



# Municipality of Middlesex Centre 2021 Development Charges Update Study

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Public Meeting

November 10, 2021



# Introduction

## Public Meeting Purpose

- This meeting is a mandatory requirement under the *Development Charges Act*, 1997, as amended (D.C.A.)
- Prior to Council's consideration of a by-law, a background study must be prepared and available to the public a minimum of 2 weeks prior to a public meeting and provided on the municipality's website 60 days prior to by-law passage
- Purpose of the public meeting is to provide an overview of the proposed amendment and to receive public input on the matter



# Introduction

## Development Charges Update Study and By-law Amendment

- D.C. Update Study prepared to amend the Municipality's 2019 D.C. Background Study and By-law 2019-073
- Purpose of the proposed D.C. by-law amendment is to:
  - Reflect recent amendments to the D.C.A. made through the *More Homes, More Choice Act*, and *COVID-19 Economic Recovery Act*, including:
    - Changes to the D.C. recoverable costs (i.e., removal of the 10% statutory deduction)
    - Creation of a class of service for Growth-Related Studies
    - Changes to D.C. collection policies for instalment payments and charges determined at the time application for Site Plan or Zoning By-law Amendment
    - Changes to the statutory exemptions
  - Update capital cost estimates
  - Update the Local Service Policy
- All other components of the 2019 D.C. Background Study and D.C. By-law 2019-073 remain unchanged

# 2021 D.C. Amendment

## Changes to D.C. Eligible Costs – Roads



Roads – Description of Changes	Change to DC-recoverable Costs
• Updated project description and gross capital cost estimate for the George St. and King St. project	+ \$12,440
• Updated gross capital cost estimate for the Westbrook Dr (Stephen Moore to Kilworth Park Dr) project	+ \$41,320
• Removed the gross capital costs related to the Jefferies Rd (Glendon to South Extent) - Upgrade from T&C to Paved project	- \$400,000
• Updated gross capital cost estimate for the planned Road Needs Studies and increased the Benefit to Existing deduction for these studies	+ \$22,291
• Added gross capital costs related to the Municipality's share of the Ilderton Road (East of Hyde Park Road) upgrade project	+ \$604,100
• Added gross capital cost of the Master Servicing Plan (Roads and Stormwater share)	+ \$ 185,900
• Added several growth-related road surface conversion projects identified in the 2020 Road Needs Study	+ \$1,216,800
<b>Net Impact on DC-recoverable Costs</b>	<b>+ \$1,682,851</b>

# 2021 D.C. Amendment

## Changes to D.C. Eligible Costs – Public Works



<b>Public Works – Description of Changes</b>	<b>Change to DC-recoverable Costs</b>
<ul style="list-style-type: none"><li>• Updates to gross capital cost estimates for vehicles and equipment included in the 2019 D.C. Background Study</li></ul>	+ \$50
<ul style="list-style-type: none"><li>• Added several additional vehicles and equipment required due to growth, as identified through the Municipality's long-term capital plan</li></ul>	+ \$168,700
<ul style="list-style-type: none"><li>• Updated gross capital cost estimate for the new Storage Shed (Denfield)</li></ul>	+ \$85,900
<b>Net Impact on DC-recoverable Costs</b>	<b>+ \$254,650</b>

# 2021 D.C. Amendment

## Changes to D.C. Eligible Costs – Fire Protection



<b>Fire Protection Services – Description of Changes</b>	<b>Change to DC-recoverable Costs</b>
<ul style="list-style-type: none"><li>Removed the gross capital cost estimate related to the acquisition of Additional Air Bags</li></ul>	- \$30,000
<ul style="list-style-type: none"><li>Updated the gross capital cost estimate for the Aerial truck</li></ul>	+ \$229,300
<ul style="list-style-type: none"><li>Increased the Post Period Benefit deduction for the Additional facility Space (2 additional vehicle bays)</li></ul>	- \$199,300
<b>Net Impact on DC-recoverable Costs</b>	<b>-</b>

# 2021 D.C. Amendment

## Changes to D.C. Eligible Costs – Parks and Recreation



<b>Parks and Recreation – Description of Changes</b>	<b>Change to DC-recoverable Costs</b>
<ul style="list-style-type: none"><li>Removed 10% statutory deduction from the calculation of the charge</li></ul>	+ \$375,862
<ul style="list-style-type: none"><li>Revised the project description of Tridon Park Development to clarify that this item is reflective of Phase 1 of the park's development</li></ul>	-
<ul style="list-style-type: none"><li>Added gross capital cost estimates for several additional park developments and new equipment identified since the 2019 D.C. Background Study</li></ul>	+ \$1,007,700
<b>Net Impact on DC-recoverable Costs</b>	<b>+ \$1,383,562</b>

# 2021 D.C. Amendment

## Changes to D.C. Eligible Costs – Library



Library – Description of Changes	Change to DC-recoverable Costs
<ul style="list-style-type: none"><li>Removed 10% statutory deduction from the calculation of the charge</li></ul>	+ \$2,140
<ul style="list-style-type: none"><li>Adjusted reserve fund deduction to recognize the funds collected from prior development charges and available in the D.C. reserve fund</li></ul>	- \$2,140
<b>Net Impact on DC-recoverable Costs</b>	<b>-</b>



# 2021 D.C. Amendment

## Changes to D.C. Eligible Costs – Studies



<b>Growth-related Studies – Description of Changes</b>	<b>Change to DC-recoverable Costs</b>
<ul style="list-style-type: none"><li>Revised the gross capital cost estimates and timing of studies previously included in the 2019 D.C. Background Study and removed 10% statutory deduction from the calculation of the charge</li></ul>	+ \$41,119
<ul style="list-style-type: none"><li>Added the gross capital cost estimate for the 2028/29 D.C. Background Study</li></ul>	+ \$55,800
<ul style="list-style-type: none"><li>Added the gross capital cost of undertaking this D.C. by-law amendment process</li></ul>	+ \$10,700
<ul style="list-style-type: none"><li>Added the gross capital cost of the 2020 Strategic Plan</li></ul>	+ \$24,750
<b>Net Impact on DC-recoverable Costs</b>	<b>+ \$132,369</b>

# 2021 D.C. Amendment

## Changes to D.C. Eligible Costs – Wastewater



Wastewater – Description of Changes	Change to DC-recoverable Costs
• Updated gross capital cost estimate for the Komoka Pumping Station Upgrades	+ \$67,219
• Updated gross capital cost estimate for the Komoka Forcemain and Sanitary Sewers	+ \$29,628
• Removed the gross capital cost estimate related to the Komoka PS Upgrades Design Studies	- \$149,660
• Added gross capital cost estimate for the demolition of the Old Kilworth WWTF	+ \$785,655
• Updated the gross capital cost estimate for the WWTF Expansion - Phase 2	-
• Added gross capital cost estimate for the Master Servicing Plan (Wastewater Share)	+ \$ 116,200
• Updated estimate of financing costs for D.C. recoverable capital costs	+ \$242,559
<b>Net Impact on DC-recoverable Costs</b>	<b>+ \$1,091,601</b>

# 2021 D.C. Amendment

## Changes to D.C. Eligible Costs – Water



Water – Description of Changes	Change to DC-recoverable Costs
• Updated gross capital cost estimate for the On-Line B.P.S.	+ \$9,332
• Updated gross capital cost estimate for the Delaware / Komoka Interchange projects	+ \$40,508
• Replaced the “Development Study/Master Servicing Plan to see the need for pump capacity due to development Northwest & Southwest” project with the Master Servicing Plan (Water Share)	- \$33,556
• Added gross capital cost estimate for the Glendon Drive Water Main Extension	+ \$408,900
• Added gross capital cost estimate for the Coldstream Rd. Realignment - New Water Main	+ \$ 187,700
• Updated estimate of financing costs for D.C. recoverable capital costs	+ \$175,092
<b>Net Impact on DC-recoverable Costs</b>	<b>+ \$787,975</b>

# 2021 D.C. Amendment

## Changes to D.C. Eligible Costs



Service/Class	D.C.-eligible Costs (2019\$)		
	2019 D.C. Background Study	2021 Update Study	Change (\$)
<b>Municipal Wide Services:</b>			
Roads	\$ 9,076,613	\$ 10,759,464	\$ 1,682,851
Public Works	\$ 4,411,931	\$ 4,666,582	\$ 254,650
Fire Protection	\$ 2,333,132	\$ 2,333,132	\$ -
Parks and Recreation	\$ 3,933,273	\$ 5,316,835	\$ 1,383,562
Library	\$ -	\$ -	\$ -
Growth-related Studies	\$ 581,031	\$ 713,400	\$ 132,369
<b>Total Municipal Wide Services</b>	<b>\$ 20,335,980</b>	<b>\$ 23,789,413</b>	<b>\$ 3,453,432</b>
<b>Urban Services</b>			
Wastewater	\$ 28,647,187	\$ 29,738,787	\$ 1,091,601
Water	\$ 3,869,514	\$ 4,657,489	\$ 787,975
<b>Total Urban Services</b>	<b>\$ 32,516,701</b>	<b>\$ 34,396,276</b>	<b>\$ 1,879,575</b>
<b>Grand Total</b>	<b>\$ 52,852,682</b>	<b>\$ 58,185,689</b>	<b>\$ 5,333,008</b>

# 2021 D.C. Amendment

## Proposed Schedule of Charges (indexed to 2021\$)



Service	RESIDENTIAL				NON-RESIDENTIAL (per m <sup>2</sup> of Gross Floor Area)		
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	Other Non-residential	Agricultural Use	Industrial
<b>Municipal Wide Services:</b>							
Roads	\$ 4,395	\$ 2,814	\$ 1,774	\$ 2,885	\$ 21.53	\$ 2.05	\$ 8.61
Public Works	\$ 1,906	\$ 1,221	\$ 769	\$ 1,251	\$ 9.34	\$ -	\$ 3.74
Fire Protection	\$ 1,614	\$ 1,034	\$ 651	\$ 1,060	\$ 7.98	\$ 1.84	\$ 3.19
Parks and Recreation	\$ 4,111	\$ 2,632	\$ 1,659	\$ 2,699	\$ 6.06	\$ -	\$ 2.42
Library	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Growth-related Studies	\$ 493	\$ 316	\$ 199	\$ 324	\$ 2.44	\$ -	\$ 0.98
<b>Total Municipal Wide Services</b>	<b>\$ 12,519</b>	<b>\$ 8,017</b>	<b>\$ 5,052</b>	<b>\$ 8,219</b>	<b>\$ 47.35</b>	<b>\$ 3.89</b>	<b>\$ 18.94</b>
<b>Urban Services</b>							
Wastewater	\$ 11,393	\$ 7,296	\$ 4,597	\$ 7,479	\$ 25.54	\$ -	\$ 10.22
Water	\$ 1,785	\$ 1,143	\$ 720	\$ 1,172	\$ 4.01	\$ -	\$ 1.60
<b>Total Urban Services</b>	<b>\$ 13,178</b>	<b>\$ 8,439</b>	<b>\$ 5,317</b>	<b>\$ 8,651</b>	<b>\$ 29.55</b>	<b>\$ -</b>	<b>\$ 11.82</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>\$ 12,519</b>	<b>\$ 8,017</b>	<b>\$ 5,052</b>	<b>\$ 8,219</b>	<b>\$ 47.35</b>	<b>\$ 3.89</b>	<b>\$ 18.94</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>\$ 25,697</b>	<b>\$ 16,456</b>	<b>\$ 10,369</b>	<b>\$ 16,870</b>	<b>\$ 76.90</b>	<b>\$ 3.89</b>	<b>\$ 30.76</b>



## D.C. Impacts and Municipal Comparisons

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# 2021 D.C. Amendment

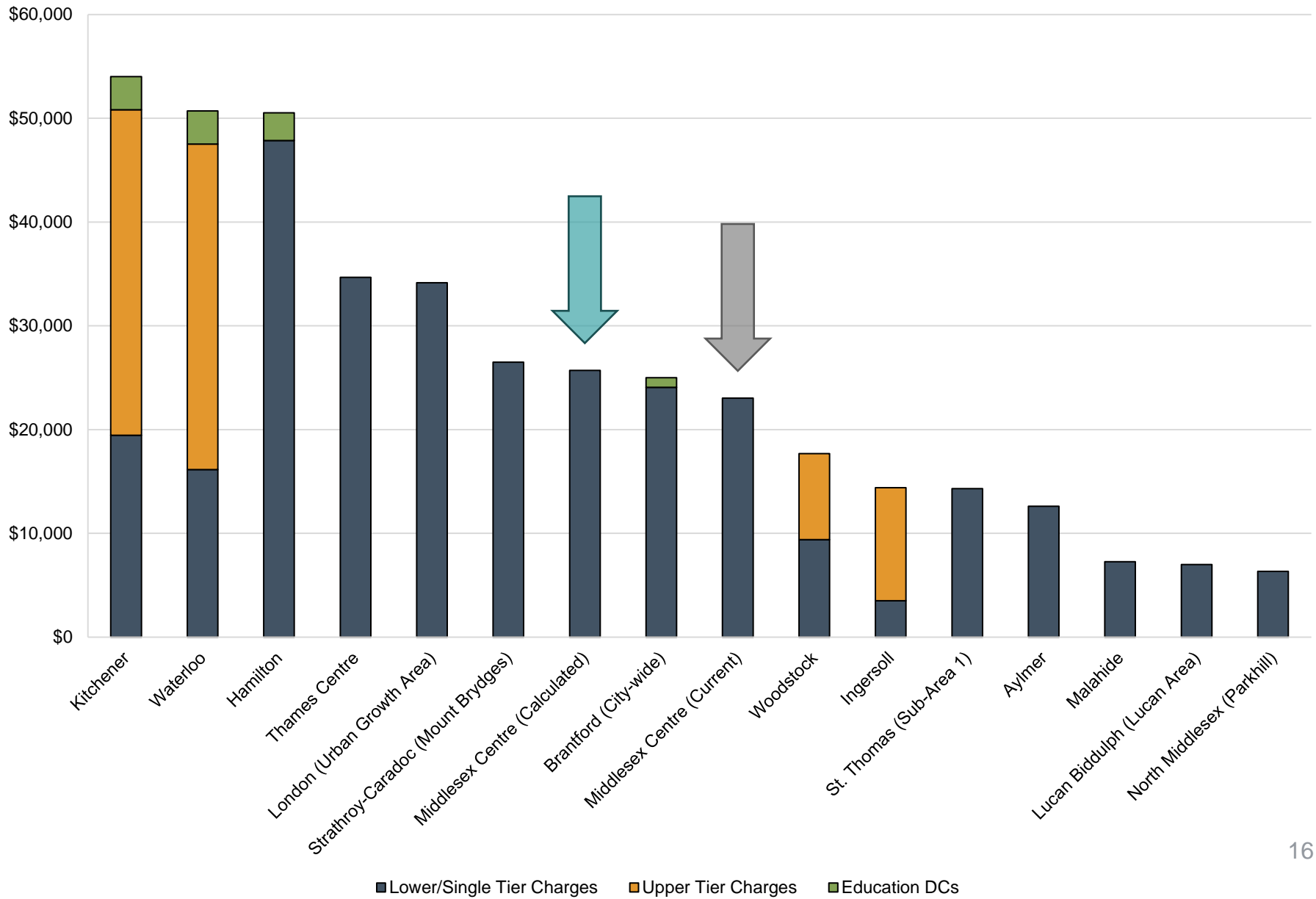
## Comparison of current and calculated rates (indexed to 2021\$)



Service	Residential		Non-Residential (per m <sup>2</sup> of Gross Floor Area)					
	Single and Semi-Detached Dwelling		Other Non-Residential		Agricultural Use		Industrial	
	Current	Calculated	Current	Calculated	Current	Calculated	Current	Calculated
<b>Municipal Wide Services:</b>								
Roads	\$ 3,708	\$ 4,395	\$ 18.17	\$ 21.53	\$ 2.05	\$ 2.05	\$ 7.27	\$ 8.61
Public Works	\$ 1,802	\$ 1,906	\$ 8.82	\$ 9.34	\$ -	\$ -	\$ 3.53	\$ 3.74
Fire Protection	\$ 1,614	\$ 1,614	\$ 7.98	\$ 7.98	\$ 1.84	\$ 1.84	\$ 3.19	\$ 3.19
Parks and Recreation	\$ 3,041	\$ 4,111	\$ 4.48	\$ 6.06	\$ -	\$ -	\$ 1.79	\$ 2.42
Library	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Growth-related Studies	\$ 402	\$ 493	\$ 1.99	\$ 2.44	\$ -	\$ -	\$ 0.80	\$ 0.98
<b>Total Municipal Wide Services</b>	<b>\$ 10,567</b>	<b>\$ 12,519</b>	<b>\$ 41.44</b>	<b>\$ 47.35</b>	<b>\$ 3.89</b>	<b>\$ 3.89</b>	<b>\$ 16.58</b>	<b>\$ 18.94</b>
<b>Area Specific Services:</b>								
Wastewater	\$ 10,975	\$ 11,393	\$ 24.60	\$ 25.54	\$ -	\$ -	\$ 9.84	\$ 10.22
Water	\$ 1,482	\$ 1,785	\$ 3.33	\$ 4.01	\$ -	\$ -	\$ 1.33	\$ 1.60
<b>Total Area Specific Services</b>	<b>\$ 12,457</b>	<b>\$ 13,178</b>	<b>\$ 27.93</b>	<b>\$ 29.55</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11.17</b>	<b>\$ 11.82</b>
<b>Grand Total - Urban Area</b>	<b>\$ 23,024</b>	<b>\$ 25,697</b>	<b>\$ 69.37</b>	<b>\$ 76.90</b>	<b>\$ 3.89</b>	<b>\$ 3.89</b>	<b>\$ 27.75</b>	<b>\$ 30.76</b>

# Municipal D.C. Comparison

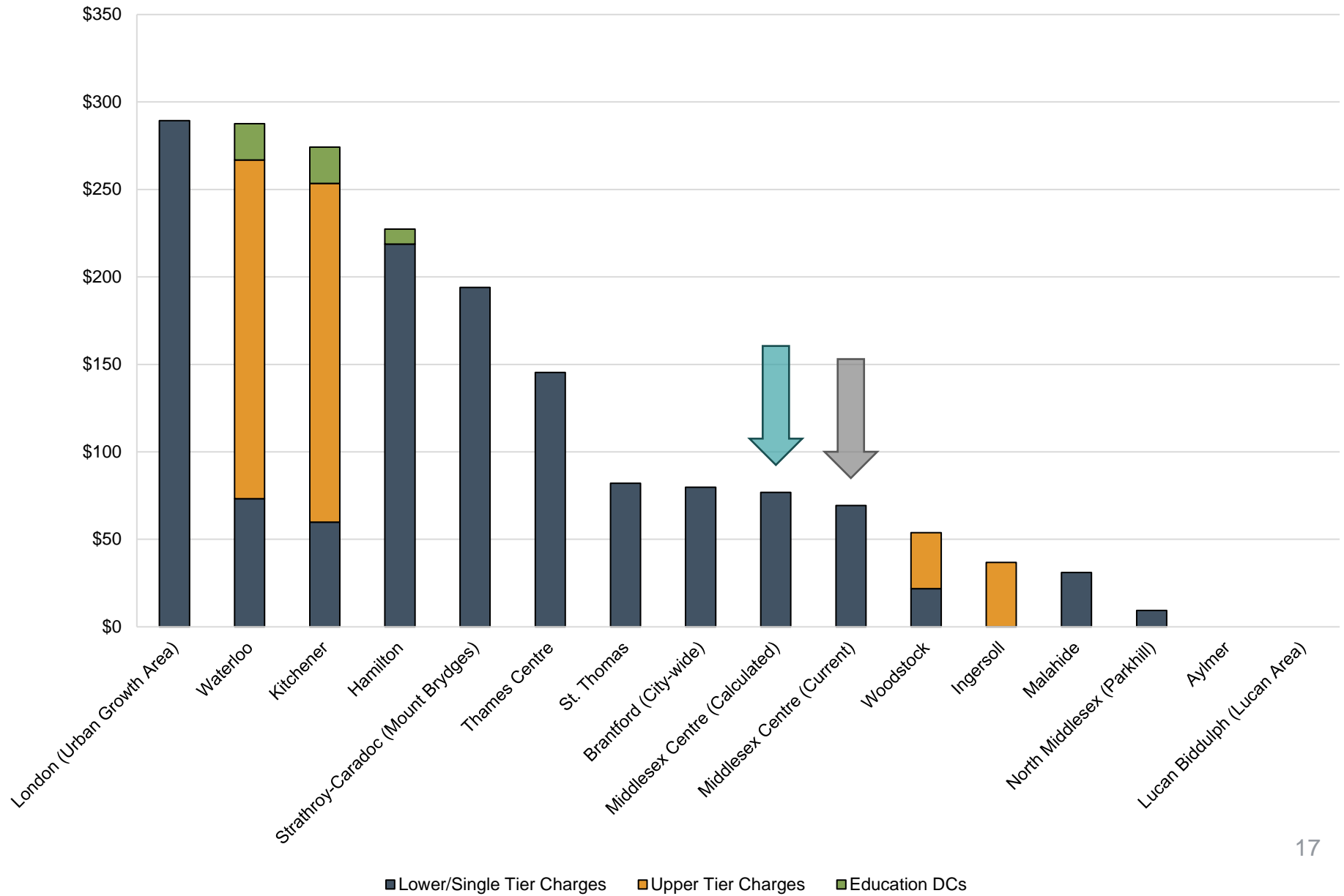
Residential Development Charges (per Single Detached Dwelling)





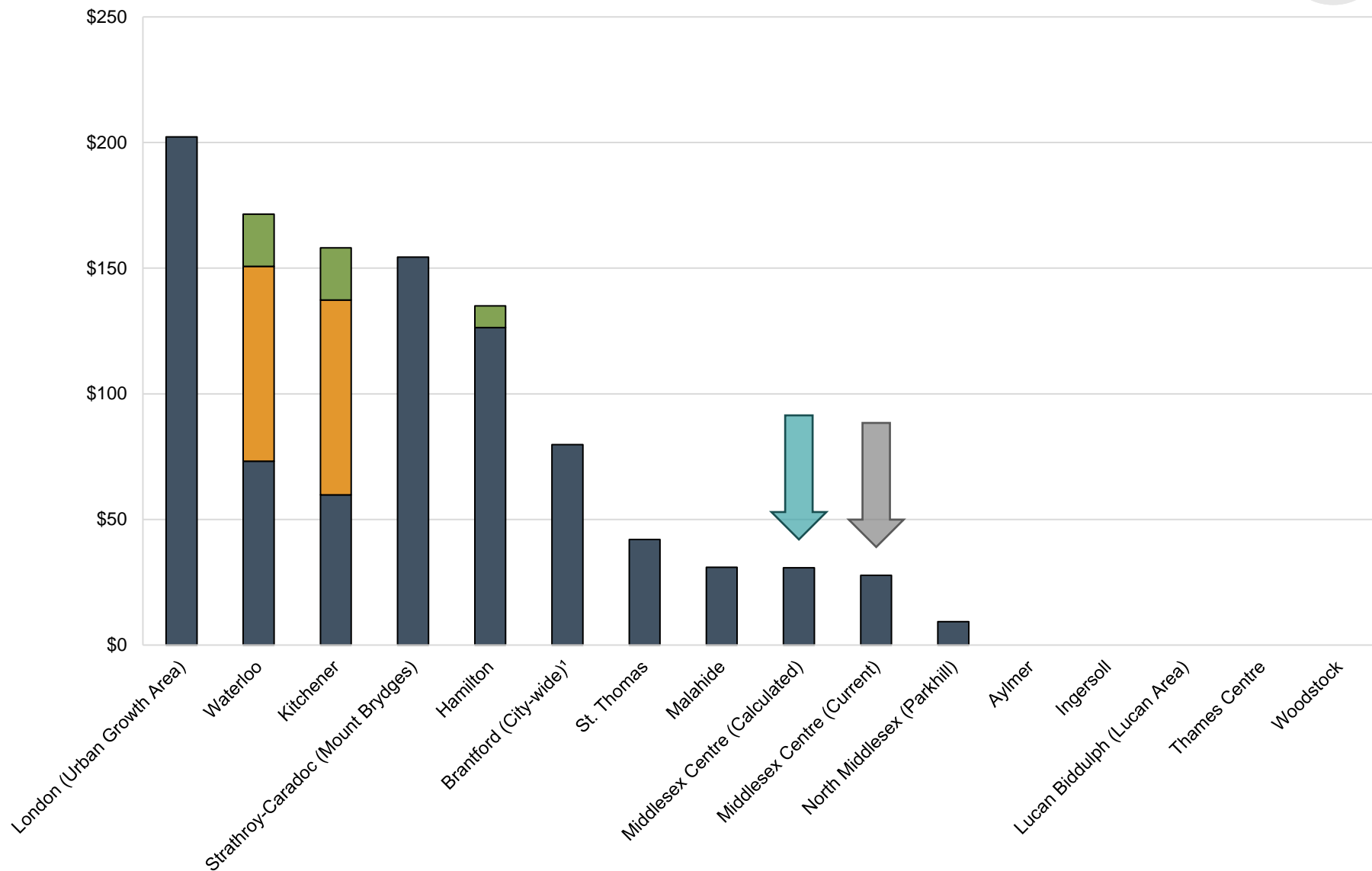
# Municipal D.C. Comparison

Commercial Development Charges (per sq.m. of GFA)



# Municipal D.C. Comparison

Industrial Development Charges (per sq.m. of GFA)





## Local Service Policy

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- The purpose of the Local Service Policy is to provide guidance in delineating costs to be included in the D.C. Background Study versus costs to be paid for directly by developers/landowners
- The Municipality's existing Local Service Policy (as contained in Appendix D of the 2019 D.C. Background Study) was updated to:
  - Add sections dealing with Parkland, Recreational Trails, Natural Heritage Systems, Landscape Features and Other Land Conveyed to the Municipality; and
  - Provide refinements and clarifications in existing sections of the policy.



## D.C. By-law Policies

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- **Except for the following revisions, policies contained within By-law 2019-073, remain unchanged**
- Rental housing and institutional developments will pay D.C.s in 6 equal annual payments, commencing from the date of occupancy
- Non-profit housing will pay D.C.s in 21 equal annual payments, commencing from the date of occupancy
- 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 the application is made
  - Charges to be frozen for a maximum period of 2 years after planning application approval

# D.C. By-Law Policies

## Interest Charges



- Interest on instalment payments and charges calculated at Site Plan or Zoning By-Law Amendment application will be imposed in accordance with the Municipality's Development Charges Interest Rate Policy (to be approved prior to, or in tandem with, amending D.C. by-law)
  - Interest rate will be based on the average annual change in the Statistics Canada Non-residential Building Construction Price Index (Toronto series), calculated for the five years immediately preceding the latest Third Quarter index
  - The interest rate will be established at the earlier of when the Development Charge is calculated or when the first payment is due
  - This interest rate will remain fixed until the final payment is received

# D.C. By-Law Policies

## Statutory Exemptions



- Residential intensification (within existing residential buildings or structures ancillary to existing residential buildings):
  - 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
- The creation of a second dwelling unit in prescribed classes of new residential buildings (i.e., detached, semi-detached and row dwellings), including structures ancillary to dwellings
- Universities that receive regular and ongoing operating funds from the government





## Next Steps

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## Next Steps



- Council will receive input from the public and consider any amendments to the D.C Update Study and draft amending by-law
- Finalize Development Charges Interest Rate Policy
- Council to approve D.C Update Study, as amended, and consider adoption of amending D.C. by-law – December 15, 2021