



Presentation
Date: 01/03/2018

AREA SPECIFIC DEVELOPMENT CHARGES

DEVELOPMENT CHARGES STAKEHOLDERS SUB-
COMMITTEE

LINDSAY GILLIES

2019 DEVELOPMENT CHARGES BACKGROUND STUDY



The existing DC By-law expires July 6, 2019 and the 2041 growth forecasts and masterplans will not be available by that time.

The 2031 forecasts and costs will be updated for the 2019 DC Background Study.

A DC Background study incorporating the 2041 population and capital forecasts will be sought to be initiated once sufficient data and progress has been achieved on the related masterplans, before the standard five year DC By-law term.

AREA SPECIFIC DEVELOPMENT CHARGES



There were several changes arising out of Bill 73 which were highlighted in the presentation by Watson & Associates.

One of the new requirements for municipalities, to be discussed today, is that Council must consider the use of area rating.

AREA SPECIFIC DEVELOPMENT CHARGES

- Council Direction
 - That staff be directed to undertake an engineering cost analysis of storm, waste-water and water growth infrastructure in the six downtown corridors to assist in the next development charge review and provide a clear timeline path.

PED/Finance staff Analysis

SAC's based on 6 former downtowns not feasible

AREA SPECIFIC – DOWNTOWN DIRECTION



There are several challenges with determining area specific charges within the downtowns

- Masterplans would need to be refined to look at projects at this level of granularity
- Capital works outside the downtowns may benefit the downtowns.
 - Projects that provide more storage and capacity for w/ww/s help to reduce flooding/surcharging risks downstream.
 - Example: Binbrook pumping station and watermain looping will affect the entire community, not just the downtown.

AREA SPECIFIC DEVELOPMENT CHARGES

3 Options explored

- Option 1 Maintain a City Wide DC Approach
- Option 2 Area rate for Water, Wastewater (Built Boundary/Greenfield) and Storm (Combined wastewater/storm pipes)
- **Option 3 – Area Rate for Storm-water infrastructure only (Staff recommended)**

Did not explore area rating any other service

AREA SPECIFIC DEVELOPMENT CHARGES – PROS AND CONS

The presentation by Watson & Associates was very thorough in presenting perspectives (pros and cons).

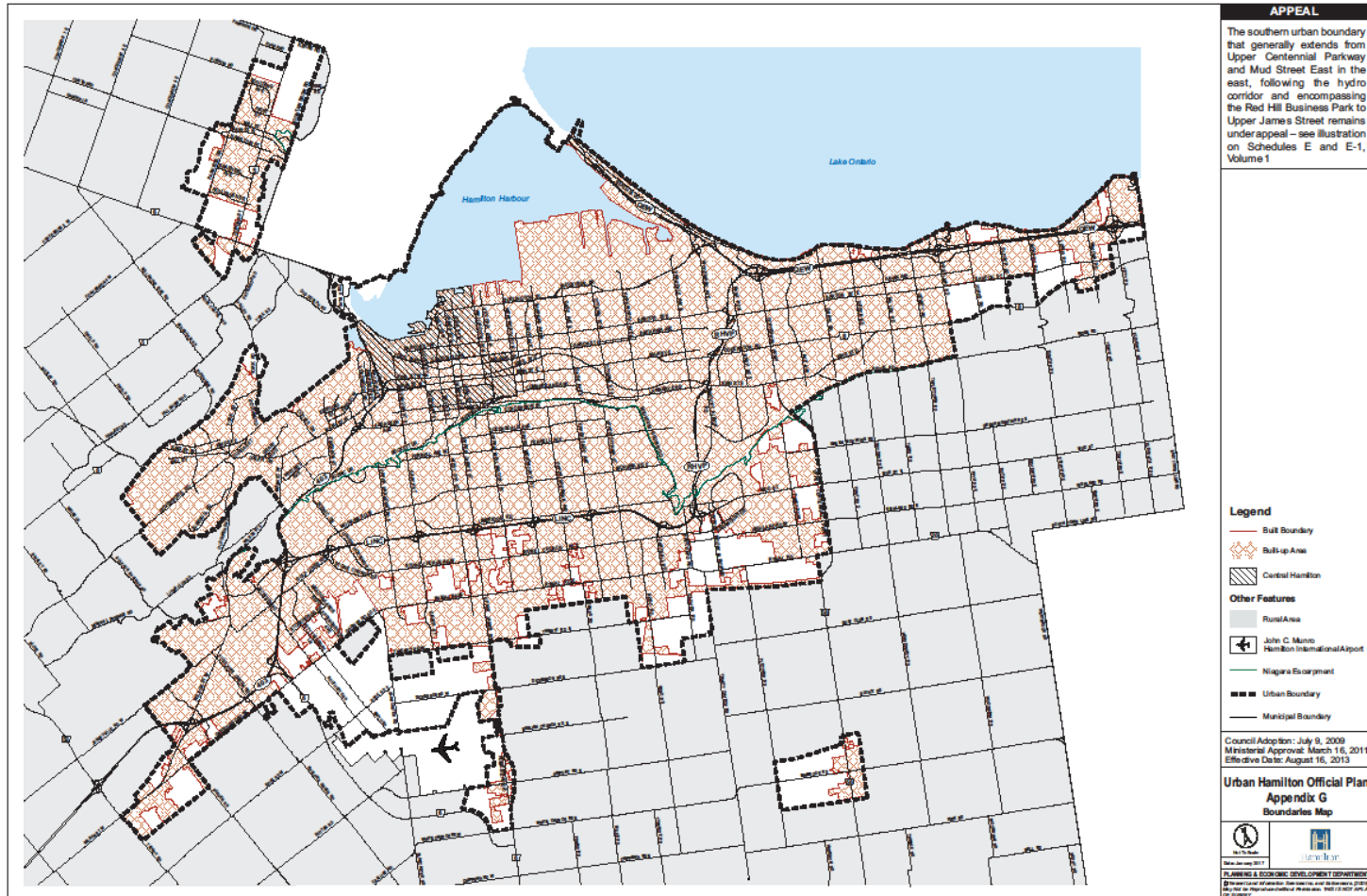
Recall:

- Pros
 - Where service levels differ, area specific charges can reflect that difference
- Cons
 - Increased reliance on debt due to inability to pool funds
 - May impact competitiveness where housing prices are similar but DCs vary (one side of the street vs the other)

AREA SPECIFIC – OPTIONS MAP – GREENFIELD VS BUILT BOUNDARY



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March 1, 2018

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OPTION 2 – AREA SPECIFIC DC FOR WATER, WASTE WATER AND STORM

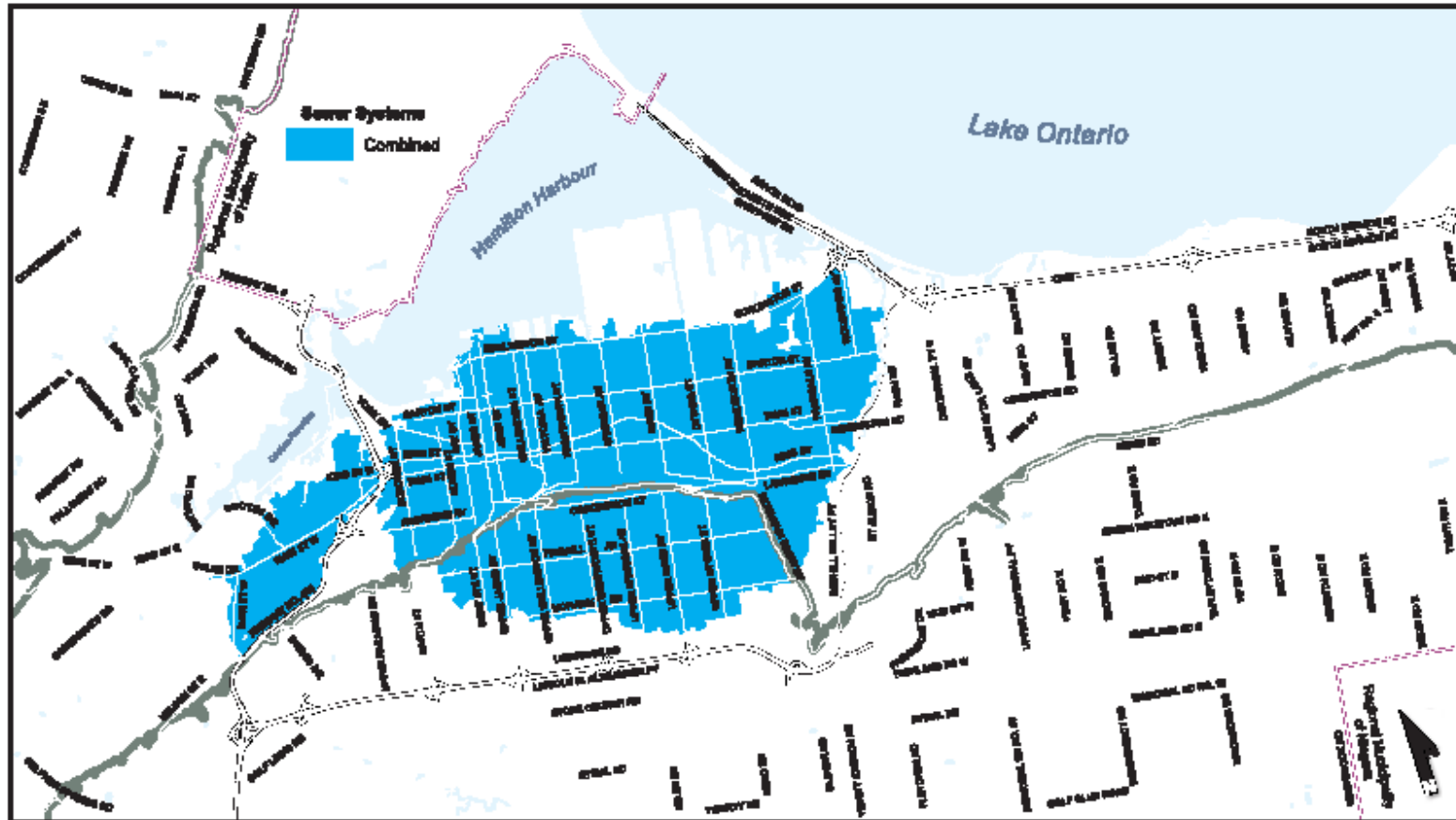
Considerations regarding Water and Waste Water

- Water and Wastewater was split based on the built boundary vs greenfield
- All facilities remained allocated on a city wide basis, linear works were split if they serviced greenfield.
- An analysis of the 2014 water and waste water projects resulted in a nominal difference between built boundary and greenfield
- The water and waste water serving level is consistent across the City (no service differential)
- Projects have the potential to provide mutually derived benefit – e.g., the 403 trunk sewer
- The future capital project costs regarding the impact of the Province's intensification goal increasing from 40% to 60% have not been assessed

AREA SPECIFIC – OPTIONS MAP COMBINED VS SEPARATED SYSTEM



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OPTION 3 – AREA SPECIFIC DC FOR STORM – WHY IT MAKES SENSE

- Clear boundaries between the combined and separated systems
- Clear differential related to level of service
- On-site controls to existing pipe capacity can be very costly in the combined system, therefore while they may pay less in DCs they may experience higher on-site costs

OPTION 3 STORM

2014 DATA DRAFT ANALYSIS



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	Single Family Dwelling				Non-Residential (per square foot)			
City Wide	\$ 34,983				\$ 18.77			
Combined Sewer System	\$ 29,171	Decrease of	\$ 5,812		\$ 17.90	Decrease of	\$ 0.87	
Separated Sewer System	\$ 35,903	Increase of	\$ 920		\$ 18.96	Increase of	\$ 0.19	

	Apartment 2+ bedroom				Apartment 1 bedroom/bachelor			
City Wide	\$21,359				\$ 14,860			
Combined Sewer System	\$17,810	Decrease of	\$ 3,549		\$12,391	Decrease of	\$ 2,469	
Separated Sewer System	\$21,921	Increase of	\$ 562		\$15,251	Increase of	\$ 391	

Note that the analysis used the data from the 2014 DC Study, not adjusted for realized growth or projects completed to date. The impact on the 2019 DC Study is anticipated to be a similar magnitude since the same 2031 masterplans are being used.

ASK OF DC STAKEHOLDERS

SUBCOMMITTEE – 2019 DC BACKGROUND STUDY



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- We request that the DC Stakeholder's committee endorse the principles in the staff recommended approach of area rating only for Storm services between the combined and separated systems.
- That, with the exception of transit, the DC Stakeholder's sub-committee endorse the principles of not area rating any other service. Transit will be revisited this summer.
- A standard Citywide DC will also be calculated for comparison throughout the process.
- Any other direction at this time?



NEXT STEPS

- AF&A – March 26, 2018
 - Endorsement of the area specific storm approach
- Schedule monthly DC Stakeholder meetings commencing in June 2018 to explore other policy matters and updates on progress
- Update Local Servicing Policy
- Complete 2019 DC work with the area specific storm approach
- Reconfirm area specific storm vs citywide approach at end of DC Study



DC TIMING

Description	2018												2019						
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
Development Charge Study																			
Consultation to provide DC Overview, Changes in Legislation, DC Schedule, Area Rating Options, etc. to:																			
- SLT (February 15, 2018)																			
- Stakeholders (March 1, 2018)																			
- Council via AF&A (March 26, 2018)																			
Draft Growth Forecast																			
Services (excluding Water, Wastewater, Stormwater & Transportation)																			
- Historic Service Standard Information																			
- Capital Infrastructure Requirements																			
- Review Meetings to confirm all data with staff																			
Services - Water, Wastewater, Stormwater, Transportation & Transit: Staff & Consultants to update list of capital infrastructure requirements																			
Capital Costs for WWW, SWM, TMP & Transit to be confirmed																			
Local Servicing Policy Update																			
By-law Policy Review/Update																			
Draft Background Study (Internal Review)																			
60 Day Public Review of DC Background Study																			
2019 DC By-law Passage																			
Expiry of 2014 DC By-law (July 6, 2019)																			
DC Stakeholder Sub-Committee Consultation																			

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Thank You!



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