



INFORMATION REPORT

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| TO: | Chair and Members Audit, Finance and Administration Committee |
| COMMITTEE DATE: | December 17, 2018 |
| SUBJECT/REPORT NO: | 2019 Development Charges Background Study Status Update (FCS18099) (City Wide) |
| WARD(S) AFFECTED: | City Wide |
| PREPARED BY: | Joseph Spiler (905) 546-2424 Ext. 4519 Lindsay Gillies (905) 546-2424 Ext. 2790 |
| SUBMITTED BY: | Brian McMullen Acting General Manager Finance and Corporate Services |
| SIGNATURE: | |

Council Direction:

Audit, Finance and Administration Committee, at its meeting of October 23, 2017, approved through Report FCS17086, the following:

- “(a) That a new Development Charges (DC) Background Study for all City Services be initiated to support a new DC By-law, in accordance with the *Development Charges Act, 1997*;
- (b) That Council approve the single source procurement, pursuant to procurement Policy #11 – Non-competitive Procurements, of Watson & Associates Economists Ltd. as the consultant to complete the City’s 2019 Development Charge (DC) Background Study and support the enactment of a new DC By-law, to be funded from the planned 2018 Capital Budget, Project 3381855301 “2019 DC Study” of \$650 K;

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: 2019 Development Charges Background Study Status Update
(FCS18099) (City Wide) – Page 2 of 3**

- (c) That the General Manager, Finance and Corporate Services be authorized to negotiate, enter into and execute a contract and any ancillary documents required to give effect thereto with Watson & Associates Economists Ltd. for the purposes of completion of the 2019 Development Charge (DC) Background Study in a form satisfactory to the City Solicitor and within the financial restraints of the planned 2018 Capital Budget, Project 3381855301 “2019 DC Study” of \$650 K. “That a new Development Charges (DC) Background Study for all City Services be initiated to support a new DC By-law, in accordance with the *Development Charges Act, 1997*.”

Information:

Watson & Associates Economists Ltd. (Watson) was engaged by the City to complete the City’s 2019 Development Charge (DC) Background Study and support the enactment of a new DC By-law.

Watson has worked with City staff as well as engineering consultants (GM BluePlan Engineering Consultants Limited, John Wood Group PLC and Dillon Consulting) and has collected the data necessary to substantially complete the 2019 DC Background Study.

This first involved documenting the City’s Local Service Policy and establishing service standards, where required, by the *Development Charges Act, 1997* (DC Act). Drafts of the Local Service Policy and Service Standards were released through the September 13, 2018 meeting of the DC Stakeholders Subcommittee and are available on the City’s website.

The future capital needs required to meet the City’s growth forecast as per the Province’s Places to Grow 2031 targets have been collected and are in the final stages of being analyzed according to the requirements and permissions of the DC Act. The same Places to Grow 2031 targets will be used to apportion the capital needs between residential and non-residential development to generate the draft DC rates.

In parallel with the engagement to complete the City’s DC Background Study, a review to assess the effectiveness of the City’s DC exemptions and incentives is being undertaken by Watson and N. Barry Lyon Consultants Limited. A report with recommendations is anticipated early 2019. Staff will use the results of this review to form the policy recommendations to be included in the 2019 DC By-law.

As the 2019 Development Charge (DC) Background Study is nearing completion, staff wishes to inform Council of the upcoming milestones in the project.

**SUBJECT: 2019 Development Charges Background Study Status Update
(FCS18099) (City Wide) – Page 3 of 3**

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| January / February 2019 | Draft DC Capital lists and draft DC rates to be released DC Stakeholders Subcommittee (Date to be set) |
| March 2019 | DC Background Study and DC By-law released DC Stakeholders Subcommittee (Date to be set) |
| April 18, 2019 | Public Meeting Audit, Finance & Administration Committee DC Act considerations: must provide 20 days' public notice, the proposed DC background study and by-law must be available at least two weeks prior, Council must determine if a second public meeting is required if changes to the proposed by-law are proposed as a result of this meeting |
| May/June 2019 | Approval / Passing of 2019 DC By-law Audit, Finance & Administration Committee (Date to be set) DC Act considerations: must be at least 60 days after the proposed DC background study and by-law are made publicly available |
| July 6, 2019 | 2019 DC By-law becomes effective |

Appendices and Schedules Attached

None

JS/LG/dt