



City of Hamilton 2021 Development Charges Update

Second D.C. Stakeholder Meeting
March 11, 2021

Agenda



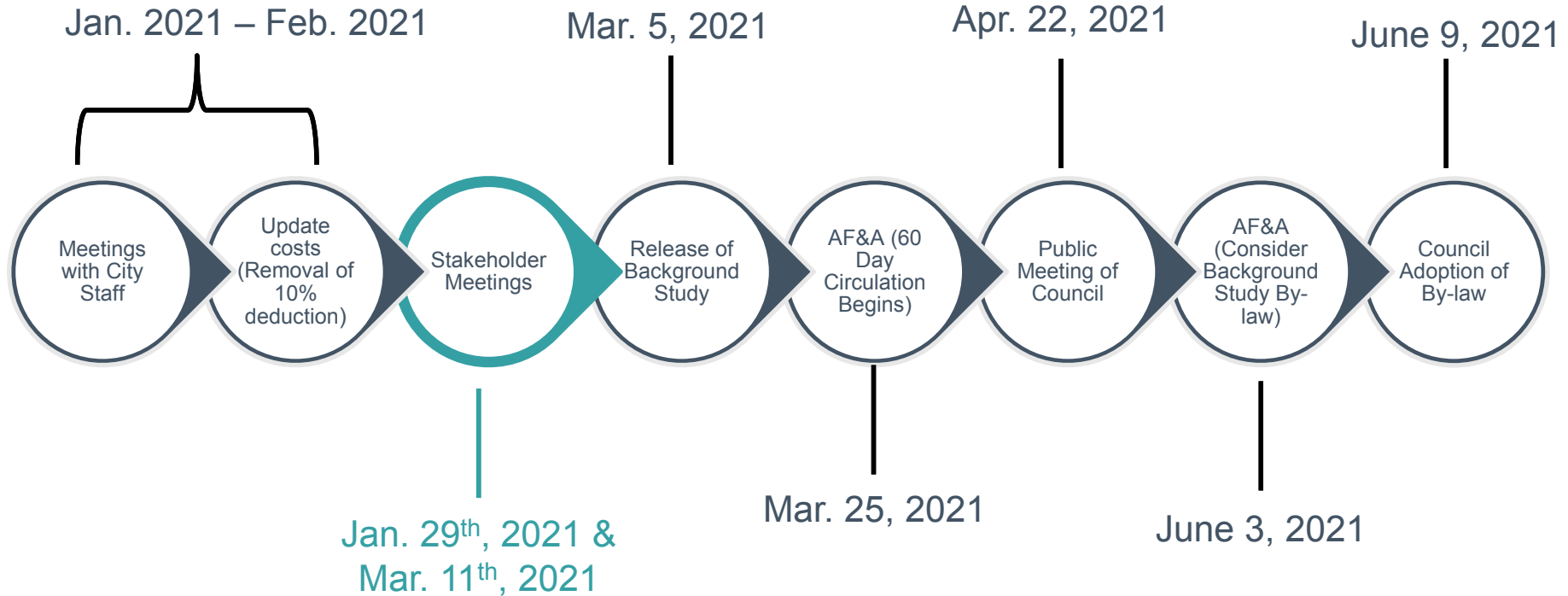
- Introductions
- Process and Timelines
- Stakeholder Meeting # 1 Recap
- Service Standards & Capital Infrastructure Needs
- Calculated Rates and Comparison to Current Rates
- Next Steps
- Implementation & Impact



Process & Timelines

City of Hamilton
2021 Development Charges Update

Study Process & Timelines





Stakeholder Meeting #1 Recap

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Stakeholder Meeting #1 Recap



The First Stakeholder Presentation took place on January 29th and provided an overview of:

- Development Charges Act Overview
- Changes to the D.C.A. - Bill 108, Bill 138, 197 & 213
- D.C. Methodology
- Services/Classes of Services Being Updated and Created
- By-law Amendments



Service Standards & Capital Infrastructure Needs

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Service Standards



- Service standard measure provides a ceiling on the level of the charge which can be imposed
- The D.C.A. requires the calculation to be based on “quantity” and “quality” measures and are “averaged over the past 10 years
- This involves reviewing capital inventories in detail over past 10 years
- Note that this measure does not apply to studies, water, wastewater, stormwater and Transit (which now has a forward-looking service standard)

Service Standard Summary



The following provides a summary of the updated service standard calculations for service being updated in this study:

SUMMARY OF SERVICE STANDARDS AS PER DEVELOPMENT CHARGES ACT, 1997, AS AMENDED FOR 2021 UPDATE STUDY

Service Category	Sub-Component	10 Year Average Service Standard					Maximum Ceiling LOS
		Cost (per capita)	Quantity (per capita)		Quality (per capita)		
Public Works Facilities, Fleet & Equipment	Facilities	\$932.16	1.6461	sq.ft. of building area	566	per sq.ft.	80,336,345
	Vehicles and Equipment	\$184.37	0.0023	No. of vehicles and equipment	80,161	per vehicle	15,889,560
Parks and Recreation	Parkland Development	\$441.37	0.0113	Acres of Parkland	39,059	per acre	28,709,353
	Parkland Amenities	\$579.54	0.0336	No. of parkland amenities	17,248	per amenity	37,696,759
	Parkland Amenities - Buildings	\$11.98	0.1145	sq.ft. of building area	105	per sq.ft.	779,251
	Parkland Trails	\$22.08	0.0001	Linear Kilometres of Paths and Trails	220,800	per lin m.	1,436,216
	Parks Vehicles and Equipment	\$0.25	0.0001	No. of vehicles and equipment	5,000	per vehicle	16,262
	Indoor Recreation Facilities	\$2,957.26	4.2984	sq.ft. of building area	688	per sq.ft.	192,357,934
	Indoor Recreation Facilities - Buildings Within Parks	\$185.77	0.4261	sq.ft. of building area	436	per sq.ft.	12,083,595
	Recreation Vehicles and Equipment	\$0.53	0.0001	No. of vehicles and equipment	5,300	per vehicle	34,474
Library Services	Library Facilities	\$388.12	0.7253	sq.ft. of building area	535	per sq.ft.	25,245,654
	Library Vehicles	\$2.36	0.00001	No. of vehicles and equipment	196,667	per vehicle	153,509
	Library Collection Materials	\$65.19	2.0273	No. of library collection items	32	per collection item	4,240,349
Ambulance	Ambulance Facilities	\$40.28	0.1278	sq.ft. of building area	315	per sq.ft.	2,620,053
	Ambulance Vehicles	\$30.26	0.0005	No. of vehicles and equipment	60,520	per vehicle	1,968,292
Long Term Care	Long-Term Care Facilities	\$301.20	0.6301	sq.ft. of building area	478	per sq.ft.	19,591,855
Housing Services	Housing Services Facilities	\$1,630.65	10.57	sq.ft. of building area	154.21	per sq.ft.	106,067,260
Provincial Offences Administration	Provincial Offences Act - Administration Facilities	\$28.41	0.0557	sq.ft. of building area	510.05	per sq.ft.	1,847,957
Public Health	Public Health Services - Facilities	\$80.35	0.1976	sq.ft. of building area	407	per sq.ft.	5,226,446
	Public Health Services - Vehicles	\$0.83	0.000002	No. of vehicles	406,488	per vehicle	53,988
Child Care and Early Years	Child Care and Early Years - Facilities	\$30.49	0.0717	sq.ft. of building area	425	per sq.ft.	1,983,253
Waste Diversion	Waste Diversion - Facilities - Stations/Depots	\$275.41	0.7018	sq.ft. of building area	392	per sq.ft.	17,914,319
	Waste Diversion - Vehicles & Equipment	\$61.59	0.0004	No. of vehicles and equipment	153,975	per vehicle	4,006,183
	Waste Diversion - Carts & Containers	\$22.40	1.5557	No. of items	14	per item	1,457,030
Parking Services	Municipal Parking Services - Spaces	\$280.98	0.0089	No. of spaces	31,571	per space	18,276,625
	Municipal Parking Services- Meters	\$4.48	0.0050	No. of Meters	896	per meter	291,406
	Municipal Parking Services- Facilities	\$85.77	0.0592	sq.ft. of building area	1,449	per sq.ft.	5,578,995
Airport	Airport Lands	\$290.84	0.0029	acres of land	100,290	per sq.ft.	18,917,979

Capital Costs



- Capital Cost definition has been broadened to include:
 - Acquire land or interest in land
 - Improve land
 - Acquire, lease, construct or improve buildings, facilities and structures (includes furniture and equipment)
 - Equipment and rolling stock
 - Capital component of a lease for the above
 - Circulation materials for Libraries
 - Studies for above including a D.C. Background Study
 - Interest on money borrowed to pay for the above



Capital Costs (cont'd)

- Certain Capital Costs may not be included:
 - Parkland Acquisition
 - Vehicle & Equipment with avg. life of <7 yrs.
 - Computer Equipment that is not integral to the delivery of the service
- Any planning horizon for future capital needs can be used, except for Transit (which is limited to 10 years)
- Capital costs must be reduced by grants, subsidies and other contributions.
- May include authorized costs incurred or proposed to be incurred by others on behalf of a municipality/local board



Updates to Growth Related Capital Needs

(As Per Legislative Changes)

- Removal of 10% mandatory deduction for Ambulance, Waste Diversion, Parks & Recreation, Library, Long-Term Care, Public Health, Child Care and Early Years, Housing, Provincial Offences Act (P.O.A.), Public Works, and Growth Studies.
- Removal of 10% mandatory deduction for Parking Services & Airport Lands (collected until Sept. 18, 2022).
- The Capital Projects Listing identified in the 2019 D.C. Background Study for the above-mentioned projects have not changed for most services except:
 - Removal of Studies that do not directly relate to an eligible service, as per the revisions to the D.C.A. (e.g. City-wide employment survey, Natural Areas Inventory Study, Woodland Protection Strategy, etc.).
 - A 10% deduction against Planning Studies (e.g. Official Plan, Secondary Plans, Community Planning Studies, etc.) to recognize the portion of the study related to ineligible services.
 - Addition of this D.C. Update Study and future full D.C. Studies required over the forecast period.
 - Moved Parking study to be part of Parking Services D.C. calculation for continued D.C. recovery during the transition period.

Updates to Growth Related Capital Needs



The Capital Project Listing for Long-Term Care has been refined as follows:

- Revised gross cost for Macassa D-Wing Expansion
- Revised Grant/Subsidy information based on application approval by Ministry
- Revised Growth/Non-growth split based on revised number of new beds vs. replacement beds

The Capital Project Listing for Public Works Facilities, Vehicles and Equipment has been refined as follows:

- Removal of Vehicles that do not directly relate to an eligible service, as per the revisions to the D.C.A. (e.g. Building).

Summary of Capital for Updated Services (2019\$)



Prj.No	Services	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
1	Ambulance Services	8,852,733	4,727,900	-	4,124,833	-	-	4,124,833	3,712,350	412,483
2	Public Works	58,433,987	-	-	58,433,987	16,696,472	-	41,737,515	25,877,259	15,860,256
3	Airport Lands	28,000,000	7,280,000	-	20,720,000	1,990,849	-	18,729,151	11,799,365	6,929,786
4	Parking Services	56,280,000	4,930,000	-	51,350,000	29,111,772	-	22,238,228	14,010,084	8,228,144
5	Waste Diversion Services	55,149,510	6,372,000	-	48,777,510	26,722,600	-	22,054,910	18,305,575	3,749,335
6	Parks & Recreation Services	340,620,005	88,580,600	-	252,039,405	52,448,063	1,000,000	198,591,342	188,661,775	9,929,567
7	Library Services	78,670,183	20,283,300	-	58,386,883	26,925,400	1,250,000	30,211,483	28,700,909	1,510,574
8	Long-Term Care Services	49,300,000	-	-	49,300,000	39,831,114	4,414,100	5,054,786	4,549,307	505,479
9	Public Health Services	583,000	-	-	583,000	500,402	-	82,598	74,338	8,260
10	Child Care and Early Years Services	2,415,379	-	-	2,415,379	-	2,000,000	415,379	373,841	41,538
11	Housing Services	510,508,000	52,720,000	-	457,788,000	433,052,851	5,900,000	18,835,149	18,835,149	-
12	P.O.A.	3,431,276	1,604,761	-	1,826,515	233,372	-	1,593,142	1,003,680	589,463
13	Growth Studies	23,612,502	-	1,659,980	21,952,522	5,894,880	-	16,057,642	10,116,321	5,941,321
	Total	1,215,856,574	186,498,561	1,659,980	1,027,698,033	633,407,776	14,564,100	379,726,157	326,019,952	53,706,205

Updated Service Standard Summaries (2019\$)



Service Standard	2021 Maximum D.C. Cap (2019\$)	Growth Related Capital Needs (2019\$)*
Ambulance Services *	4,588,345	4,114,293
Public Works	96,225,905	41,737,515
Airport Lands	18,917,979	18,729,151
Parking Services	24,147,027	22,238,228
Waste Diversion Services	23,377,532	22,054,910
Parks & Recreation Services*	273,113,844	194,815,293
Library Services*	29,639,511	28,657,773
Long-Term Care Services	19,591,855	5,054,786
Public Health Services	5,280,434	82,598
Child Care and Early Years Services	1,983,253	415,379
Housing Services	106,067,260	18,835,149
P.O.A.*	1,847,957	1,462,234
Growth Studies	n/a	16,057,642
Total	604,780,901	374,254,951

* Growth Related Capital Needs are net of \$5.47 million in financing charges on outstanding debt that are included in the D.C. calculations in addition to the maximum D.C. Cap



Calculated Rates

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Calculated Rates (2019\$)



Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL (per sq. ft. of Gross Floor Area)
	Single-Detached Dwelling & Semi-Detached Dwelling (per dwelling unit)	Townhouses & Other Multiple Unit Swellings (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes 2-Bedrooms+ (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes Bachelor & 1-Bedrooms+ (per dwelling unit)	Residential Facility Dwelling & Lodging House & Garden Suite (per bedroom)	
Municipal Wide Services/Classes:						
Services Related to a Highway	10,769	7,708	6,306	4,314	3,479	8.05
Police Services	524	375	307	210	169	0.26
Fire Protection Services	462	331	271	185	149	0.23
Transit Services	1,917	1,372	1,123	768	619	0.98
Public Works	805	576	471	322	260	0.41
Ambulance Services	148	106	87	59	48	0.02
Waste Diversion	730	522	427	292	236	0.13
Parks and Recreation Services	7,528	5,388	4,408	3,016	2,432	0.35
Library Services	1,145	819	671	459	370	1.00
Long Term Care	182	130	107	73	59	0.02
Public Health	3	2	2	1	1	-
Child Care and Early Years	15	11	9	6	5	-
Housing Services	752	538	440	301	243	-
Provincial Offences Act	40	29	23	16	13	0.02
Growth Studies	404	289	237	162	131	0.21
Municipal Parking	559	400	327	224	181	0.30
Airport Lands	471	337	276	189	152	0.24
Total Municipal Wide Services/Classes	26,454	18,933	15,492	10,597	8,547	12.21
Urban Services						
Wastewater Facilities	4,048	2,897	2,371	1,622	1,308	1.95
Wastewater Linear Services	5,415	3,876	3,171	2,169	1,749	2.61
Water Services	4,767	3,412	2,792	1,910	1,540	2.29
Combined Sewer System						
Stormwater Drainage and Control Services	3,948	2,826	2,312	1,582	1,275	-
Separated Sewer System						
Stormwater Drainage and Control Services	10,462	7,488	6,127	4,191	3,380	2.16
Total Urban Services - Combined Sewer System	18,178	13,011	10,646	7,283	5,872	6.85
Total Urban Services - Separated Sewer System	24,692	17,673	14,461	9,892	7,977	9.01
GRAND TOTAL CITY WIDE	26,454	18,933	15,492	10,597	8,547	12.21
GRAND TOTAL URBAN AREA (COMBINED SEWER SYSTEM)	44,632	31,944	26,138	17,880	14,419	19.06
GRAND TOTAL URBAN AREA (SEPARATED SEWER SYSTEM)	51,146	36,606	29,953	20,489	16,524	21.22



Comparison of Rates – Residential Single Detached (2019\$)

Service	Current (By-law 19-142) (2019\$)	D.C. Update (2019 \$)
Municipal Wide Services:		
Services Related to a Highway	10,769	10,769
Police Services	524	524
Fire Protection Services	462	462
Transit Services	1,917	1,917
Ambulance Services	137	148
Public Works	784	805
Waste Diversion	657	730
Parks and Recreation Services	6,782	7,528
Library Services	1,045	1,145
Long Term Care	125	182
Public Health	1	3
Child Care and Early Years	15	15
Housing Services	648	752
Provincial Offences Act	40	40
Growth Studies	496	404
Municipal Parking	490	559
Airport Lands	419	471
Total Municipal Wide Services	25,311	26,454
Water and Wastewater Urban Area Charges:		
Wastewater Facilities	4,048	4,048
Wastewater Linear Services	5,415	5,415
Water Services	4,767	4,767
Total Water and Wastewater Urban Area Services	14,230	14,230
Stormwater Charges:		
Stormwater Drainage and Control Services (Combined Sewer System)	3,948	3,948
Stormwater Drainage and Control Services (Separated Sewer System)	10,462	10,462
GRAND TOTAL CITY WIDE	25,311	26,454
GRAND TOTAL URBAN AREA COMBINED SEWER SYSTEM	43,489	44,632
GRAND TOTAL URBAN AREA SEPARATED SEWER SYSTEM	50,003	51,146

Calculated rate in 2019\$

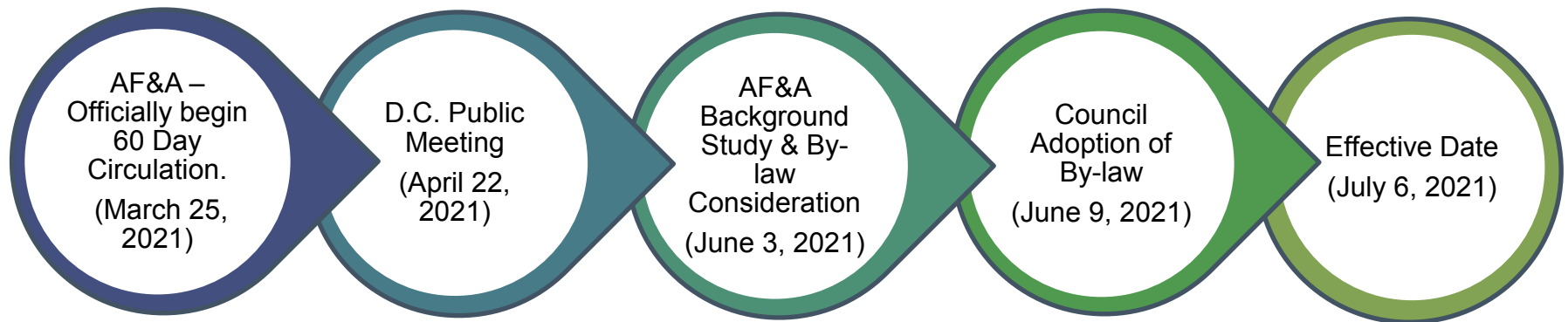
Comparison of Rates – Non-Residential Per Sq. Ft. (2019\$)



Service	Current (By-law 19-142) (2019\$)	D.C. Update (2019 \$)
City Wide Services:		
Services Related to a Highway	8.05	8.05
Police Services	0.26	0.26
Fire Protection Services	0.23	0.23
Transit Services	0.98	0.98
Ambulance Services	0.03	0.02
Public Works	0.41	0.41
Waste Diversion	0.13	0.13
Parks and Recreation Services	0.31	0.35
Library Services	0.05	1.00
Long Term Care	0.01	0.02
Public Health	-	-
Child Care and Early Years	-	-
Housing Services	-	-
Provincial Offences Act	0.02	0.02
Growth Studies	0.25	0.21
Municipal Parking	0.25	0.30
Airport Lands	0.21	0.24
Total City Wide Services	11.18	12.21
Water and Wastewater Urban Area Charges:		
Wastewater Facilities	1.95	1.95
Wastewater Linear Services	2.61	2.61
Water Services	2.29	2.29
Total Water and Wastewater Urban Area Services	6.85	6.85
Stormwater Charges:		
Stormwater Drainage and Control Services (Combined Sewer System)	-	0%
Stormwater Drainage and Control Services (Separated Sewer System)	2.16	216%
GRAND TOTAL CITY WIDE	11.18	12.21
GRAND TOTAL URBAN AREA COMBINED SEWER SYSTEM	18.03	19.06
GRAND TOTAL URBAN AREA SEPARATED SEWER SYSTEM	20.19	21.22

Calculated rate in 2019\$

Next Steps





Implementation & Impact

City of Hamilton
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Implementation & Impact

- Effective date of July 6, 2021
 - To align with 2021 annual indexing
 - The 2019\$ amounts presented will be indexed to 2021\$
 - The increase in D.C.'s will not be realized through collections immediately due to the City's D.C. rate transition policy and the legislated requirement that freeze's D.C. rates at the date of a complete site plan application or application for zoning amendment
- City Financing impact: Annualized impact based on 1,800 single detached equivalents and 950,000 square feet of non-residential development:
 - Until Sept 18, 2022 - \$3.1 M increase in DC collections
 - After Sept 18, 2022 - \$2.0 M increase in DC collections

Implementation & Impact



- Developer impact:
 - Until Sept 18, 2022
 - 2.2% increase in residential D.C. vs current (\$1,143 per single detached dwelling in 2019\$)
 - 5.0% increase in non-residential D.C. vs current (\$1.03 per sq. ft. in 2019\$)
 - After Sept 18, 2022
 - 0.2% increase in residential D.C. vs current (\$113 per single detached dwelling in 2019\$)
 - 2.5% increase in non-residential D.C. vs current (\$0.50 per sq. ft. in 2019\$)

Thank You

