



Hamilton

# 2019 DEVELOPMENT CHARGES – BACKGROUND STUDY SUMMARY

Audit, Finance and Administration Committee

April 18, 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, March 25, 2019
- DC Background Study Released
  - March 13th, 2019
- DC Background Study Public Notices
  - City of Hamilton Tweets – March 13, March 18, March 25, April 1, April 8, April 15
  - Jason Thorne Tweets – March 16
  - Hamilton Community News Public Notice – March 21 and March 28
  - Hamilton Spectator Public Notice – March 22 and March 29

# Process Summary

- Consultation Meetings

- Downtown Hamilton CIPA developers - November 5, 2018
- McMaster University - March 7, 2019
- Agriculture & Rural Affairs Advisory Committee - March 18, 2019
- Mohawk – March 27, 2019
- Affordable Housing Program – April 2, 2019

- Other communications

- Staff has received and addressed questions from Engineering Firms, Development Firms, Other Municipalities, Academic Institutions, Realty Firms, and members of the Public.
- Related to Capital Projects, DC calculation methodology, where to access information, clarity on information, how to be involved, how specific development projects would be impacted.
- HHHBA has retained an engineer to review the capital project lists and will reach out to staff with any questions in the coming weeks.

2019 DC Background Study including draft 2019 DC by-law available to public	<b><u>Released March 13, 2019</u></b>
Public Meeting ad placed in newspaper(s)	<b>Hamilton Community News - March 21 &amp; 28, 2019</b> <b>Hamilton Spectator - March 22 &amp; 29, 2019</b> <i>At least 20 days prior to the public meeting</i>
Public Meeting	<b>April 18, 2019</b> 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	<b>AF&amp;A – May 16, 2019 or June 6, 2019</b> <b>Council – May 22, 2019 or June 12, 2019</b> (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>

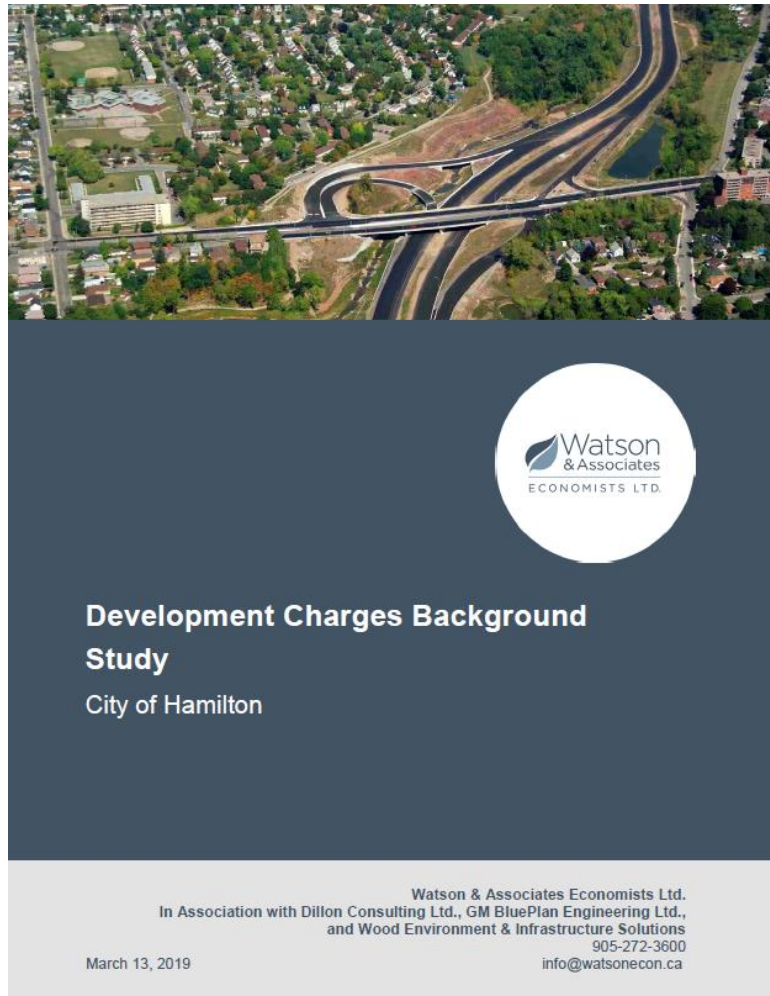
# DC Background Study Components

**Development  
Charges Background  
Study (Quantum  
piece)**

**DC Exemption  
Review**

**D.C. Background  
Study and D.C.  
By-law (Policy)**

# 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
<b>Net Costs to be recovered from development charges</b>	<b>\$ 1,263,292,812</b>



# Summary – Development Charges

	2019\$ D.C.-Eligible Cost		2019\$ D.C.-Eligible Cost	
	Residential	Non-Residential	SDU	per ft <sup>2</sup>
	\$	\$	\$	\$
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
<b>TOTAL COMBINED SEWER SYSTEM</b>	<b>\$1,194,278,596</b>	<b>\$678,790,492</b>	<b>\$43,523</b>	<b>\$18.01</b>
<b>TOTAL SEPARATED SEWER SYSTEM</b>	<b>\$1,526,127,935</b>	<b>\$748,740,015</b>	<b>\$52,561</b>	<b>\$20.29</b>

# 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)
<b>2019 Calculated Rate - Combined Sewer System</b>	43,523	31,152	25,487	17,436	14,057
<b>2019 Calculated Rate - Separated Sewer System</b>	52,561	37,620	30,780	21,056	16,977
<b>Existing Rate</b>	38,318	27,695	23,396	16,277	12,431
<b>Increase - Combined Sewer System</b>	5,205	3,457	2,091	1,159	1,626
<b>Increase - Separated Sewer System</b>	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
<b>2019 Calculated Rate - Combined Sewer System</b>	18.02	10.99
<b>2019 Calculated Rate - Separated Sewer System</b>	20.30	12.39
<b>Existing Rate</b>	20.54	12.53
<b>Decrease - Combined Sewer System</b>	(2.52)	(1.54)
<b>Decrease - Separated Sewer System</b>	(0.24)	(0.14)

# DC Comparison - Residential

## Survey of Residential D.C.s (per single detached dwelling)

Municipality	Rate at April 4/19 (Upper & Lower Tier)	Proposed Rate (if applicable)
Toronto**	60,739	n/a
Burlington (Greenfield)	48,775	55,819
Lincoln**	39,444	n/a
<b>Hamilton (Separated Sewer System)</b>	<b>38,318</b>	<b>52,561</b>
<b>Hamilton (Combined Sewer System)</b>	<b>38,318</b>	<b>43,523</b>
Burlington (Built Boundary)	38,084	41,449
Guelph**	35,098	n/a
Ottawa (Outside Greenbelt)	35,047	36,691
Grimsby*	33,453	n/a
London (Inside Urban Growth Area)*	32,011	n/a
Ottawa (Inside Greenbelt)	25,113	31,014
Brantford (Intensification Area)	24,420	25,083
Brantford (City-Wide)	22,239	22,785
London (Outside Urban Growth Area)*	18,262	n/a
Woodstock**	16,981	n/a

\*By-law expires this year - no proposed rate available

\*\*By-law passed within the past 12 months

# DC Comparison – Non-Residential, Non-Industrial

## Survey of Non-Residential, Non-Industrial D.C.s (per sq.ft.)

Municipality	Rate at April 4/19 (Upper & Lower Tier)	Proposed Rate (if applicable)
Burlington (Greenfield)***	47.74	49.08
Burlington (Built Boundary)***	43.95	45.29
Toronto**	28.84	n/a
London (Inside Urban Growth Area)*	28.30	n/a
Lincoln**	22.46	n/a
Ottawa	21.58	25.57
<b>Hamilton (Separated Sewer System)</b>	<b>20.54</b>	<b>20.30</b>
<b>Hamilton (Combined Sewer System)</b>	<b>20.54</b>	<b>18.02</b>
Grimsby*	19.61	n/a
London (Outside Urban Growth Area)*	17.17	n/a
Guelph**	12.37	n/a
Brantford (Intensification Area)	9.03	8.83
Brantford (City-Wide)	7.19	7.02
Woodstock**	4.35	n/a

\*By-law expires this year - no proposed rate available

\*\*By-law passed within the past 12 months

\*\*\*Halton Region charges are for retail development

# DC Comparison - Industrial

## Survey of Industrial D.C.s (per sq.ft.)

Municipality	Rate at April 4/19 (Upper & Lower Tier)	Proposed Rate (if applicable)
Burlington (Greenfield)***	20.46	20.07
London (Inside Urban Growth Area)*	17.91	n/a
Burlington (Built Boundary)***	16.68	16.29
<b>Hamilton (Separated Sewer System)</b>	<b>12.53</b>	<b>12.39</b>
<b>Hamilton (Combined Sewer System)</b>	<b>12.53</b>	<b>10.99</b>
Guelph**	12.37	n/a
Ottawa	9.39	10.23
Lincoln**	9.35	n/a
Brantford (Intensification Area)	9.03	8.83
Grimsby*	8.40	n/a
London (Outside Urban Growth Area)*	7.91	n/a
Brantford (City-Wide)	7.19	7.02
Toronto**	0	n/a
Woodstock**	0	n/a

\*By-law expires this year - no proposed rate available

\*\*By-law passed within the past 12 months

\*\*\*Halton Region charges are for non-retail development

# 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	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Total (Services Hamilton does not collect for removed)</b>	<b>52,561</b>	<b>76,291</b>	<b>59,287</b>	<b>48,775</b>	<b>56,592</b>	<b>39,444</b>	<b>33,453</b>	<b>27,024</b>	<b>38,511</b>	<b>34,215</b>	<b>34,029</b>	<b>22,239</b>	<b>35,098</b>
<b>Total (Services Hamilton does not collect for removed) - Less Stormwater</b>	<b>39,575</b>	<b>76,291</b>	<b>59,287</b>	<b>48,216</b>	<b>56,400</b>	<b>37,866</b>	<b>33,106</b>	<b>25,806</b>	<b>37,235</b>	<b>34,058</b>	<b>33,136</b>	<b>21,877</b>	<b>34,873</b>
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 Consultation & Next Steps

- Public Meeting Today - April 18, 2019, 9:30 am and 7 pm
- Additional enquiries may be directed to staff:

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

[DCBackgroundStudy@hamilton.ca](mailto:DCBackgroundStudy@hamilton.ca)

- Staff will incorporate any direction arising out of today's meeting in a report back to Council for By-law adoption.
  - May 16 or June 6 AF&A, must be at least 60 days from DC Background Study release date of March 13, 2019.
  - An additional Public Meeting may be scheduled if directed by Council.



Hamilton

THANK YOU