

City of Brampton

2014 Development Charges Study

Public Meeting Presentation



Wednesday June 11, 2014

HEMSON
Consulting Ltd.

Topics

1. Background
2. Development Forecast
3. Development-Related Capital Program
4. Calculated DC rates
5. DC rate Comparisons
6. Next Steps

Background

- City Council passed several DC by-laws in August 2009 that imposed DC rates for all eligible City services
- On August 5th 2014, the City's current DC By-laws will expire
- Prior to passage of new DC by-laws, the City must:
 - Undertake a background study (released)
 - Hold at least one public meeting

Residential Development Forecast

	General Services Planning Horizon			Engineered Services Planning Horizon	
	At 2013	Growth 2014-2023	At 2023	Growth 2014-2041	At 2041
Dwelling Units	158,240	43,165	201,405	90,086	248,326
<i>Singles</i>		22,500		37,600	
<i>Semis</i>		6,200		11,100	
<i>Rows</i>		8,700		17,700	
<i>Apartments</i>		5,800		23,700	
Census Population	557,800	144,100	701,900	297,200	855,000
<i>Population Growth in New Units</i>		162,400		311,700	

Sources: 2011 Census Data, Places to Grow, Brampton Employment Survey and 2013 Preliminary Forecasts

Note: Transportation Master Plan forecast consistent with DC forecast.

Non-Residential Development Forecast

	General Services Planning Horizon			Engineered Services Planning Horizon	
	At 2013	Growth 2014-2023	At 2023	Growth 2014-2041	At 2041
Employment	185,570	65,910	251,480	135,790	321,360
New Non-Res Space (sq. m)		4,967,100		9,523,500	
<i>Employment Land</i>		3,647,700		6,581,300	
<i>Major Office</i>		304,000		909,900	
<i>Population-Related</i>		1,015,400		2,032,300	

Sources: 2011 Census Data, Places to Grow, Brampton Employment Survey and 2013 Preliminary Forecasts

Note: Transportation Master Plan forecast consistent with DC forecast.

Services Considered

100% Cost Recovery :

- Roads & Related
- Roads-Related Buildings & Fleet
- Fire Services

90% Cost Recovery :

- General Government
- Library Services
- Recreation
- Parking
- Transit

Ineligible Services

- Cultural Entertainment Facilities
- Tourism Facilities
- Acquisition of Land for Parks
- Hospitals
- Waste Management Services
- General Administration Headquarters

Development-Related Capital Program

- DC capital program used various master plans, secondary plans, and input from City staff
- DC by-laws recover only for increased servicing needs attributable to anticipated development
- Capital costs have been adjusted in accordance with DC legislation

Transportation Master Plan (TMP)

- TMP is a key component in DC Review
- MMM and the P&IS Department are leading its review
- TMP identifies capital roads program from 2014-2041 (build out) + projected transit improvements (2014-2023)
 - Development-related roads projects are 100% DC-recoverable
 - Transit is subject to historic service level calculation, less 10% discount

Transportation Master Plan (TMP)

- Roads Program identified needs of \$1.37B (net)
 - Includes road widenings, intersection improvements, grade separations, signalization, etc. identified by MMM through detailed analysis
- Approximately \$73M of the transit program is eligible for DC recovery over the 10 year period
 - DC Act service level restrictions will necessitate significant tax funding and grants/ subsidies from higher levels of government
- Further reporting of the TMP will occur later this year with the completion of the plan

\$510 Million Will Be Recovered Through DCs for General Services

Total Gross Cost (\$millions)	\$ 1,063.2
Less: Grants & Subsidies	\$ (159.8)
Less: Benefit to Existing Share	\$ (84.0)
Less: 10% Discount	\$ (63.8)
Less: Available Reserve Funds	\$ (9.1)
Less: Post-2023 Benefit	<u>\$ (236.5)</u>
DC Eligible Share	\$ 510.0

\$1.3 Billion Will Be Recovered Through DCs for Roads (excluding Bramwest/NSTC)

Total Gross Cost (\$billions to 2041)	\$	1.38
Less: Benefit to Existing Share	\$	(0.07)
Less: 10% Discount	\$	0.00
Less: Available Reserve Funds	\$	0.00
Less: Post-2041 Benefit	\$	<u>0.00</u>
DC Eligible Share	\$	1.31

\$52.0 million Will Be Recovered Through DCs for Bramwest/NSTC Roads

Total Gross Cost (\$millions to 2041)	\$	63.3
Less: Benefit to Existing Share	\$	0.0
Less: 10% Discount	\$	0.0
Less: Available Reserve Funds	\$	(11.3)
Less: Post-2041 Benefit	\$	<u>0.0</u>
DC Eligible Share	\$	52.0

DC Rate Calculation Example: Fire Services

Total Gross Cost (\$millions)	\$ 82.52
Less: Grants & Subsidies	\$ 0.00
Less: Benefit to Existing Share	\$ 14.47
Less: 10% Discount	\$ 4.44
Less: Available Reserve Funds	\$ 0.00
Less: Post-2023 Benefit	<u>\$ 38.93</u>
DC Eligible Share	\$ 29.12

Residential = 71% (\$20.68 million)
Non-residential = 29% (\$8.45 million)

¹ Unadjusted charge before cash flow

Residential DC Calculation
Residential Share of Program <u>(\$20,680,000)</u>
10 Year Growth in New Units (162,400)
=
\$127.32 per capita¹

Non-Residential DC Calculation
Non- Residential Share of Program <u>(\$8,450,000)</u>
10 Year Growth in Square Metres (4,970,000)
=
\$1.70 per sq.m¹

Comparison of Current Vs. Calculated Residential Rates

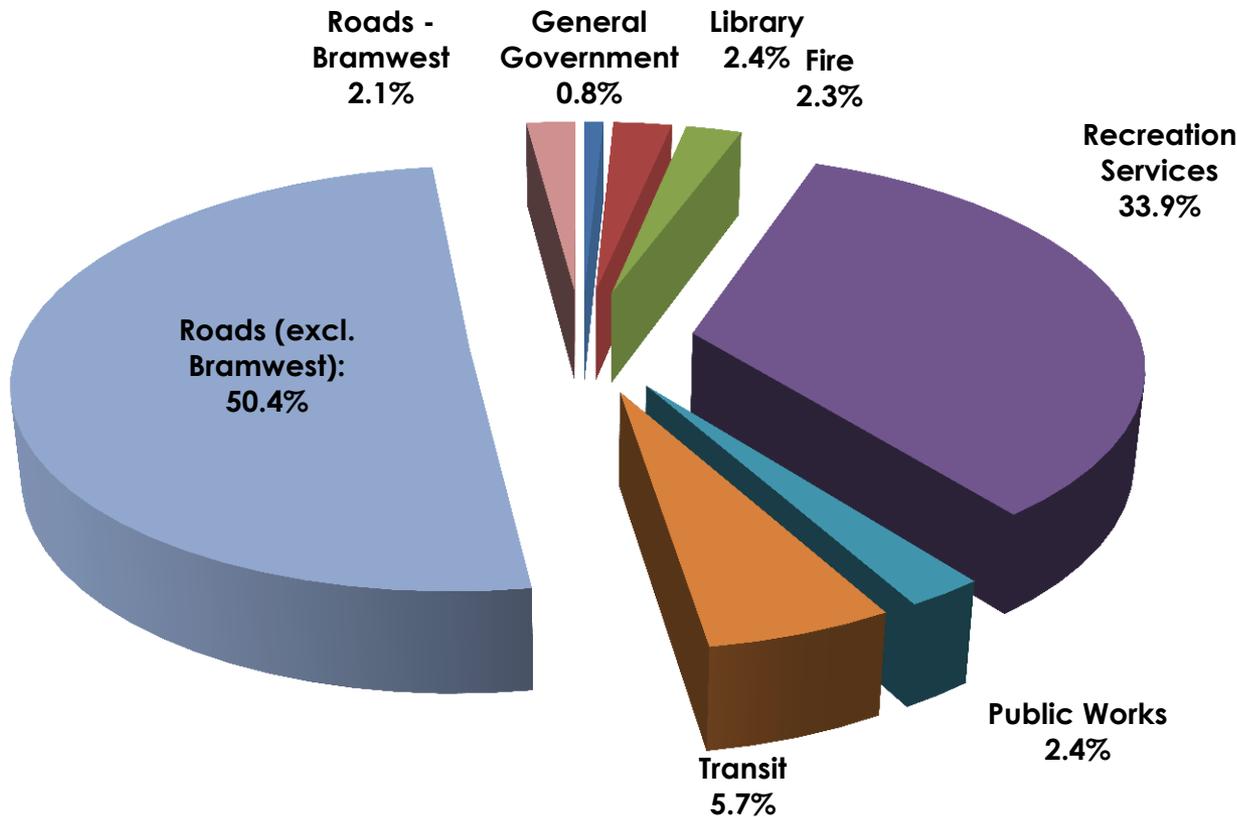
Type of Charge Per Unit	Current Charge	Calculated Charge	\$ Difference	% Difference
Single / Semi Detached Unit	\$25,586	\$26,935	\$1,349	5.3 %
Rows / Other Multiples	\$21,209	\$21,726	\$517	2.4 %
Large Apartments	\$17,293	\$15,225	-\$2,068	- 12 %
Small Apartments	\$9,593	\$9,529	-\$64	- 6.7%

Comparison of Current Vs. Calculated Non-Residential Rates

Type of Charge Per Sq. m	Current Charge	Calculated Charge	\$ Difference	% Difference
Industrial and Office	* \$49.21	\$45.31	- \$3.90	- 7.9 %
Non-Industrial & Non-Office	\$103.66	\$96.70	- \$6.96	- 6.7 %

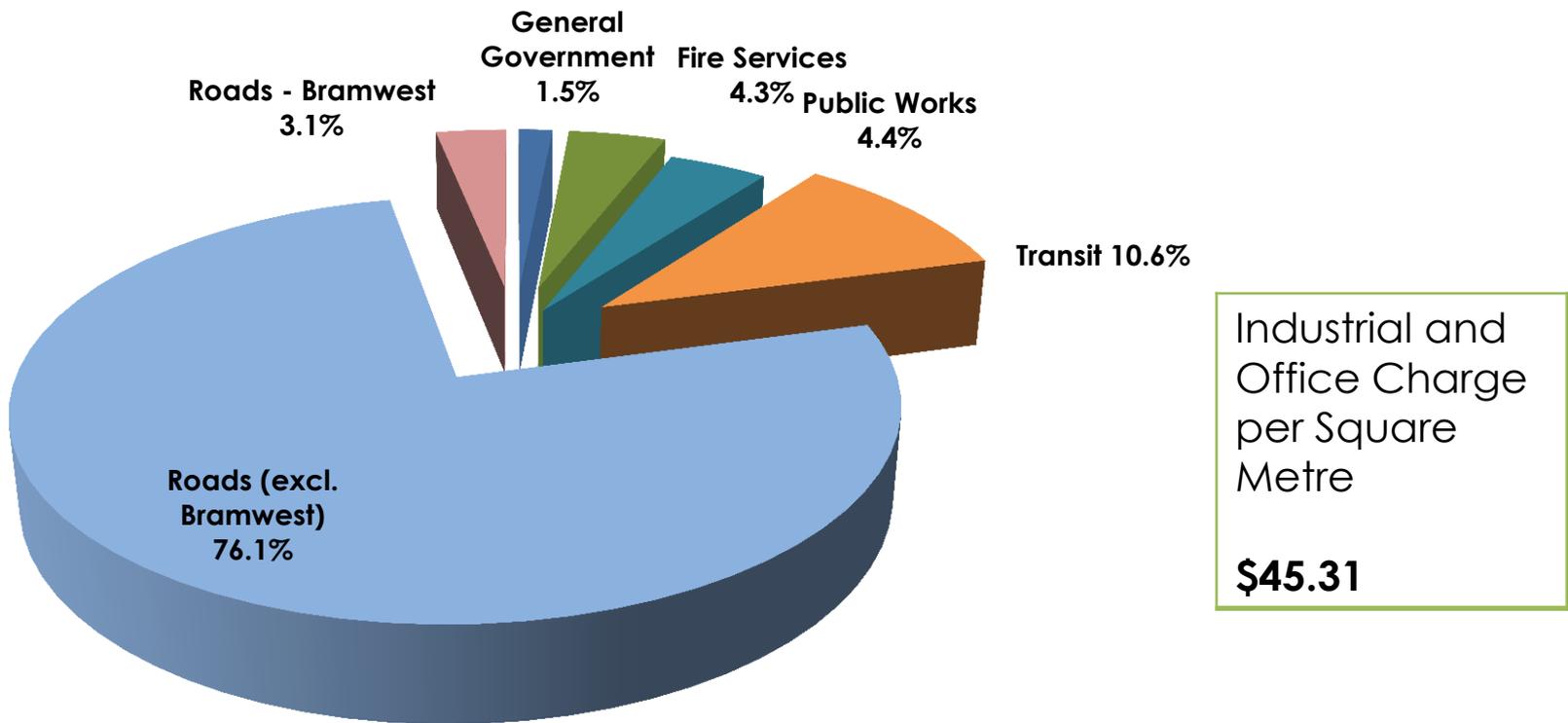
* Current Industrial and Office rate includes a 13.5% discount, which is proposed to be removed under the calculated charge.

Maximum Permissible Calculated Residential DC Rates

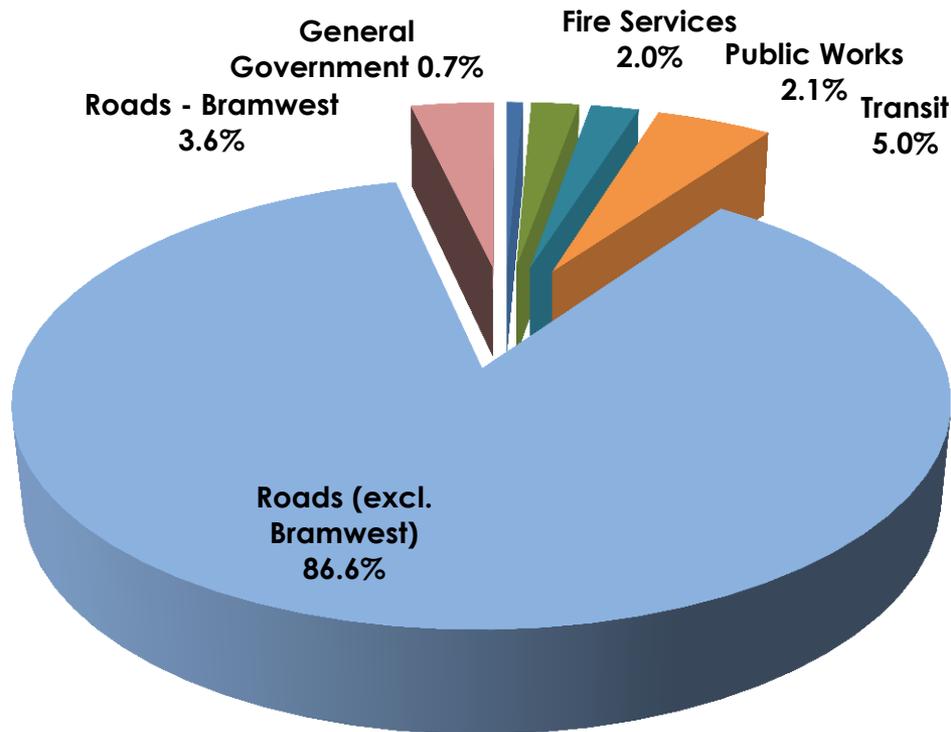


Singles & Semis	\$26,935
Rows & Multiples	\$21,726
Large Apartments	\$15,225
Small Apartments	\$9,529

Maximum Permissible Calculated Industrial & Office DC Rate



Max. Permissible Calculated Non-Industrial and Non-Office (Commercial) DC Rate



Non-Industrial
and Non-Office
Charge per
Square Metre

\$96.70

Reasons for Rate Increases/Decreases

- Rate increase generally applies to all services (largely inflationary)
- Population per unit values have changed between 2009 and 2014
 - Higher value for singles/semis
 - Lower value for large apartments
- Change in industrial floor space per worker assumption from 2009 put downward pressure on non-residential charges
 - 135 m²/worker compared to 90 m² /worker in 2009

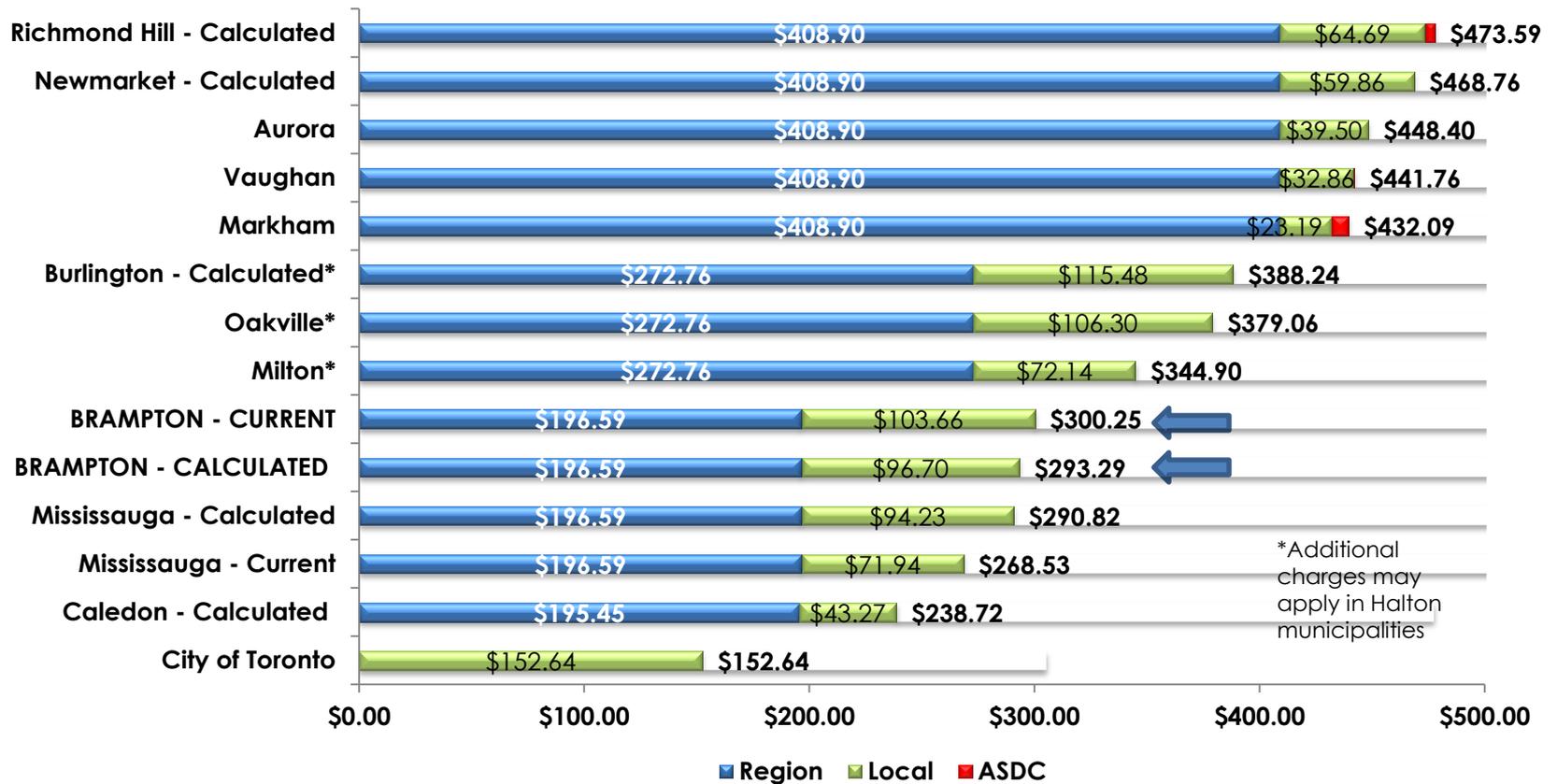
Residential DC Rate Comparison: Singles and Semi-Detached Units



Rate Comparison: Large Apartments



DC Rate Comparison: Non-Industrial and Non-Office (Commercial)



DC Rate Comparison: Non-Residential (Industrial)



Policies

- Maintain exemptions on portions of Places of Worship
- Maintain the discount on 'full service' hotels
- Continue to equate Office rate to Industrial rate
- Eliminate the discount on Industrial development (rates are similar)
- Proposed change in By-laws wording that would waive DCs on the 'work' portion of 'live-work' units
- Remove conservation authorities from the definition of a 'Local Board' (same as Region's DCs)
- Adopt a set of 'Local Service Guidelines'

Next Steps

- Consider all verbal or written comment from Public Meeting
- Amend DC Study and/or calculated rates (as required)
- Table Recommendation Report (for Study and By-laws' adoption) @ June 18th Council
- New DC by-laws proposed to come into effect Aug 1, 2014