



2019 DEVELOPMENT CHARGES – BACKGROUND STUDY SUMMARY

Development Charges Stakeholders Sub-Committee
March 25, 2019

Agenda

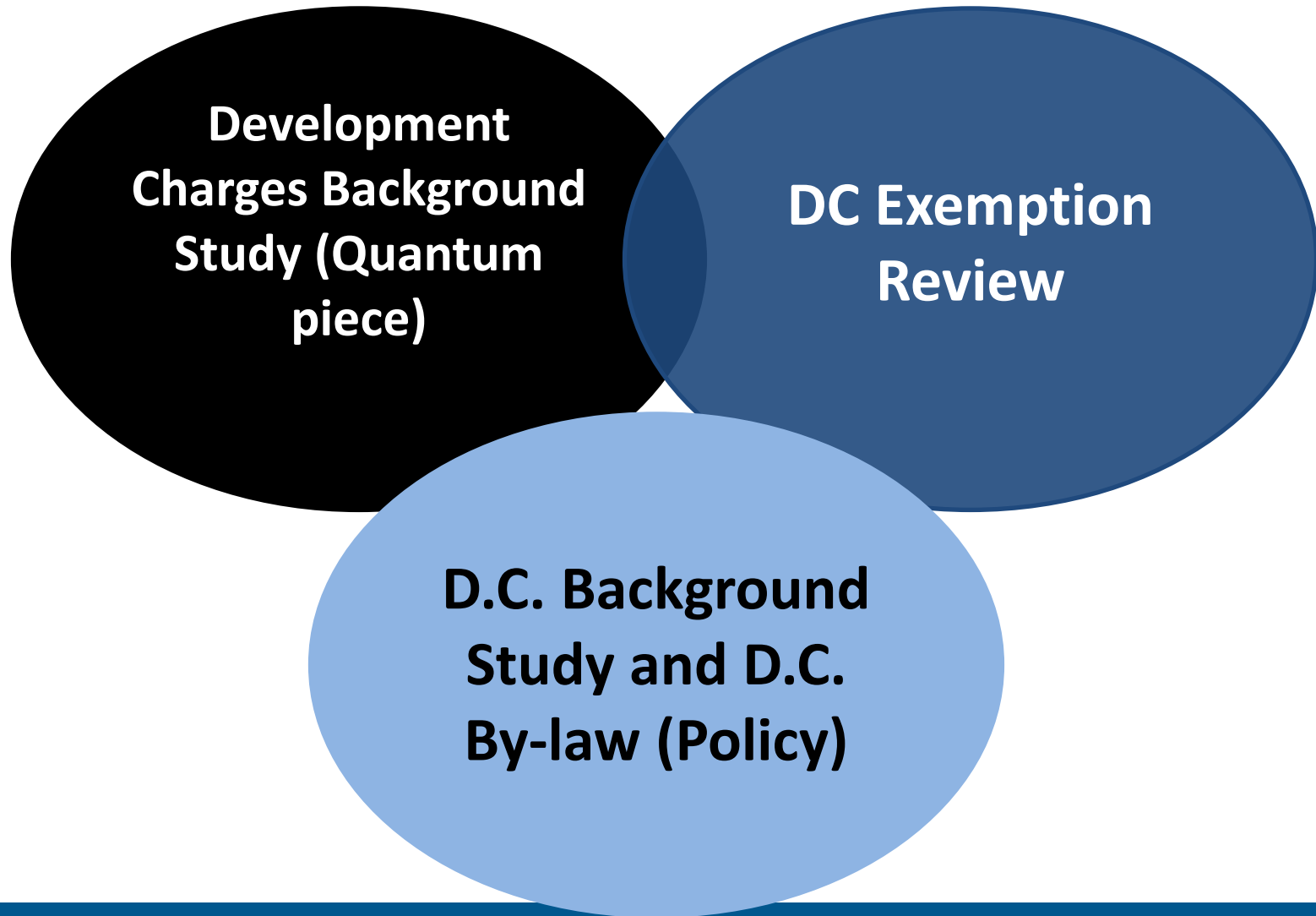
- Process Summary
- Schedule
- DC Background Study Components
- DC Background Study Summary
- DC Comparison
- DC Exemption Summary
- Public Consultation
- Next Steps

Process Summary

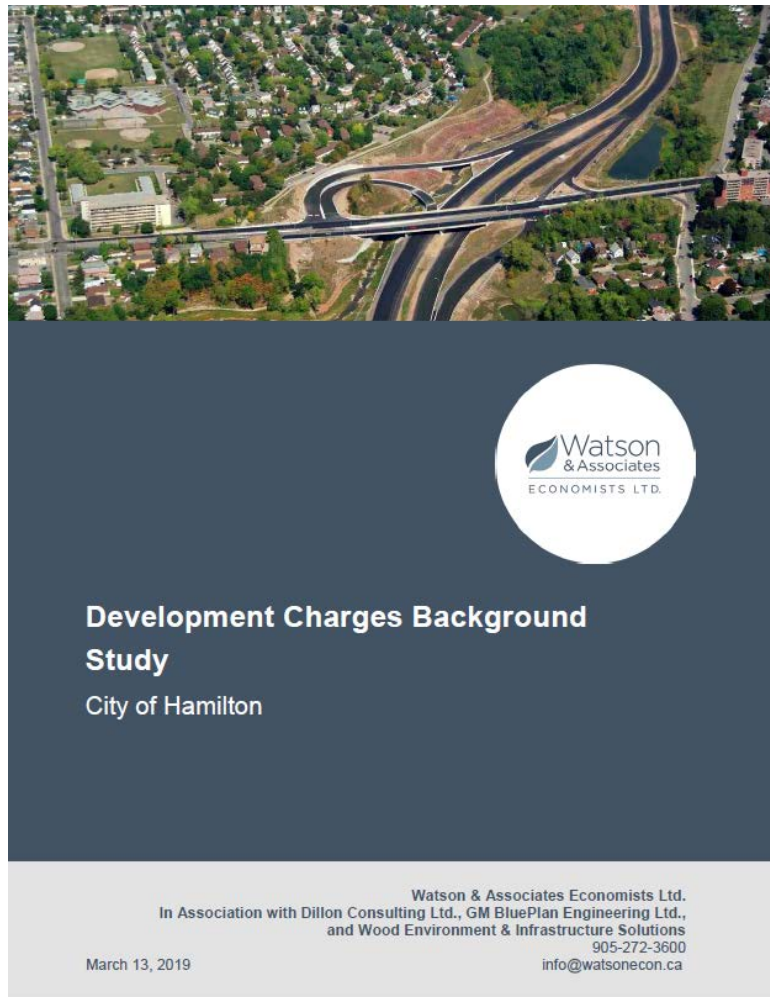
- Presentations and Direction to/from DC Stakeholders Sub-Committee
 - March 1, 2018, June 14, 2018, September 13, 2018, January 28, 2019, February 19, 2019
- DC Background Study Released
 - March 13th, 2019
- Consultation Meetings
 - Downtown Hamilton CIPA developers - November 5, 2018
 - McMaster University - March 7, 2019
 - Agriculture & Rural Affairs Advisory Committee - March 18, 2019

2019 DC Background Study including draft 2019 DC by-law available to public	<u>Released March 13, 2019</u>
Public Meeting ad placed in newspaper(s)	Hamilton Community News - March 21 & 28, 2019 Hamilton Spectator - March 22 & 29, 2019 <i>At least 20 days prior to the public meeting</i>
Public Meeting	April 18, 2019 to be held at Audit, Finance and Administration Committee, 9:30 am and 7:00 pm <i>at least two weeks after proposed background study and by-law are available to the public</i>
Council considers passage of by-law	AF&A – May 16, 2019 or June 6, 2019 Council – May 22, 2019 or June 12, 2019 (Date dependent on outcome of the Public Meeting) <i>No less than 60 days after the background study is made available to the public</i>
Newspaper and written notice given of by-law passage	<i>By 20 days after passage</i>
Last day for by-law appeal	<i>40 days after passage</i>
City makes available pamphlet (where by-law not appealed)	<i>By 60 days after passage</i>

DC Background Study Components



DC Background Study Components



- Current City of Hamilton Policy
- Anticipated development in the City of Hamilton
- Development Charge calculation and eligible cost analysis by service
- DC Policy recommendations and proposed DC By-law
- Local Service Policy (direct developer cost)
- Project Maps for Water, Wastewater, Stormwater and Services related to a Highway

Summary – Capital Spend

Total gross expenditures planned over the next five years	\$ 2,847,062,175
Less:	
Benefit to existing development	\$ 945,088,387
Post planning period benefit	\$ 134,995,099
Ineligible	\$ 31,192,195
Mandatory 10% deduction for certain services	\$ 21,666,486
Grants, subsidies and other contributions	\$ 450,827,196
Net Costs to be recovered from development charges	\$ 1,263,292,812

Summary – Development Charges

	2019\$ D.C.-Eligible Cost		2019\$ D.C.-Eligible Cost	
	Residential	Non-Residential	SDU	per ft ²
	\$	\$	\$	\$
Urban-wide Services 13 Year (Within Combined Sewer System)	470,252,587	265,193,808	18,178	6.84
Urban-wide Services 13 Year (Within Separated Sewer System)	802,101,927	335,143,330	27,216	9.13
City-Wide Services 13 Year	403,086,503	349,590,851	12,539	8.95
City-wide Services 10 Year	320,939,505	64,005,834	12,806	2.22
TOTAL COMBINED SEWER SYSTEM	\$1,194,278,596	\$678,790,492	\$43,523	\$18.01
TOTAL SEPARATED SEWER SYSTEM	\$1,526,127,935	\$748,740,015	\$52,561	\$20.29

Summary – Residential DCs

	RESIDENTIAL				
	Single-Detached Dwelling & Semi-Detached Dwelling (per dwelling unit)	Townhouses & Other Multiple Unit Dwellings (per dwelling unit)	Apartments 2-Bedrooms+ (per dwelling unit)	Apartments Bachelor & 1-Bedroom (per dwelling unit)	Residential Facility (per bedroom)
2019 Calculated Rate - Combined Sewer System	43,523	31,152	25,487	17,436	14,057
2019 Calculated Rate - Separated Sewer System	52,561	37,620	30,780	21,056	16,977
Existing Rate	38,318	27,695	23,396	16,277	12,431
Increase - Combined Sewer Sysem	5,205	3,457	2,091	1,159	1,626
Increase - Separated Sewer Sysem	14,243	9,925	7,384	4,779	4,546

Summary – Non-Residential DCs

	NON-RESIDENTIAL	INDUSTRIAL
	(per sq.ft. of Gross Floor Area)	39% reduction from calculated rate
2019 Calculated Rate - Combined Sewer System	18.02	10.99
2019 Calculated Rate - Separated Sewer System	20.30	12.39
Existing Rate	20.54	12.53
Decrease - Combined Sewer Sysem	(2.52)	(1.54)
Decrease - Separated Sewer Sysem	(0.24)	(0.14)

DC Comparison

Service	Hamilton (Draft Calculated) - Separated Sewer Sytem	Oakville (Including Region of Halton)	Milton (Including Region of Halton)	Burlington (Including Region of Halton)*	Halton Hills (Including Region of Halton)	Lincoln (Including Region of Niagara)	Grimsby (Including Region of Niagara)	Niagara-on- the-Lake (Including Region of Niagara)	City of Waterloo (Including Region of Waterloo)	Kitchener (Including Region of Waterloo)*	Cambridge (Including Region of Waterloo)*	Brantford*	City of Guelph
Services Related to a Highway (includes Fleet & Facilities)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Police	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fire	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Transit	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓
Parks & Recreation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cemeteries									✓	✓			
Library	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Administrative Studies	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paramedics	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Long Term Care	✓					✓	✓	✓					
Health Services	✓					✓	✓	✓					✓
Social & Child Services	✓												
Social Housing	✓	✓	✓	✓	✓	✓	✓	✓					
Airport	✓								✓	✓	✓		
Parking	✓	✓	✓		✓	✓	✓		✓	✓		✓	✓
P.O.A.	✓					✓	✓	✓					✓
Waste Diversion	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Wastewater	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Water	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Stormwater	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Total (Services Hamilton does not collect for removed)	52,561	71,030	55,998	45,486	52,393	39,444	39,444	27,051	38,511	34,215	34,029	22,239	35,098
Total (Services Hamilton does not collect for removed) - Less Stormwater	39,575	71,030	55,998	44,927	52,211	37,866	37,866	25,833	37,235	34,058	33,136	21,877	34,873
Hamilton's D.C. Charge if Collecting Like Services to Each Municipality		38,975	38,975	38,485	38,975	37,224	37,224	36,734	38,746	38,746	38,257	37,670	37,711

*By-law to expire in 2019

Note: Region of Waterloo's By-law is currently under review

DC Exemptions – Statutory

- industrial building additions of up to and including 50% of the existing gross floor area (defined in O.Reg. 82/98, s.1) of the building; for industrial building additions which exceed 50% of the existing gross floor area, only the portion of the addition in excess of 50% is subject to D.C.s (s.4(3)) of the D.C.A.;
- buildings or structures owned by and used for the purposes of any municipality, local board or Board of Education (s.3); and
- residential development that results only in the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units (based on prescribed limits set out in s.2 of O.Reg. 82/98).

DC Exemptions – Non-Statutory Full Exemptions

- A building, or part thereof, used for parking but excluding a building or part thereof used for commercial parking
- An agricultural use
- A place of worship
- A laneway house
- A temporary building or structure

DC Exemptions – Non-Statutory Partial Exemptions

- Class A Office development within the Downtown C.I.P.A. shall be 70% exempted from D.C.s otherwise payable
- All development other than Class A office development within Downtown Hamilton C.I.P.A. will be subject to reductions based on the following amounts dependent on the date applicable D.C.s are payable

Date	Percentage of exemption (%)	Percentage of development charge payable (%)
July 6, 2019 to July 5, 2020	60	40
July 6, 2020 to July 5, 2021	50	50
July 6, 2021 to July 5, 2022	40	60
July 6, 2022 to July 5, 2023	40	60
July 6, 2023 to July 6, 2024	40	60

DC Exemptions – Non-Statutory Partial Exemptions

- Non-industrial development within a C.I.P.A. or B.I.A. will be partially exempt from D.C.s as follows:
 - Fifty percent (50%) reduction on the first 5,000 sq.ft.
 - Seventy-five percent (75%) on development between 5,001 – 10,000 sq.ft.
 - One hundred percent (100%) on the amount of development exceeding 10,000 sq.ft.;
- A student residence developed by a university, college of applied arts and technology or other accredited post-secondary institution is exempt from 50% of the applicable D.C. This partial reduction will only be applicable until June 30, 2020;

DC Exemptions – Non-Statutory Partial Exemptions

- Redevelopment of an existing residential development for the purpose of creating more residential facilities within the existing building envelope is exempt from 50% of the D.C. otherwise payable; and
- Adaptive Reuse of buildings on Protected Heritage Properties is exempted from D.C.s for sections of the building that contain protected heritage attributes or features.

Public Meeting - April 18, 2019 commencing at 9:30 am and 7 pm.

Interested persons may express their comments at the Public Meeting or in writing, addressed to:

**Angela McRae, Legislative Coordinator, Audit, Finance &
Administration Committee
City Clerk's Office
71 Main Street West, 1st Floor
Hamilton, Ontario, L8P 4Y5**

Enquiries with respect to the information contained within the 2019 Development Charges (DC) Background Study can be forwarded to

DCBackgroundStudy@hamilton.ca.



Hamilton

THANK YOU