



 **Watson
& Associates**
ECONOMISTS LTD.

Bruce County Development Charges Study

Council Meeting
July 15, 2021

Agenda



- Study Process and Timelines
- D.C. Overview
- D.C. Growth Forecast and Draft Calculations
- D.C. Survey
- Next Steps
- Questions

Study Process & Timelines



- Meetings with County staff, growth forecast development, and policy review (January 2021 to March 2021)
- Council workshop (February 25, 2021)
- Stakeholder meeting (February 25, 2021)
- Stakeholder meeting (June 10, 2021)
- **Council meeting (July 15, 2021)** ←
- Stakeholder meeting (date to be determined)
- Release of background study (August 2021)
- Public meeting of Council (September 9, 2021)
- Council consideration of by-law passage (date to be determined)

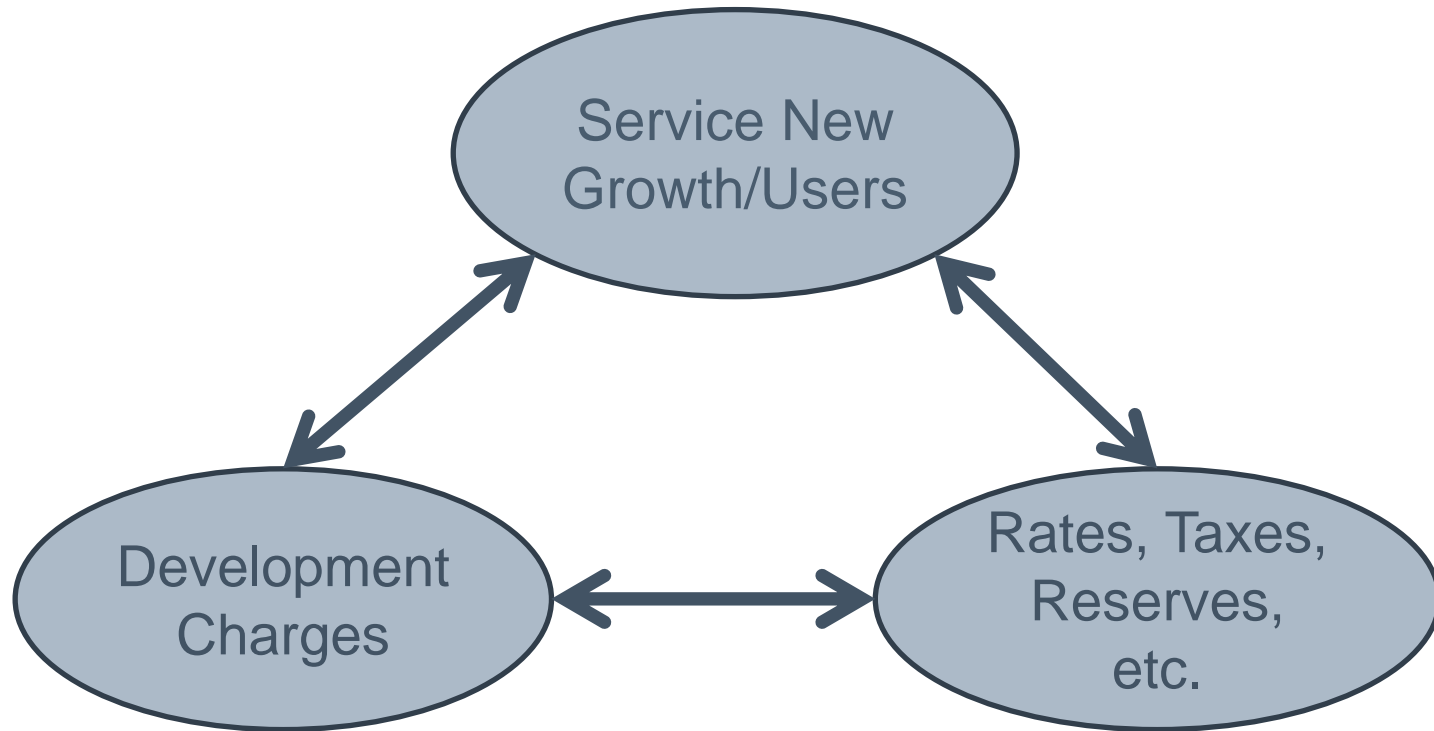
Development Charges (D.C.)



Purpose:

- To recover the incremental capital costs associated with residential and non-residential growth within a municipality
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, sewers, watermains, roads, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the Development Charges Act (D.C.A.)

Relationship Between Needs to Service Growth vs. Funding



Overview of the D.C. Calculation



Mandatory Exemptions



- Upper/Lower Tier Governments and School Boards
- for industrial building expansions (may expand by 50% with no D.C.)
- May add up to 2 apartments in a single as long as size of home doesn't double
- Add one additional unit in medium & high-density buildings
- Residential development (additional unit or ancillary dwelling) in new dwelling units (as per Bill 108)
- Development of lands intended for use by a university that receives operating funds from the Government.

Discretionary Exemptions



- Reduce in part or whole D.C. for types of development or classes of development (e.g. industrial or churches)
- May phase-in over time
- Redevelopment credits to recognize what is being replaced on site (not specific in the Act but provided by case law)



Common Discretionary Exemptions

- Places of worship
- Bona fide farm buildings (but not the house)
- Industrial development
- Downtowns or infill development
- Brownfield redevelopment
- Hospitals
- Non-profit or affordable housing

Draft Growth Forecast Summary



Forecast Period	10 Year 2021-2030	16 Year 2021-2036
(Net) Population Increase	7,972	11,522
Residential Unit Increase	3,535	5,116
Non-Residential Gross Floor Area Increase (ft ²)	2,195,300	3,181,500



Potential Services to be Considered for Development Charges

- Services Related to a Highway;
- Parks & Recreation (Trails);
- Library;
- Ambulance;
- Long-term Care;
- Child Care;
- Social Housing; and
- Growth Studies related to the above services.

Additional D.C. Eligible Services Not Included:

- Emergency Preparedness;
- Public Health;
- Transit; and
- Provincial Offences Act.

Service Standards



- Service Standard measure provides a ceiling on the level of the charge which can be imposed
- D.C.A., 1997 provides that the ceiling is based on the “average of the past 10 years”
- The D.C.A. requires a detailed review of service levels and requires consideration of both “quality” and “quantity” measures
- This involves reviewing capital inventories in detail over previous 10 years
- Note: For Transit Services a forward-looking service standard is required



Level of Service Ceiling – Maximum vs. Utilized (DRAFT)

Service Category	Sub-Component	Maximum Ceiling LOS	Utilized	Remaining
Service Related to a Highway	Services Related to a Highway - Roads	46,099,522		
	Services Related to a Highway - Bridges, Culverts & Structures	29,036,592	11,075,000	64,160,203
	Services Related to a Highway - Traffic Signals & Streetlights	99,089		
Public Works	Services Related to a Highway - Facilities	1,485,071	2,500,000	6,035
	Services Related to a Highway - Vehicles & Equipment	1,020,964		
Park Trails	Mountain Bike Trails	189,415	180,000	9,415
Library	Library Services - Facilities - HQ	193,480		
	Library Services - Facilities - Shelving & Equipment	38,664	100,000	672,168
	Library Services - Collection Materials	540,023		
Ambulance	Ambulance Facilities	321,032	579,400	404
	Ambulance Vehicles	258,771		
Long-term Care	Long-term Care Facilities	3,474,198	3,450,000	27,068
	Long-term Care Vehicles and Equipment	2,870		
Childcare and Early Years Programs	Child Care and Early Years Programs - Facilities	107,064	-	107,064
Housing Services	Housing Services - Facilities	14,628,540	5,937,000	8,702,141
	Housing Services - Vehicles	10,600		

Note: Service standard calculations for services related to a highway are still under review due to ongoing work with the Master Transportation Plan

Capital Infrastructure Needs (DRAFT)



Services	Forecast Period	Gross Capital Cost Estimate (2021\$)	Deductions	Total D.C. Recoverable	Residential D.C. Recoverable Costs	Non-residential D.C. Recoverable Costs
Services Related to a Highway - Roads	16-Year	31,670,000	20,595,000	11,075,000	8,749,250	2,325,750
Services Related to a Highway - Public Works	16-Year	2,500,000	-	2,500,000	1,975,000	525,000
Parks & Recreation Services (trails)	10-Year	180,000	-	180,000	171,000	9,000
Library Services	10-Year	100,000	-	100,000	95,000	5,000
Ambulance Services	10-Year	5,305,000	4,725,600	579,400	521,460	57,940
Long-Term Care Services	10-Year	3,450,000	-	3,450,000	3,105,000	345,000
Child Care Services	10-Year	-	-	-	-	-
Social Housing	10-Year	26,505,000	20,568,000	5,937,000	5,937,000	-
Growth Studies	10-Year	1,243,700	443,010	800,690	632,150	168,040
Total		70,953,700	46,331,610	24,622,090	21,185,860	3,435,730

*Deductions relate to post period benefit, benefit to existing development, grants, subsidies, and other contributions, and other deductions.

Note: Capital needs for services related to a highway are based on the draft Master Transportation Plan and are still under review.

Calculated Development Charges (DRAFT)



Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:						
Services Related to a Highway	2,370	1,467	1,505	1,109	990	0.90
Parks and Recreation Services	54	33	34	25	23	0.01
Library Services	30	19	19	14	13	0.01
Growth Studies	181	112	115	85	76	0.07
Long-term Care Services	987	611	627	462	412	0.15
Child Care and Early Years Programs	-	-	-	-	-	0.00
Ambulance	166	103	105	78	69	0.03
Housing Services	1,888	1,169	1,199	883	789	0.00
Total Municipal Wide Services/ Class of Services	5,676	3,514	3,604	2,656	2,372	1.17

County DC Comparison



County	Single/Semi-Detached
Simcoe	\$9,984
Peterborough	\$8,581
Grey	\$7,524
Bruce	\$5,676
Wellington	\$5,529
Oxford	\$3,741
Dufferin	\$3,579

County	Non-residential (per sq. ft.)
Simcoe	\$3.51
Wellington	\$1.60
Peterborough	\$1.23
Oxford	\$1.22
Bruce	\$1.17
Dufferin	\$0.79
Grey	\$0.00

Rate Survey – Single and Semi-detached Dwellings



Bruce County Municipalities Only

As of June 29, 2021

Municipality	Lower Tier Charges	Upper Tier Charges	Total Development Charges
Saugeen Shores	\$17,162	\$5,676	\$22,838
Kincardine	\$13,921	\$5,676	\$19,597
South Bruce Peninsula (Outside South Wiarton)	\$10,708	\$5,676	\$16,384
Huron-Kinloss (Ripley Settlement Area) ¹	\$4,590	\$5,676	\$10,266
Brockton	-	\$5,676	\$5,676
Arran-Elderslie	-	\$5,676	\$5,676
Northern Bruce Peninsula	-	\$5,676	\$5,676
South Bruce	-	\$5,676	\$5,676

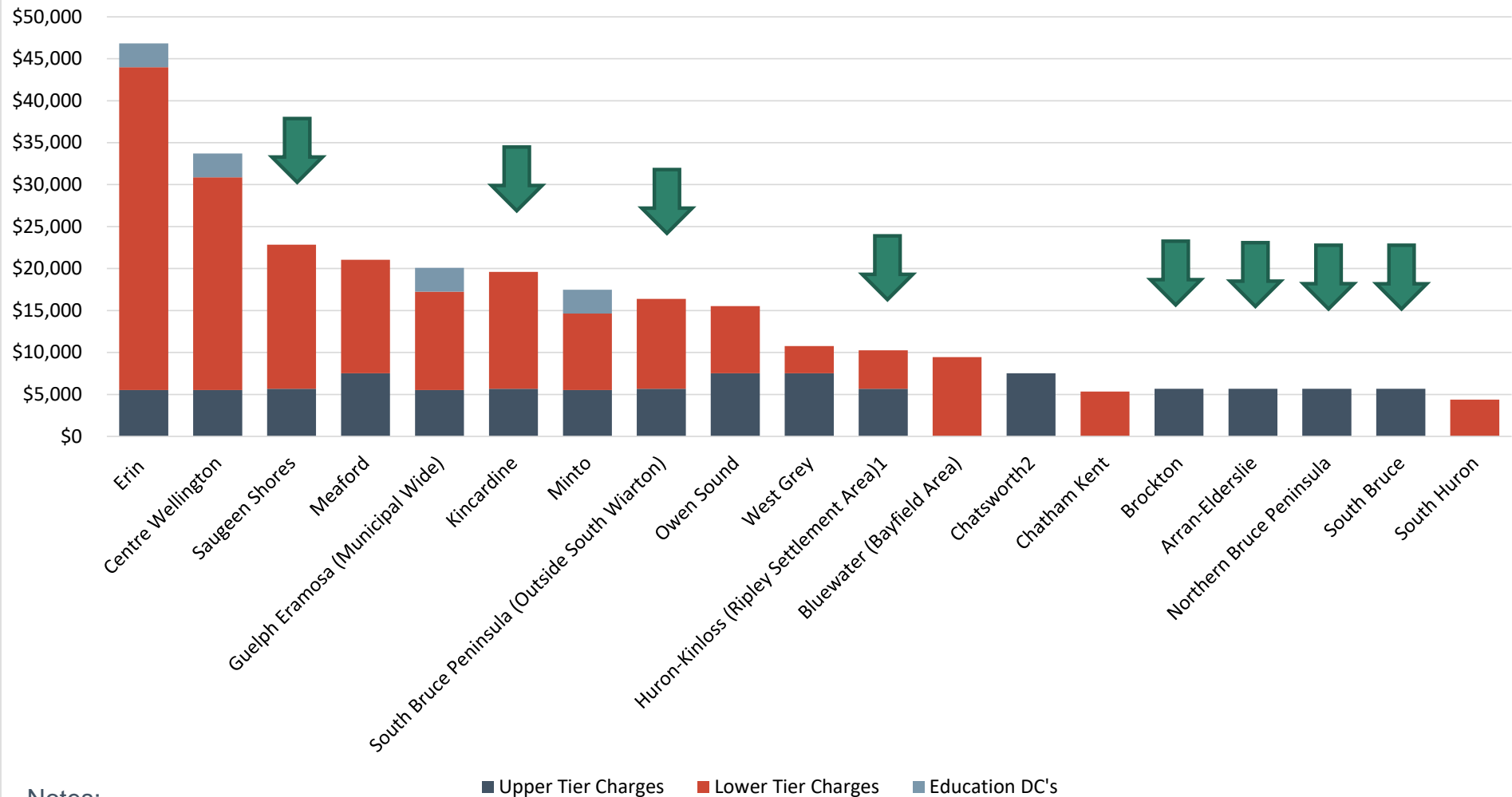
¹Inflated by 2%

Rate Survey – Single and Semi-detached Dwellings

Bruce County and Surrounding Municipalities



As of June 29, 2021



Notes: ■ Upper Tier Charges ■ Lower Tier Charges ■ Education DC's

- 1: Inflated by 2%
- 2: D.C. Study currently underway

Rate Survey – Commercial

Bruce County Municipalities Only



As of June 29, 2021

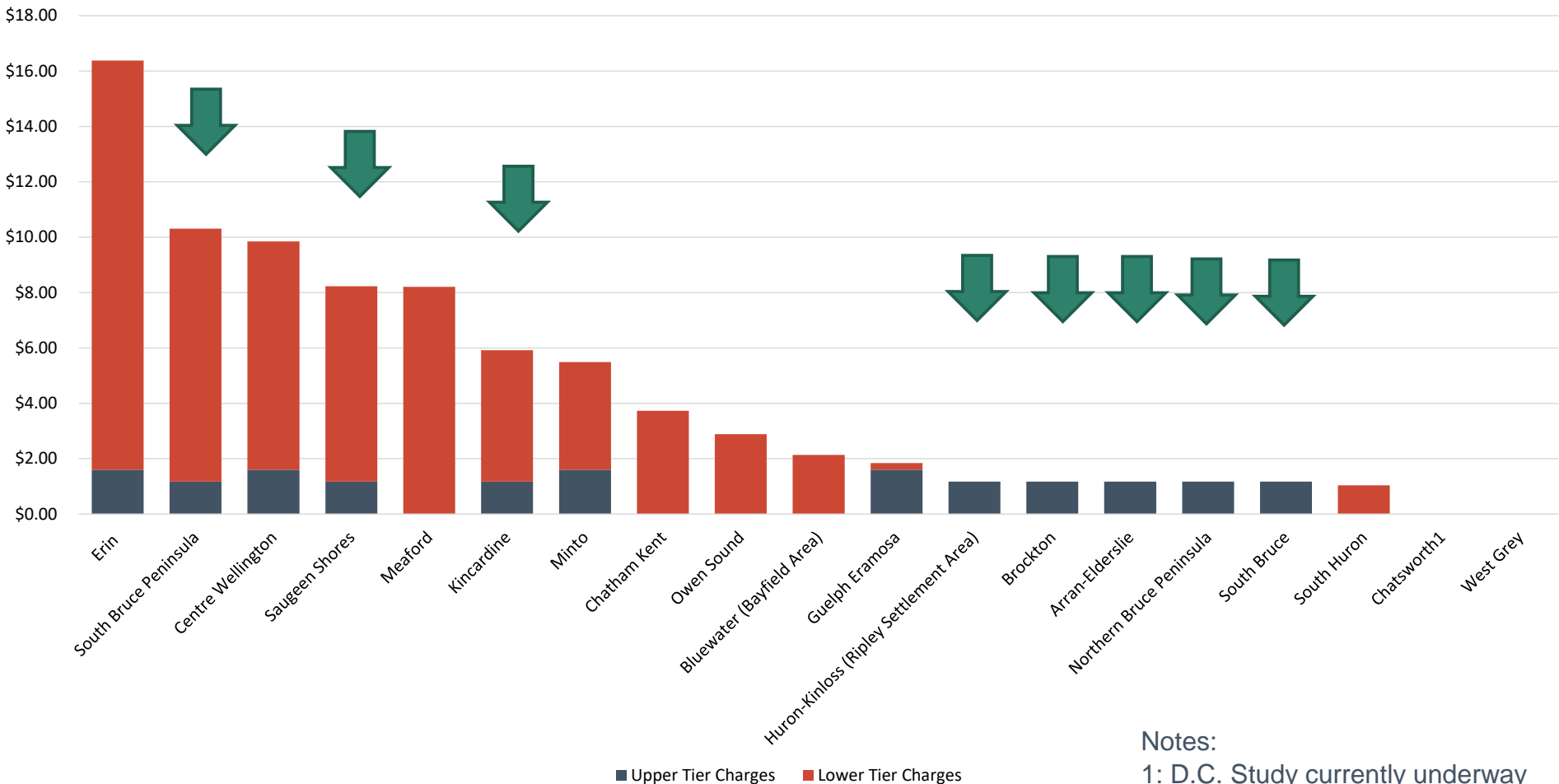
Municipality	Lower Tier Charges	Upper Tier Charges	Total Development Charges
South Bruce Peninsula (Outside South Wiarton)	\$9.14	\$1.17	\$10.31
Saugeen Shores	\$7.06	\$1.17	\$8.23
Kincardine	\$4.75	\$1.17	\$5.92
Huron-Kinloss (Ripley Settlement Area)	-	\$1.17	\$1.17
Brockton	-	\$1.17	\$1.17
Arran-Elderslie	-	\$1.17	\$1.17
Northern Bruce Peninsula	-	\$1.17	\$1.17
South Bruce	-	\$1.17	\$1.17

Rate Survey – Commercial

Bruce County and Surrounding Municipalities



As of June 29, 2021



Notes:
1: D.C. Study currently underway

Rate Survey – Industrial

Bruce County Municipalities Only

As of June 29, 2021



Municipality	Lower Tier Charges	Upper Tier Charges	Total Development Charges
South Bruce Peninsula (Outside South Wiarton) ¹	\$2.37	\$1.17	\$3.54
Saugeen Shores	-	\$1.17	\$1.17
Huron-Kinloss (Ripley Settlement Area)	-	\$1.17	\$1.17
Kincardine	-	\$1.17	\$1.17
Brockton	-	\$1.17	\$1.17
Arran-Elderslie	-	\$1.17	\$1.17
Northern Bruce Peninsula	-	\$1.17	\$1.17
South Bruce	-	\$1.17	\$1.17

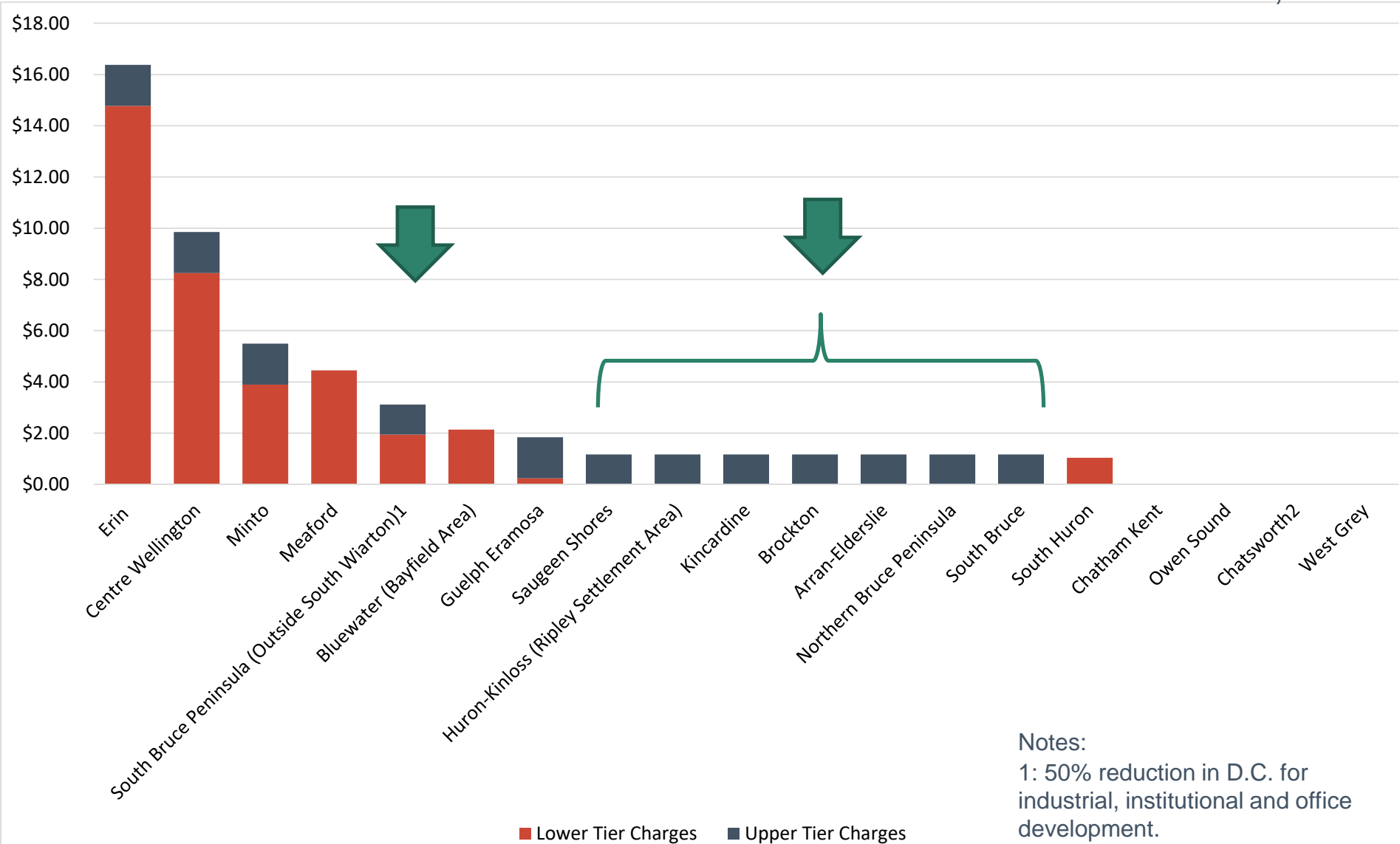
¹ 50% reduction in D.C. for industrial, institutional and office development.

Rate Survey – Industrial

Bruce County and Surrounding Municipalities



As of June 29, 2021



Notes:
 1: 50% reduction in D.C. for industrial, institutional and office development.
 2: D.C. Study currently underway

Items for Council's Future Consideration



- Consideration of D.C. area-rating
 - **Council must give direction on this matter as per Bill 73**
- Consideration of discretionary D.C. exemptions:
 - **No discretionary exemptions have been identified at this time**
- Consideration of the Local Service Policy
 - **To be included in the Background Study**
- Consideration of the Calculated Charges
 - **To be included in the Background Study**



Next Steps

- Finalize D.C. Calculations
- Stakeholder Meeting (Date to be Determined)
- Public Release of D.C. Background Study (August 2021)
- Public Meeting of Council (September 9, 2021)
- Council Consideration of By-law Passage (Date to be Determined)

Questions



Questions?