



# Township of King

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## Development Charges Stakeholder Presentation

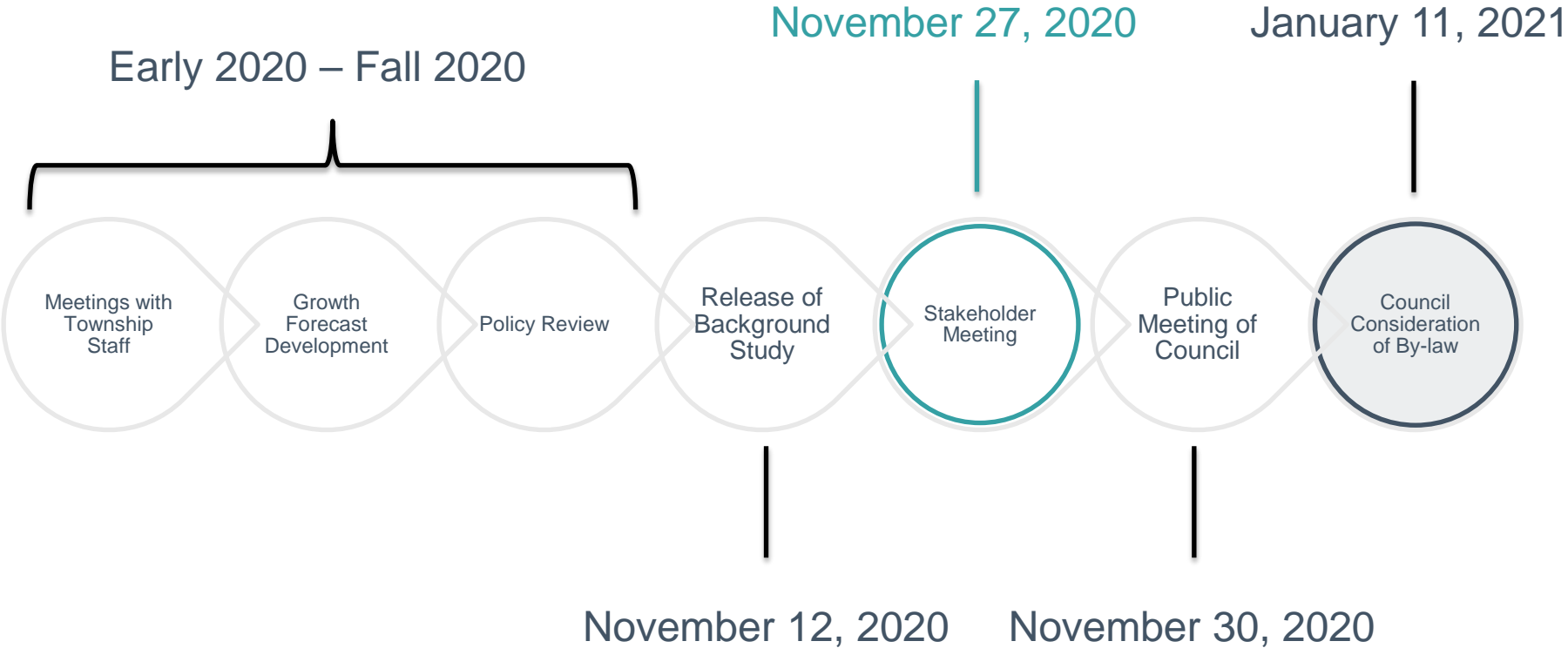
November 27, 2020

# Agenda



- Opening Remarks
- D.C. Overview
- Amendments after the Release of the November 12<sup>th</sup> D.C. Study
- By-law Changes
- Questions

# Study Process & Timelines



# Development Charges (D.C.)



## Purpose:

- To recover the 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.)

# Changes to D.C. Legislation since 2015



- Consider impact of “no additional levies” in development process and on Local Service Policy.
- Annual reporting requirements to conform to the new required format.
- Ensure the background study is available at least 60 days prior to by-law passage.
- Need to consider Area Rating as part of the Background Study (but not mandatory to impose).
- Asset management plan required for all growth-related projects identified in the study.
- The mandatory 10% deduction is removed for all D.C.-eligible services.
- Eligible Municipal Services – Restricted to 20 Services
- Rental housing and institutional developments will pay D.C.s in 6 equal annual payments.
- Non-profit housing developments will pay D.C.s in 21 equal annual payments.
- The D.C. rate is frozen for Site Plan or Zoning By-law amendments until 2 years after approval.
- Interest may be charged on the installments and D.C. freeze.

# Overview of D.C.A. (simplified steps)



The following provides the overall methodology to calculating the charge:

1. Identify amount, type and location of growth.
2. Identify servicing needs to accommodate growth.
3. Identify capital costs to provide services to meet the needs.
4. Deduct:
  - i. Grants, subsidies and other contributions
  - ii. Benefit to existing development
  - iii. Amounts in excess of 10-year historical service calculation.
  - iv. D.C. Reserve funds (where applicable).
5. Net costs then allocated between residential and non-residential benefit.
6. Net costs divided by growth to calculate the D.C.

# Exemptions



## Mandatory Exemptions

- For industrial building expansions (may expand by 50% with no D.C.)
- Upper/Lower Tier Governments and School Boards
- Additional dwelling units in **existing** dwellings:
  - May add up to 2 apartments for a single as long as size of home doesn't double
  - Add one additional unit in medium & high-density buildings
- Additional dwelling units in **new** dwellings:
  - May add one additional unit in a detached/semi-detached or row dwelling.
  - May add one accessory unit (e.g. granny flat).



# Exemptions (cont'd.)

## 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)

## Current Discretionary Exemptions:

- Lands, buildings/structures used or to be used for a place of worship or for the purpose of a cemetery or burial ground;
- Non-residential agricultural use buildings constructed for bona fide farm uses.

*Note: the current exemptions are proposed to continue*



# Current Development Charges



Service	Residential				Non-Residential
	Single & Semi Detached	Multiples	Apartments with ≥ 2 Bedrooms	Apartments with < 2 Bedrooms	per sq.ft.
<b>Township-Wide Services</b>					
Services Related to a Highway	15,935	13,773	9,312	6,620	6.93
Parking Services	8	7	5	3	-
Fire Protection Services	1,020	882	596	424	0.45
Outdoor Recreation Services	3,771	3,259	2,204	1,566	0.30
Indoor Recreation Services	5,119	4,424	2,992	2,126	0.43
Library Services	1,413	1,221	826	587	0.11
Growth Studies	768	664	449	319	0.35
<b>Total Township-Wide Services ( A )</b>	<b>28,034</b>	<b>24,230</b>	<b>16,384</b>	<b>11,645</b>	<b>8.57</b>
<b>Urban Services</b>					
Water & Wastewater Studies	398	343	232	165	0.05
Water Services	3,235	2,795	1,890	1,344	0.48
<b>Total Urban Services ( B )</b>	<b>3,633</b>	<b>3,138</b>	<b>2,122</b>	<b>1,509</b>	<b>0.53</b>
<b>Area Specific Services</b>					
Wastewater-King City ( C )	6,375	5,509	3,726	2,649	0.80
Wastewater-Nobleton ( D )	4,554	3,937	2,662	1,892	0.37
<b>Total King City ( A + B + C )</b>	<b>38,042</b>	<b>32,877</b>	<b>22,232</b>	<b>15,803</b>	<b>9.90</b>
<b>Total Nobleton ( A + B + D )</b>	<b>36,221</b>	<b>31,305</b>	<b>21,168</b>	<b>15,046</b>	<b>9.47</b>
<b>Total Schomberg ( A + B )</b>	<b>31,667</b>	<b>27,368</b>	<b>18,506</b>	<b>13,154</b>	<b>9.10</b>

# Changes to the November 12<sup>th</sup> D.C. Study



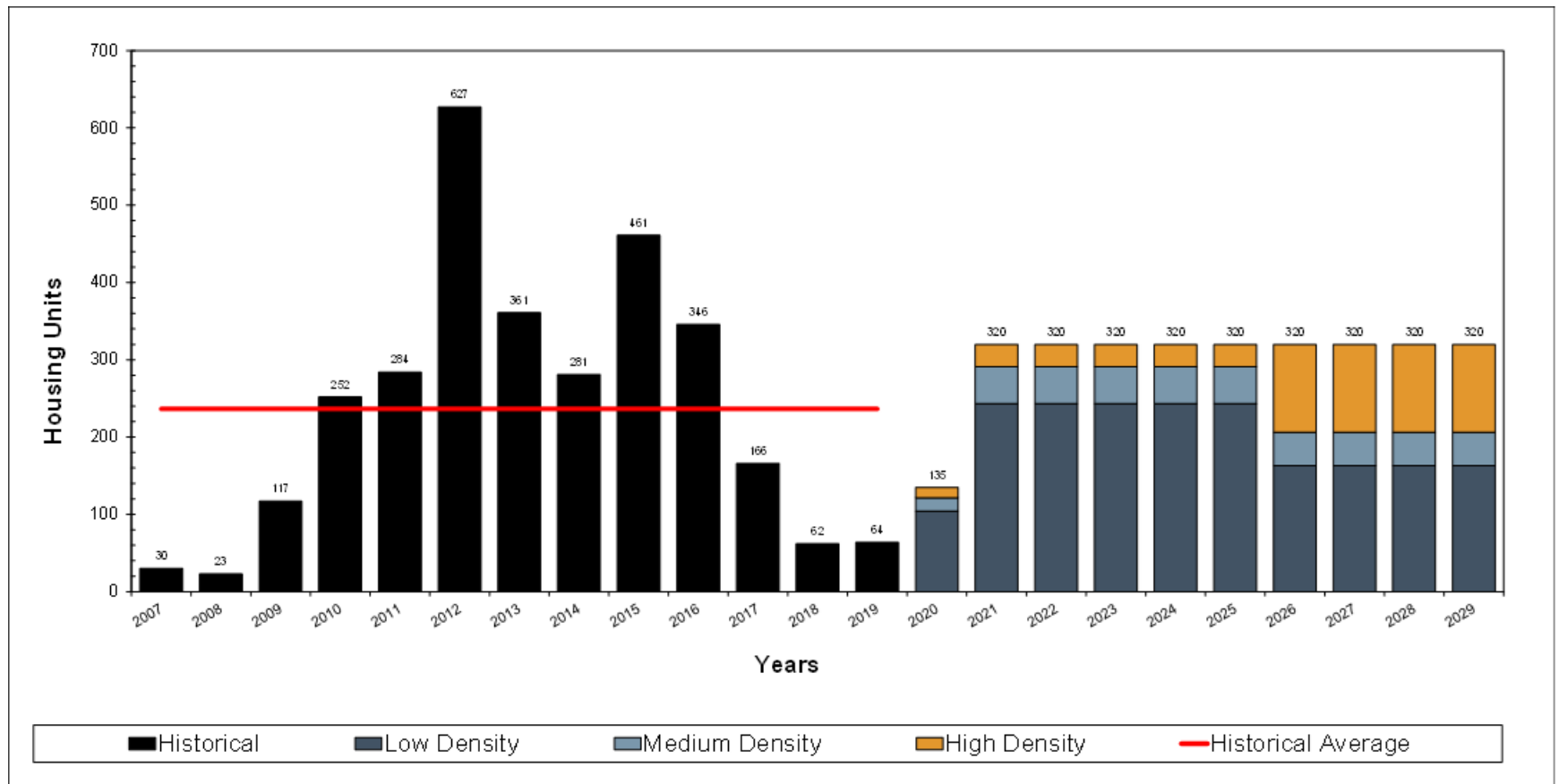
Subsequent to the release of the November 12<sup>th</sup> D.C. Study, additional adjustments were identified that requires an amendment to the D.C. calculations. The amendments pertain to the following:

- Growth Forecast
  - King City residential forecast revised to exclude developments that have been built out (196 units);
  - Nobleton residential forecast revised to exclude the deferred residential lands (386 units); and
  - Township non-residential forecast revised to conform to Local and Regional Official Plans of 11,900 employees.
- Capital Projects – Added Costs associated to Developer Agreements
- Credits – Adjusted the amounts to be recovered
- Reserve Funds – Adjusted for encumbrances/commitments
- A D.C. Addendum Report will be issued prior to the by-law passage

# Growth Forecast - Revised



## Annual Housing Forecast



# Growth Forecast Summary - Revised



Measure	10 Year 2020-2029	Buildout 2020-Buildout	Urban Buildout 2020-Urban Buildout	King City Buildout 2020-King City Buildout	Nobleton Buildout 2020-Nobleton Buildout
(Net) Population Increase	6,957	7,592	8,083	6,036	1,784
Residential Unit Increase	3,054	3,458	3,263	2,351	818
Non-Residential Gross Floor Area Increase (ft <sup>2</sup> )	846,500	916,900	784,900	366,400	380,100

Source: Watson & Associates Economists Ltd. Forecast 2020



# Summary of Service Considered

## **D.C.-Eligible Services**

### Township-Wide

- Services Related to a Highway
- Fire Protection Services
- Parks and Recreation Services
- Library Services

### Urban Services

- Stormwater Services
- Water Services

### Area-Specific Services

- Wastewater Services – King City
- Wastewater Services – Nobleton

## **D.C.-Eligible Classes**

### Township-Wide

- Growth Studies

### Urban Services

- Water & Wastewater Studies and Capital Improvements

# Calculated D.C. Rates - Revised



Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Multiples	Large Apartments	Small Apartments	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)	(per sq.m. of Gross Floor Area)
<b>Township-Wide Services:</b>							
Services Related to a Highway	17,047	14,439	10,705	7,332	5,392	7.76	83.53
Fire Protection Services	958	811	602	412	303	0.44	4.74
Parks and Recreation Services	11,740	9,944	7,372	5,050	3,713	1.96	21.10
Library Services	1,587	1,344	997	683	502	0.26	2.80
Growth Studies	506	429	318	218	160	0.24	2.58
<b>Total Township-Wide Services (A)</b>	<b>31,838</b>	<b>26,967</b>	<b>19,994</b>	<b>13,695</b>	<b>10,070</b>	<b>10.66</b>	<b>114.75</b>
<b>Urban Services</b>							
Stormwater Services	391	331	246	168	124	0.18	1.94
Water Services	2,748	2,328	1,726	1,182	869	1.23	13.24
Water & Wastewater Studies and Capital Improvements	315	267	198	135	100	0.15	1.61
<b>Total Urban Services (B)</b>	<b>3,454</b>	<b>2,926</b>	<b>2,170</b>	<b>1,485</b>	<b>1,093</b>	<b>1.56</b>	<b>16.79</b>
<b>Area Specific Services</b>							
Wastewater Services - King City (C)	3,484	2,951	2,188	1,499	1,102	1.58	17.01
Wastewater Services - Nobleton (D)	3,976	3,368	2,497	1,710	1,258	0.41	4.41
<b>Total King City (A + B + C)</b>	<b>38,776</b>	<b>32,844</b>	<b>24,352</b>	<b>16,679</b>	<b>12,265</b>	<b>13.80</b>	<b>148.55</b>
<b>Total Nobleton (A + B + D)</b>	<b>39,268</b>	<b>33,261</b>	<b>24,661</b>	<b>16,890</b>	<b>12,421</b>	<b>12.63</b>	<b>135.95</b>
<b>Total Schomberg (A + B )</b>	<b>35,292</b>	<b>29,893</b>	<b>22,164</b>	<b>15,180</b>	<b>11,163</b>	<b>12.22</b>	<b>131.54</b>

# Rate Comparison – Residential (Single-Detached Units)



Service/Class of Service	Current	Calculated from Nov.12 DCBS	Amended Calculations (Refined Growth Forecast)	Amended Calculations (Refined Growth Forecast and Revised Net Growth-Related Costs)
<b>Township Wide Services:</b>				
Services Related to a Highway	15,935	16,824	16,559	17,047
Parking Services*	8	-	-	-
Fire Protection Services	1,020	973	958	958
Parks and Recreation Services**	8,890	11,735	11,735	11,740
Library Services	1,413	1,566	1,566	1,587
Growth Studies	768	459	475	506
<b>Total Township Wide Services (A)</b>	<b>28,034</b>	<b>31,557</b>	<b>31,293</b>	<b>31,838</b>
<b>Urban Services:</b>				
Stormwater Services	-	388	391	391
Water Services	3,235	2,788	2,809	2,748
Water & Wastewater Studies	398	313	315	315
<b>Total Urban Services (B)</b>	<b>3,633</b>	<b>3,489</b>	<b>3,515</b>	<b>3,454</b>
<b>Area Specific Services:</b>				
Wastewater Services - King City (C)	6,375	4,186	4,131	3,484
Wastewater Services - Nobleton (D)	4,554	4,681	3,976	3,976
<b>Total King City (A + B + C)</b>	<b>38,042</b>	<b>39,232</b>	<b>38,939</b>	<b>38,776</b>
<b>Total Nobleton (A + B + D)</b>	<b>36,221</b>	<b>39,727</b>	<b>38,784</b>	<b>39,268</b>
<b>Total Schomberg (A + B)</b>	<b>31,667</b>	<b>35,046</b>	<b>34,808</b>	<b>35,292</b>

\*Parking is no longer an eligible service under the D.C.A. as per Bill 197

\*\*Previously presented as two separate charges: Outdoor Recreation Services and Indoor Recreation Services

# Rate Comparison – Non- Residential (per sq.ft.)



Service/Class of Service	Current	Calculated from Nov.12 DCBS	Amended Calculations (Refined Growth Forecast)	Amended Calculations (Refined Growth Forecast and Revised Net Growth-Related Costs)
<b>Township Wide Services:</b>				
Services Related to a Highway	6.93	8.71	7.54	7.76
Parking Services*	-	-	-	-
Fire Protection Services	0.45	0.50	0.44	0.44
Parks and Recreation Services**	0.73	1.63	1.96	1.96
Library Services	0.11	0.21	0.26	0.26
Growth Studies	0.35	0.23	0.22	0.24
<b>Total Township Wide Services (A)</b>	<b>8.57</b>	<b>11.28</b>	<b>10.42</b>	<b>10.66</b>
<b>Urban Services:</b>				
Stormwater Services	-	0.20	0.18	0.18
Water Services	0.48	1.41	1.26	1.23
Water & Wastewater Studies	0.05	0.15	0.15	0.15
<b>Total Urban Services (B)</b>	<b>0.53</b>	<b>1.76</b>	<b>1.59</b>	<b>1.56</b>
<b>Area Specific Services:</b>				
Wastewater Services - King City (C)	0.80	1.48	1.88	1.58
Wastewater Services - Nobleton (D)	0.37	0.43	0.41	0.41
<b>Total King City (A + B + C)</b>	<b>9.90</b>	<b>14.52</b>	<b>13.89</b>	<b>13.80</b>
<b>Total Nobleton (A + B + D)</b>	<b>9.47</b>	<b>13.47</b>	<b>12.42</b>	<b>12.63</b>
<b>Total Schomberg (A + B)</b>	<b>9.10</b>	<b>13.04</b>	<b>12.01</b>	<b>12.22</b>

\*Parking is no longer an eligible service under the D.C.A. as per Bill 197

\*\*Previously presented as two separate charges: Outdoor Recreation Services and Indoor Recreation Services

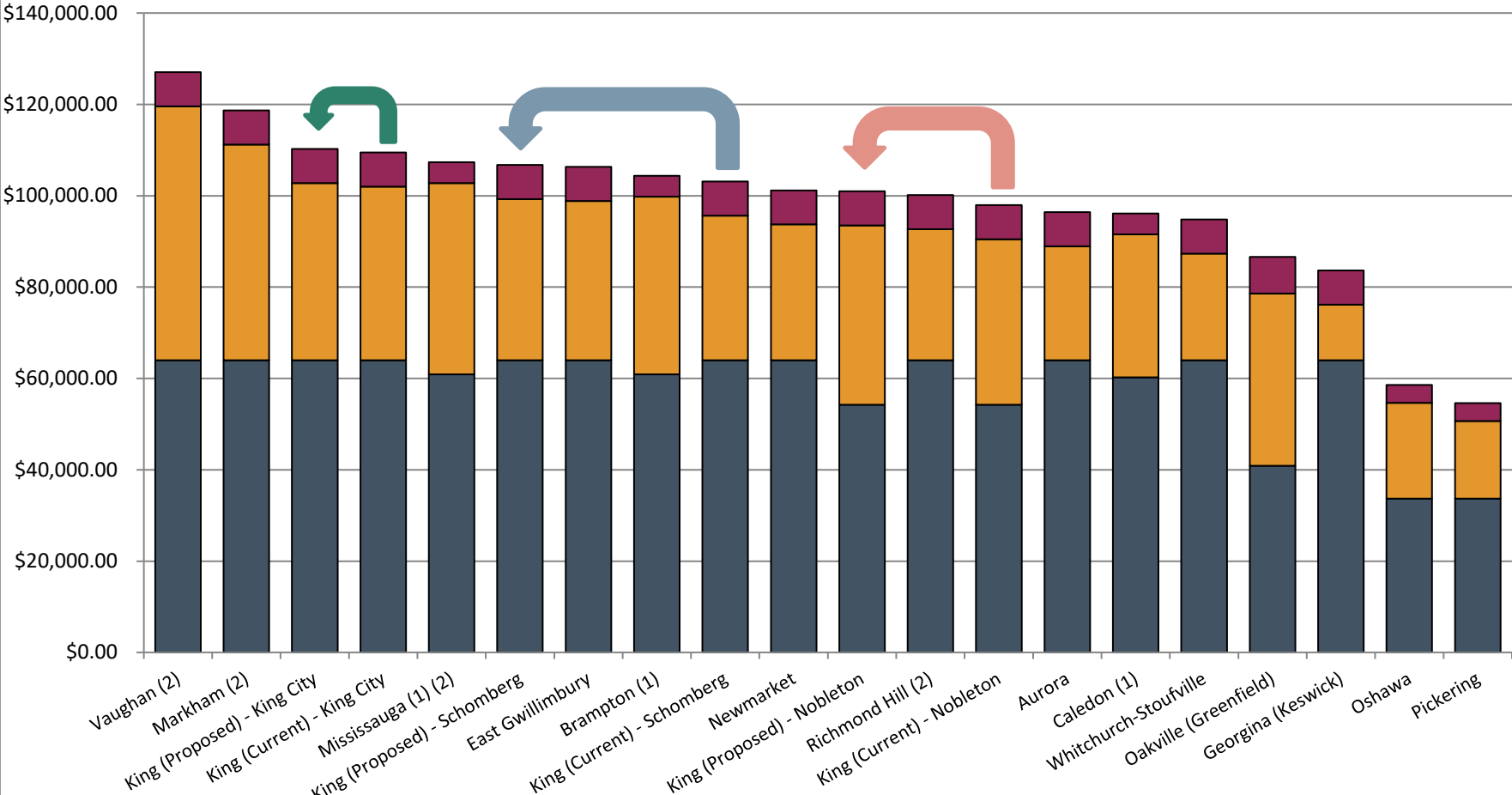


# Survey of D.C. Rates - Residential



## Development Charge Rates for Select Municipalities Single Detached and Semi-Detached Dwellings

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



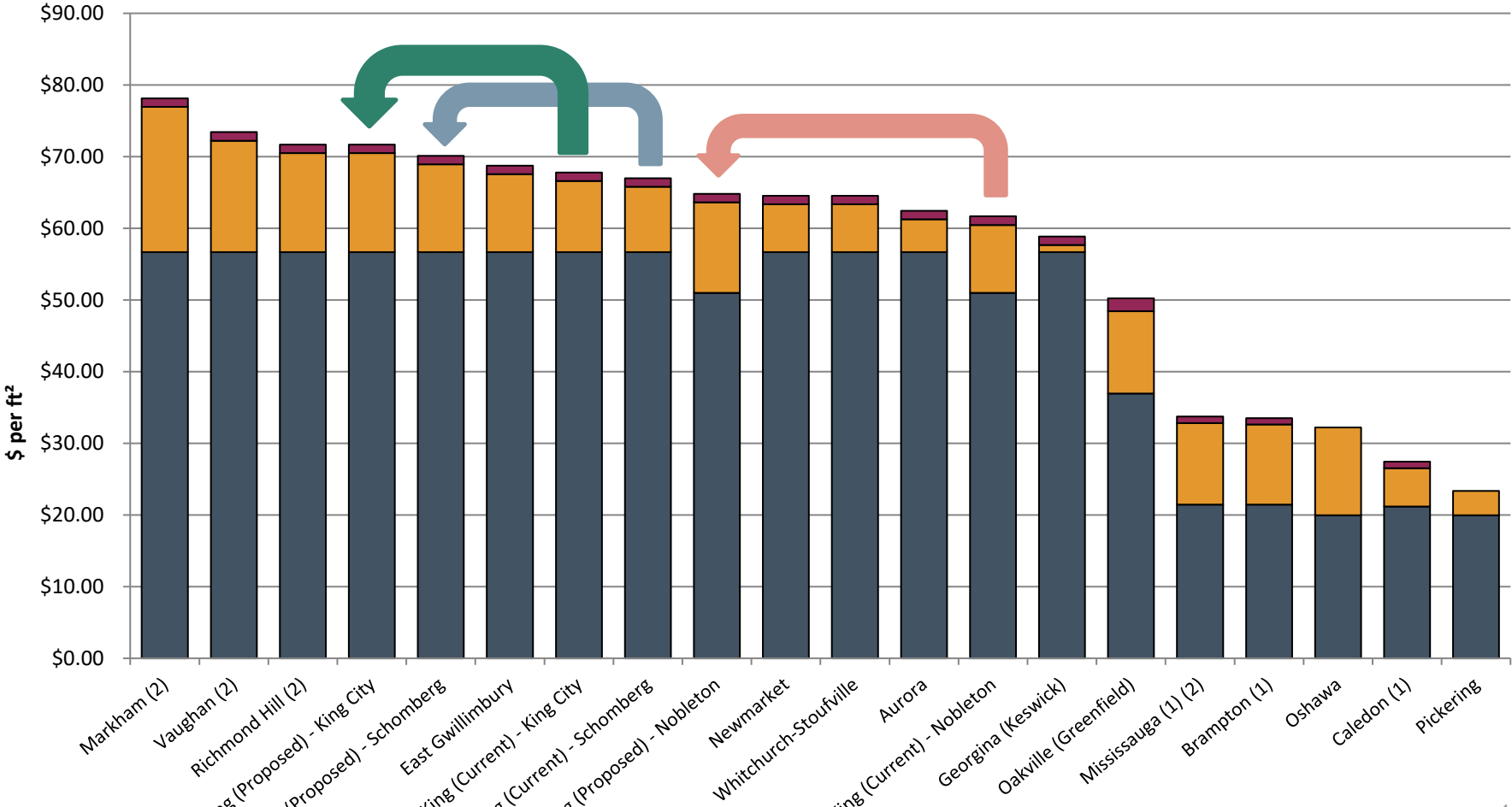
(1) Rates for Peel Region are proposed (anticipated by-law passage Dec. 10, 2020)

# Survey of D.C. Rates - Commercial



## Development Charge Rates for Select Municipalities Commercial Development - per sq.ft.

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



(1) Rates for Peel Region are proposed (anticipated by-law passage Dec. 10, 2020)

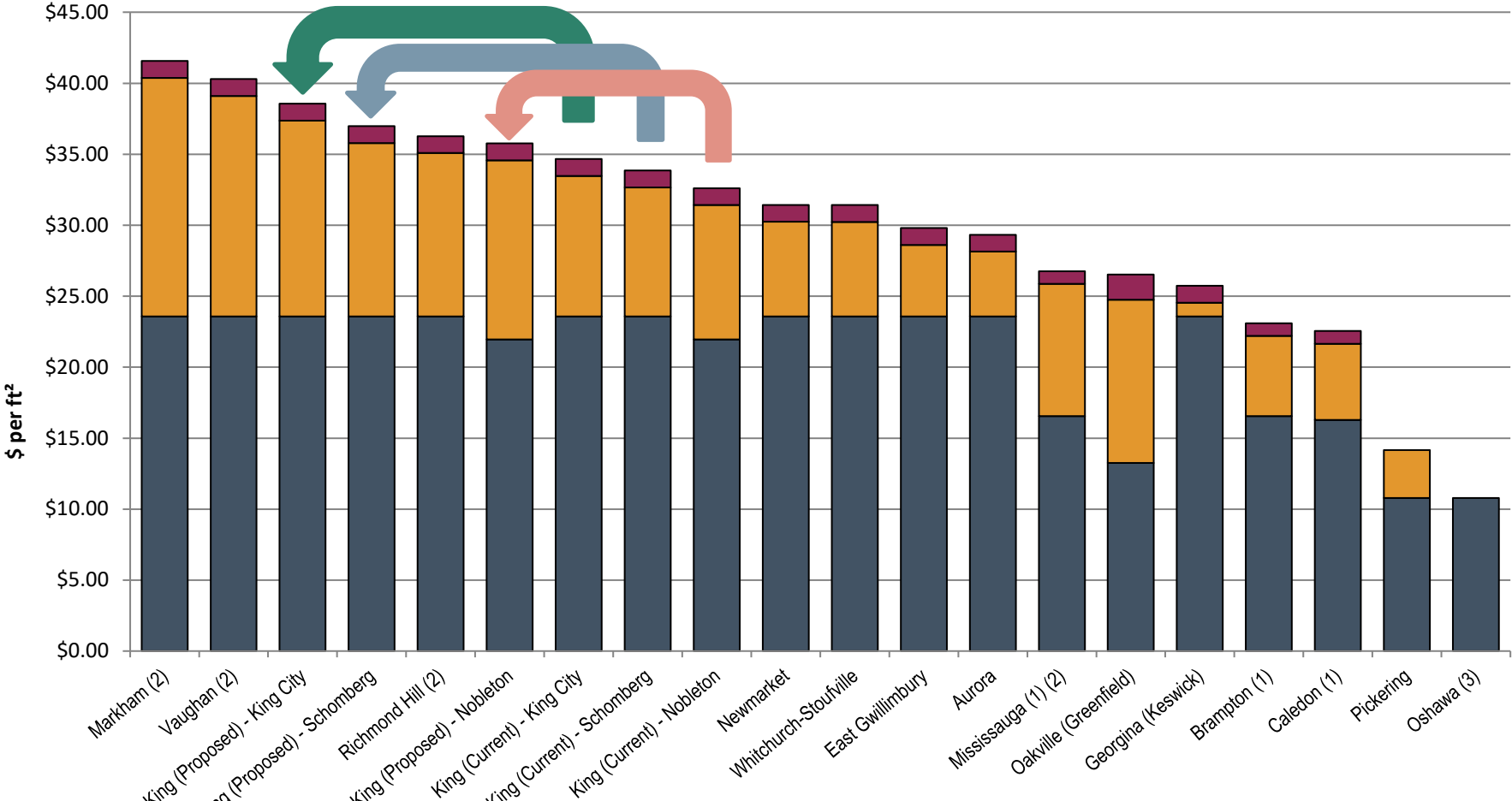
(2) A component of the charge has been converted from a per hectare charge to a hypothetical GFA charge assuming 30% land coverage

# Survey of D.C. Rates



## Development Charge Rates for Select Municipalities Industrial Development - per sq.ft.

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



(1) Rates for Peel Region are proposed (anticipated by-law passage Dec. 10, 2020)

(2) A component of the charge has been converted from a per hectare charge to a hypothetical GFA charge assuming 30% land coverage

(3) Exempt



# Bylaw Changes

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1. **Reflect recent legislative changes and requirements**
2. **Harmonize definitions and other sections to streamline administration with Region of York**
3. **Create Special Care Facilities development type**
4. **Expand Places of Worship exemption**
5. **Apartment size delineation - # rooms now to square feet**
6. **Add limits to mandatory Industrial Expansions exemptions**
7. **Expand credits for demolition, and derelict demolitions**
8. **Add clear transition rules**
9. **Semi-annual indexing rather than annual**

# Next Steps



# Questions and Comments



Any Questions or Comments after today's meeting must be submitted by December 3, 2020 to:

[clerks@king.ca](mailto:clerks@king.ca)

and

[delliott@king.ca](mailto:delliott@king.ca)