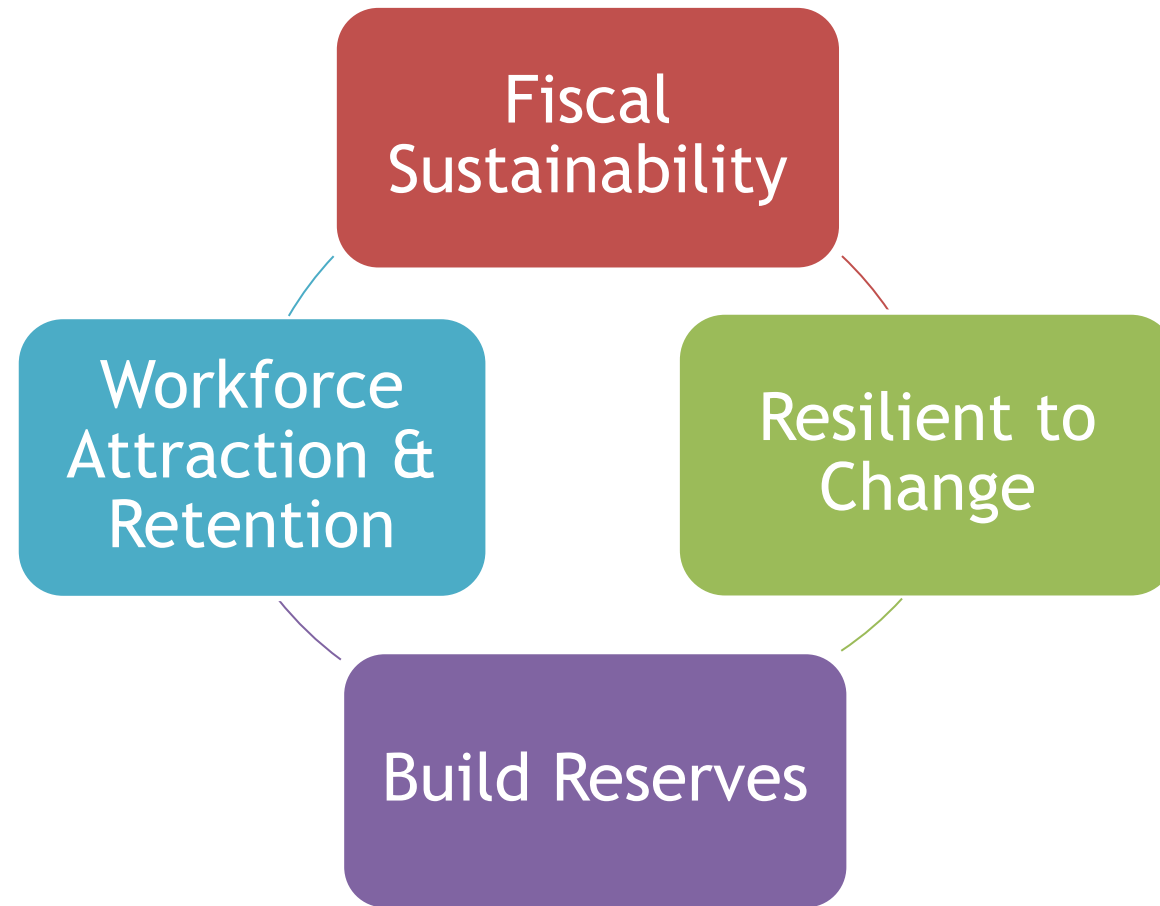
2023-01-19

**Why does the County want to collect DCs?**

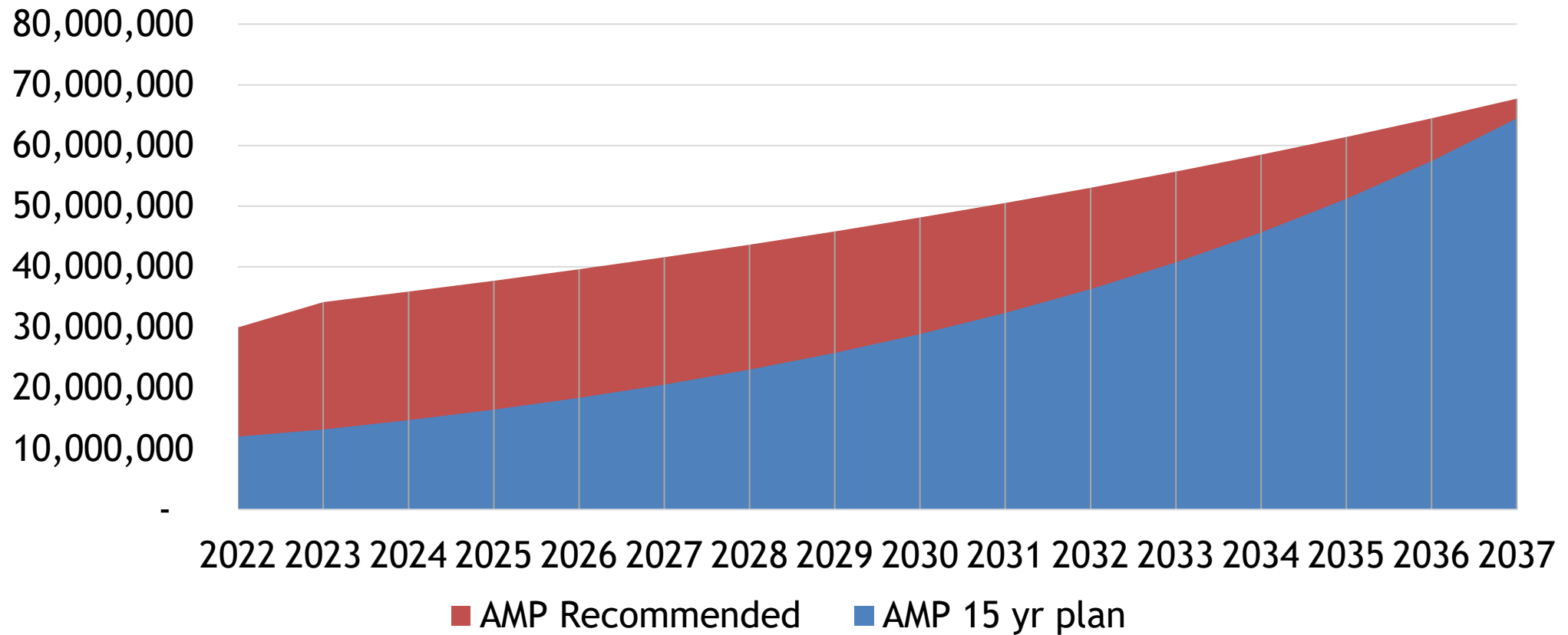
# Why does the County want to collect DCs?

- Funds needed for growth-related infrastructure
- Service levels will decrease without growth-related improvements
- County does not currently have funds to pay for replacement of existing infrastructure and has had to levy large tax increases
- Recurring 2.1% annual capital infrastructure renewal levy for next 15 years just for existing infrastructure
  - Still a shortfall that needs to be addressed
- DCs are an Alternate Revenue source mitigating having to raise property taxes

# 2023 Budget Theme: Strengthen the Foundation of our Core Services

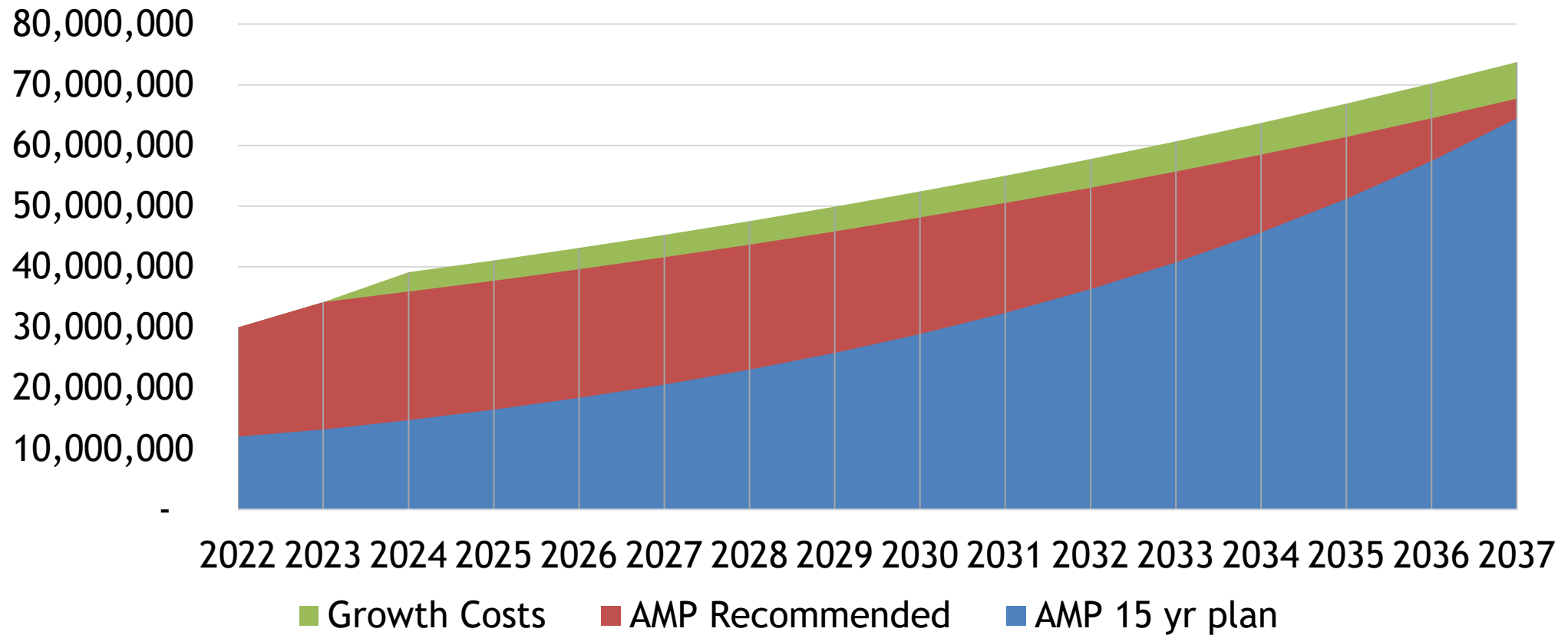


# Recommended Infrastructure Replacement Costs/Reserve Contributions



Red area is unfunded. Requires deferring repair/replacement, closing/removal of infrastructure, increased borrowing, or increased taxes.

# Recommended Infrastructure Replacement Costs/Reserve Contributions plus Growth Costs



Red and Green areas are unfunded. Requires deferring repair/replacement, closing/removal of infrastructure, increased borrowing, or increased taxes. Green can be funded by DCs.

## DCs are an Alternate Revenue source that reduces need to increase property taxes

- Approximately \$3,200,000 per year (plus inflation) to be collected to pay for new or expanded County infrastructure due to growth
- Currently \$621,184 equivalent to 1% tax levy increase for County
- 5.15% tax levy increase required if no DC revenues
  - Plus annual inflation increases
- Alternative is to not expand infrastructure to accommodate growth and permit service levels to decrease with more population
  - Or increase taxes and/or borrowing

# DCs can reduce tax increases due to growth

DC Service	Est. Cost over 10-14 years in 2023\$	Total DC Recoverable Costs	Residential DCs Recoverable Costs	Non-Residential DCs Recoverable Costs
Highways	86,771,000	38,646,900	29,758,113	8,888,787
Fleet	200,000	200,000	154,000	46,000
Parks & Rec	350,000	350,000	332,500	17,500
Long-term Care	3,500,000	3,500,000	3,150,000	350,000
Child Care	200,000	200,000	200,000	-
Ambulance	13,658,750	1,020,750	918,675	102,075
<b>Total</b>	<b>104,679,750</b>	<b>43,917,650</b>	<b>34,513,288</b>	<b>9,404,362</b>



## What the \$44 Million in DCs can assist to fund

- Port Elgin and Holyrood paramedic stations, new ambulance
- Roads and Bridges widenings, including Paisley and Walkerton bridges
- Roadway roundabouts, traffic signals, bike lanes, intersection improvements, and realignments
- Provision for Trails expansion and machinery
- Provision for Long-term Care expansion
- Provision for Child Care and Early Years program space

**Where will the DCs be raised from?**

# Residential Annual Construction Average 10-year Forecast (2023-2032)

Development Location	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Studio and 1 Bedroom	Net Seasonal Units*	Total DC Amount Collected Annually
Arran-Elderslie	10.6	1.6	-	-	0.1	<b>\$89,854</b>
Brockton	24.2	10.6	13.9	14	-	<b>\$350,157</b>
Huron-Kinloss	27.4	1.2	0.4	0.4	1.9	<b>\$233,698</b>
Kincardine	18.7	12.6	13.35	13.35	0.3	<b>\$315,324</b>
Saugeen Shores	25.9	53.5	31.15	31.15	4.1	<b>\$743,957</b>
Northern Bruce Peninsula	17.4	-	-	-	28.8	<b>\$354,123</b>
South Bruce	13.5	4.9	-	-	7.2	<b>\$182,671</b>
South Bruce Peninsula	14.7	1.9	-	-	0.1	<b>\$122,750</b>
<b>Total</b>	<b>152.4</b>	<b>86.3</b>	<b>58.8</b>	<b>58.9</b>	<b>42.5</b>	<b>\$2,392,533</b>
<b>Calculated Draft D.C. Rates</b>	<b>\$7,665</b>	<b>\$4,899</b>	<b>\$4,834</b>	<b>\$3,253</b>	<b>\$7,665</b>	
<b>Total D.C. Collected</b>	<b>\$1,168,146</b>	<b>\$422,784</b>	<b>\$284,239</b>	<b>\$191,602</b>	<b>\$325,763</b>	

# Non-Residential Annual Construction Average 10-year forecast (2023-2032)

Development Location	Industrial	Commercial	Institutional	Total Amount Collected Annually
Arran-Elderslie	9,350	720	1,920	\$35,251
Brockton	17,170	10,310	6,660	\$100,372
Huron-Kinloss	7,480	2,210	1,440	\$32,722
Kincardine	126,650	14,350	5,770	\$431,504
Saugeen Shores	11,220	26,040	7,340	\$131,124
Northern Bruce Peninsula	2,890	3,290	1,650	\$23,020
South Bruce	2,720	2,070	550	\$15,700
South Bruce Peninsula	2,380	4,860	2,260	\$27,930
<b>Total</b>	<b>179,860</b>	<b>63,850</b>	<b>27,590</b>	<b>\$797,622</b>
<b>Calculated Draft D.C. Rates (Blended)</b>	<b>\$2.94</b>			
<b>Total D.C. Collected</b>	<b>\$528,788</b>	<b>\$187,719</b>	<b>\$81,115</b>	

## Total DCs Collected Annually by Municipality (Residential and non-Residential) compared to Property Tax

Location	DCs Collected	DCs %	County Property Taxes	Taxes %
Arran-Elderslie	\$125,105	4%	\$3,539,235	6%
Brockton	\$450,529	14%	\$5,675,256	9%
Huron-Kinloss	\$266,420	8%	\$6,905,903	11%
Kincardine	\$746,828	23%	\$11,212,699	18%
Saugeen Shores	\$875,081	27%	\$14,277,547	23%
Northern Bruce Peninsula	\$377,143	12%	\$7,792,508	13%
South Bruce	\$198,370	6%	\$3,427,701	6%
South Bruce Peninsula	\$150,680	5%	\$9,353,184	15%
<b>Total</b>	<b>\$3,190,155</b>	<b>100%</b>	<b>\$62,184,033</b>	<b>100%</b>

# Survey of Attendees

# When should the County collect the DCs?

- Two options for DC collections
  - Subdivision Approval (Requires collection at Subdivision and Building Permit)
  - Building Permit Approval
- Collection at Subdivision Approval and Building Permit Approval
  - Can only collect Water, Wastewater, Stormwater, and Roads DCs
  - Cannot collect Paramedic, Parks & Recreation, Childcare, Long-term Care DCs
- Collection at Building Permit Approval only
  - Can collect all DCs

Questions or comments?