



Town of Carleton Place Development Charges Background Study

Preliminary Findings Council Meeting

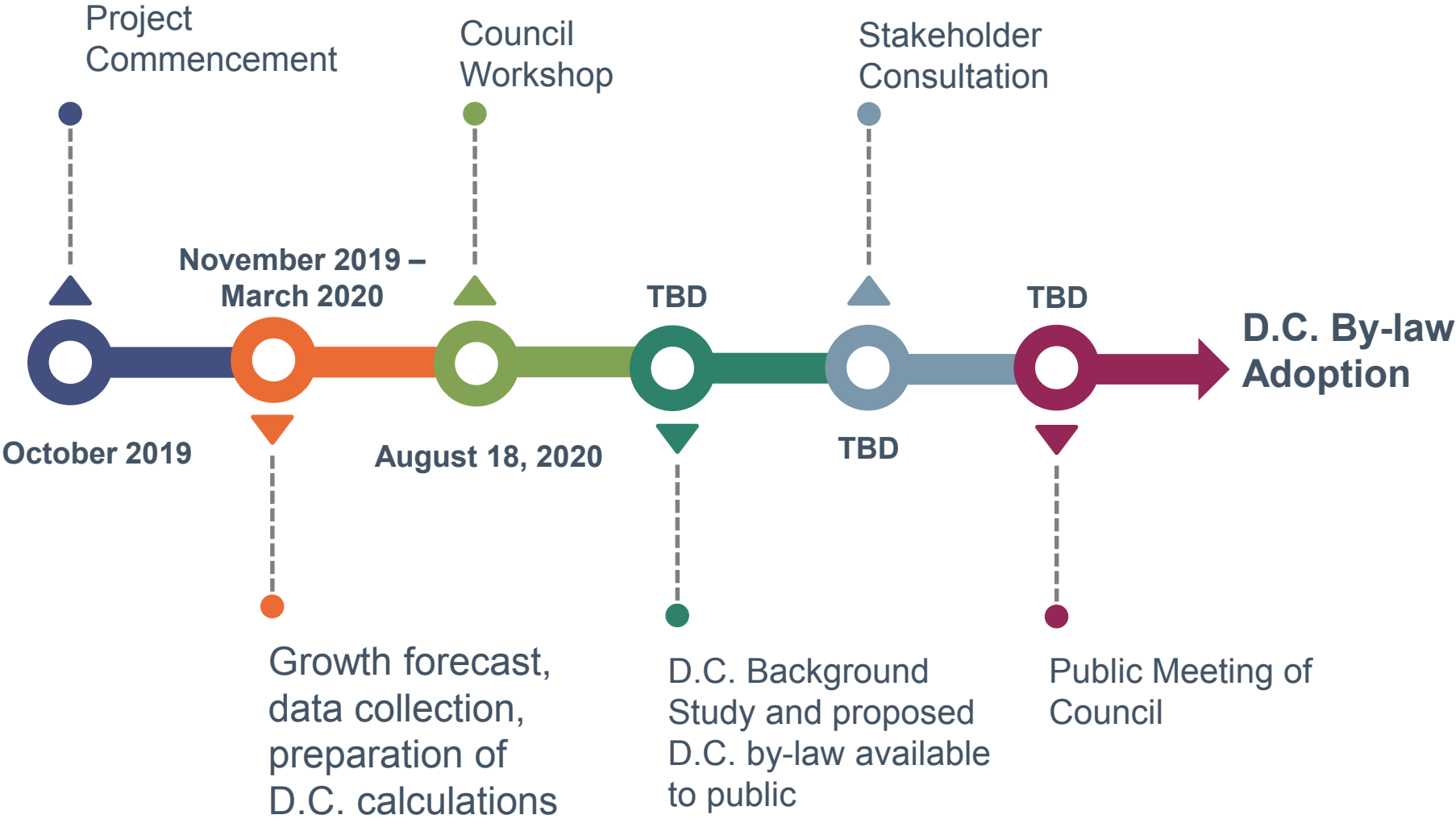
August 18, 2020

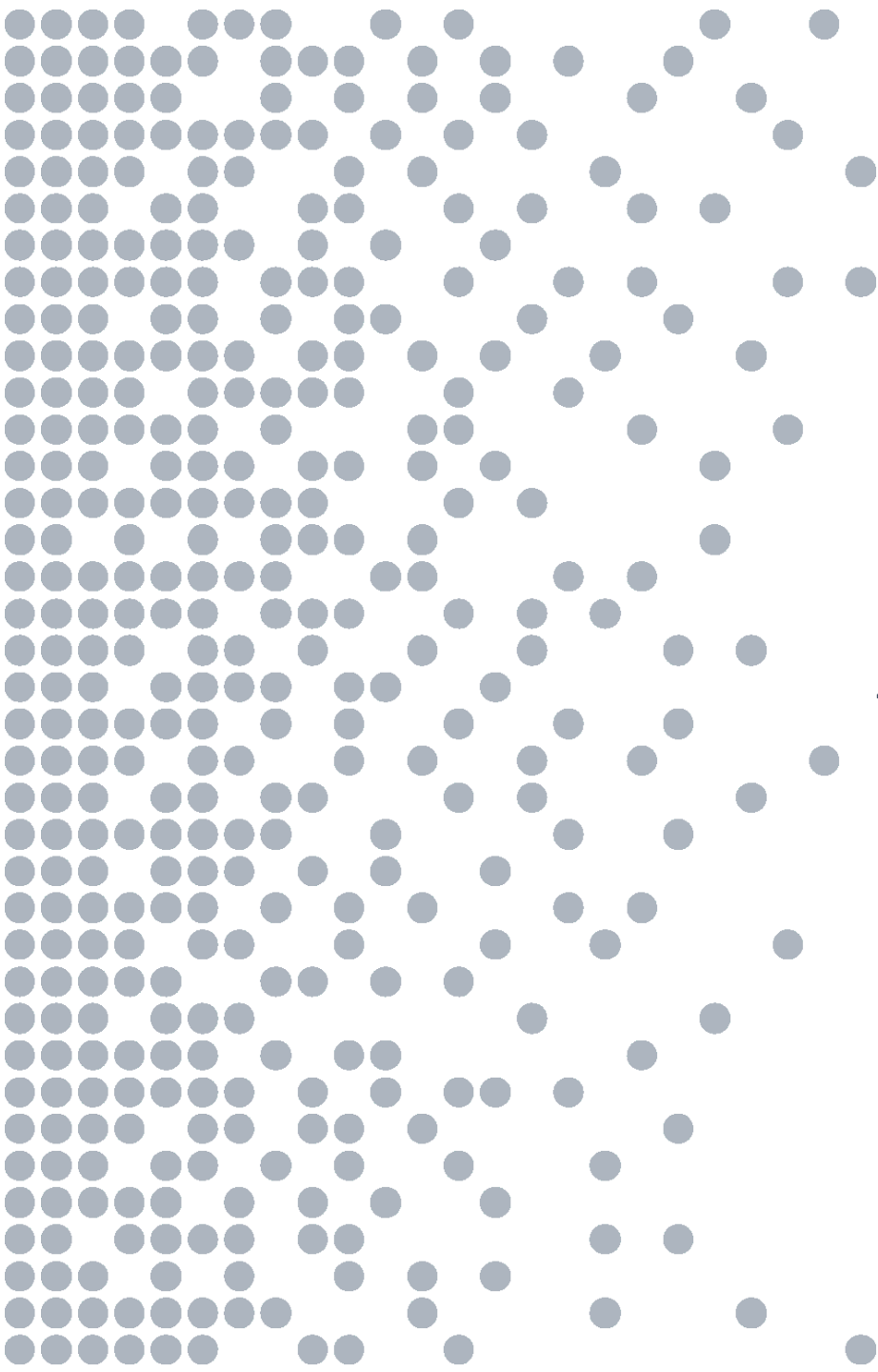
Development Charges



- Purpose of development charges (D.C.) is to recover the capital costs associated with residential and non-residential growth within the municipality
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, watermains, roads, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the *Development Charges Act (D.C.A.)*

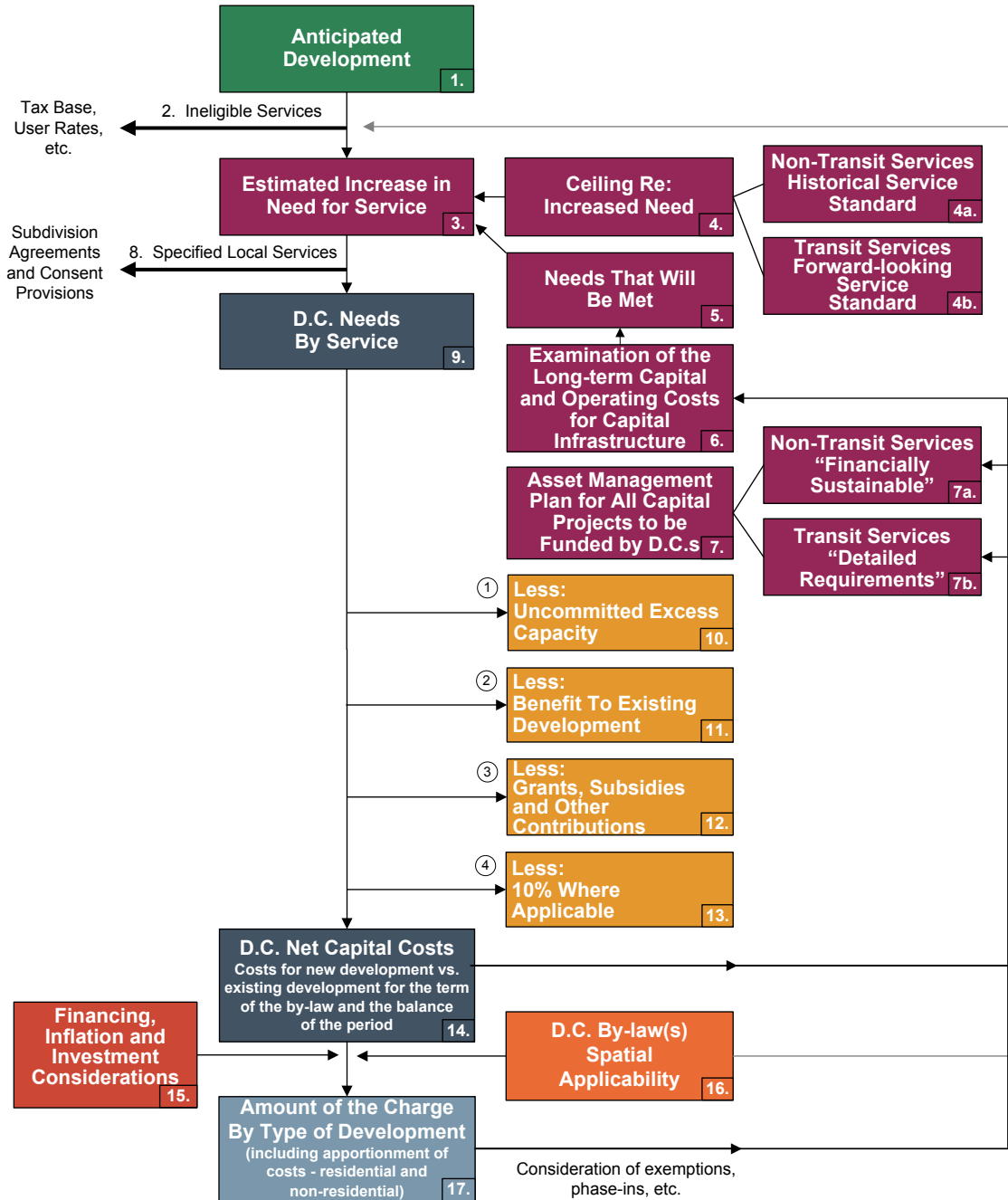
Study Process





D.C. Methodology and Amendments

The Process of Calculating a Development Charge under the Act that must be followed





Changes to the D.C.A. COVID-19 Economic Recovery Act

- The *COVID-19 Economic Recovery Act* received Royal Assent on July 21, 2020
- Schedule 3 of the Act amends the D.C.A. and Schedule 17 amends the *Planning Act* (including amendments to community benefits)
- These amendments modify those included under the *More Homes, More Choice Act*
- While the Act has received Royal Assent, the amendments to the D.C.A. come into effect upon proclamation
- D.C.A. amendments include:
 - Changes to Eligible Services
 - Eligible services – the amendments reframe the context of the D.C.A from a tool to fund services that are not defined as ‘ineligible’, to only include ‘eligible’ services for which D.C. may be imposed

Changes to the D.C.A.

COVID-19 Economic Recovery Act

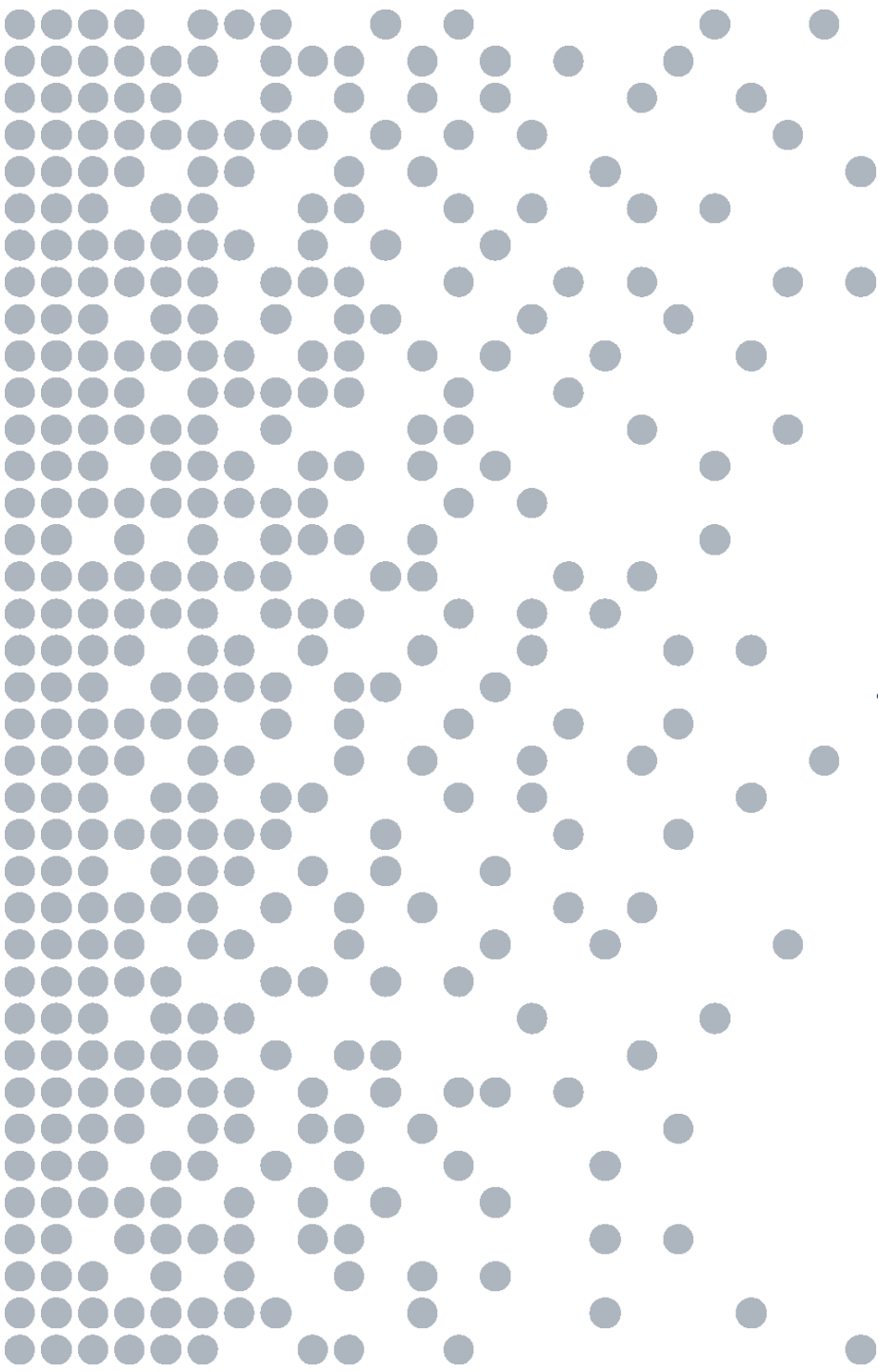


- Eligible services include:
 - Water supply services, including distribution and treatment services;
 - Wastewater services, including sewers and treatment services;
 - Storm water drainage and control services;
 - Services related to a highway;
 - Electrical power services;
 - Transit services;
 - Waste diversion services;
 - Policing services;
 - Fire protection services;
 - Ambulance services;
 - Public library services;
 - Long-term care services;
 - Parks and recreation services;
 - Public health services;
 - Child care services;
 - Housing services
 - Services related to proceedings under the Provincial Offences Act
 - Emergency preparedness services



Changes to the D.C.A. COVID-19 Economic Recovery Act

- D.C.A. amendments include (cont'd):
 - A Community Benefits Charge (C.B.C.) may be imposed with respect to the services listed above, provided that the capital costs that are intended to be funded by the community benefits charge are not capital costs that are intended to be funded under a development charge by-law
 - Amendments remove categorization of 'soft services', removing the statutory 10% deduction and limitation of 10-year forecast period
 - Classes of services may be established for purposes of the by-law and reserve funds
 - Transition period is two years after the day the Act comes into effect (i.e. specified date)



D.C. Background Study Preliminary Findings

D.C. Background Study

Growth Forecast Projections



Time Horizon	Residential		Non-residential	
	Population ^A	Housing Units ^B	Employment (excl. WAH & NFPOW)	G.F.A. (sq. ft.)
Early 2020	12,088	5,274	4,122	
Early 2030	17,625	8,110	5,627	
Mid 2038	20,964	9,849	6,411	
Urban Buildout	23,641	1,340	6,961	
Incremental Change				
Early 2020 – Early 2030	5,537	2,836	1,505	1,005,600
Early 2020 – Mid 2038	8,876	4,575	2,289	1,505,900
Early 2020 – Urban Buildout	11,553	6,066	2,839	1,848,200

A: Excluding Census Undercount

B: Including Equivalent Institutional Households



D.C. Background Study

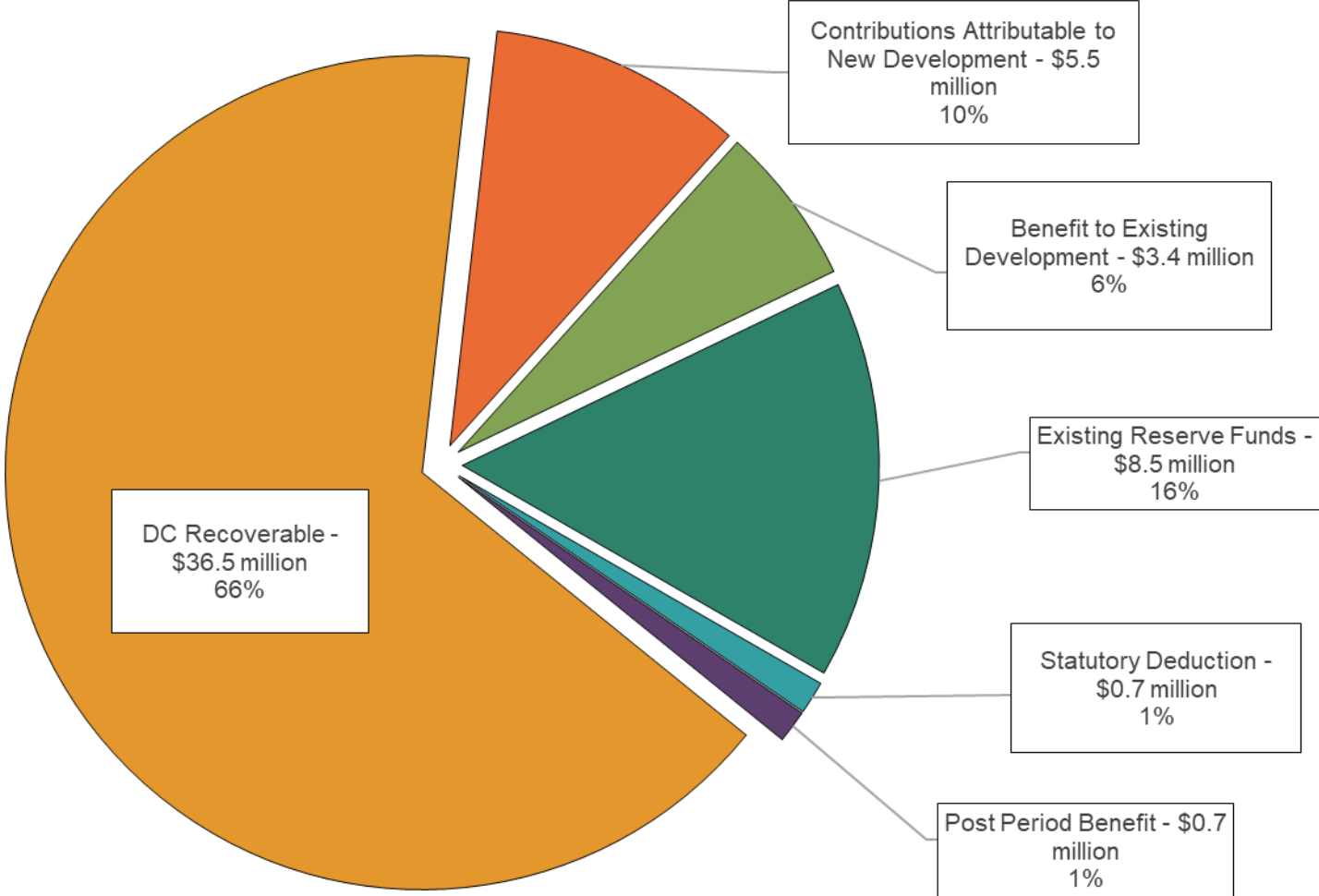
D.C. By-Law Services

- The following services are considered within the draft D.C. Background Study and By-law:
 - Roads & Related Services
 - Fire Protection Services (new)
 - Parks and Recreation Services
 - Library Services (new)
 - Child Care Services (new)
 - Administration – Growth-Related Studies
 - Wastewater Services (currently imposed under *Municipal Act*)
 - Water Services (currently imposed under *Municipal Act*)



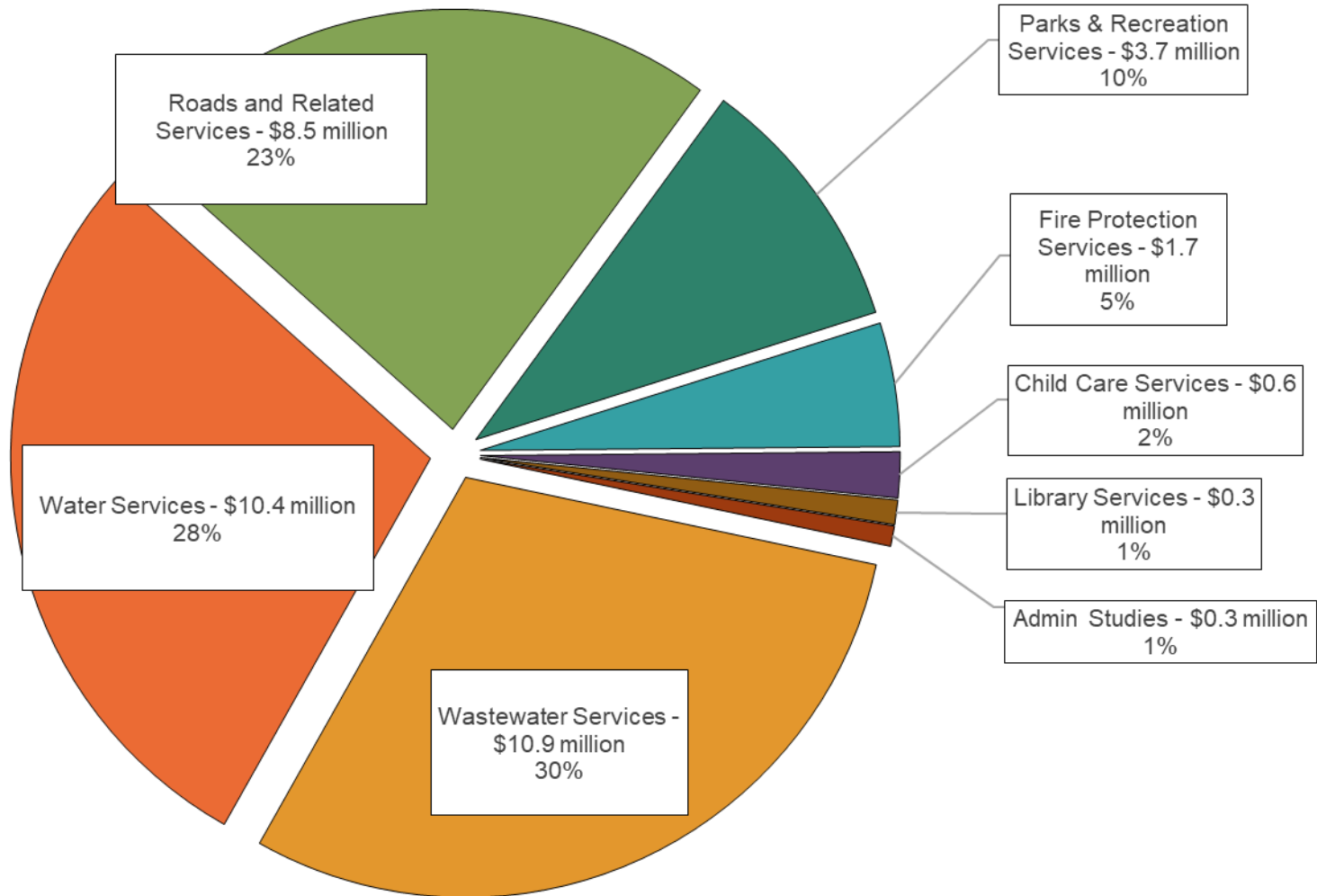
Increase in Need for Service

2020-Urban Buildout Gross Capital Costs – \$55.3 million



Net D.C. Recoverable Capital Costs by Service

2020-Urban Buildout - \$36.5 million



Draft Calculated Schedule of Development Charges



Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	Special Care/Special Dwelling Units	(per sq.m. of Gross Floor Area)
Municipal Wide Services:						
Roads and Related Services	1,795	1,116	1,053	1,665	760	12.83
Fire Protection Services	588	366	345	545	249	3.90
Parks & Recreation Services	1,492	928	875	1,384	632	1.96
Library Services	139	86	82	129	59	0.18
Child Care Services	274	170	161	254	116	0.00
Admin Studies	97	60	57	90	41	0.64
Total Municipal Wide Services	4,385	2,726	2,573	4,067	1,857	19.51
Urban Services						
Wastewater Services	2,670	1,660	1,566	2,477	1,131	19.43
Water Services	2,546	1,583	1,493	2,362	1,078	18.53
Total Urban Services	5,216	3,243	3,059	4,839	2,209	37.96
GRAND TOTAL RURAL AREA	4,385	2,726	2,573	4,067	1,857	19.51
GRAND TOTAL URBAN AREA	9,601	5,969	5,632	8,906	4,066	57.47



Comparison of Draft Calculated D.C. and Current D.C. For Single Detached Residential Dwelling Unit and Non-Residential Gross Floor Area (sq.mt.)

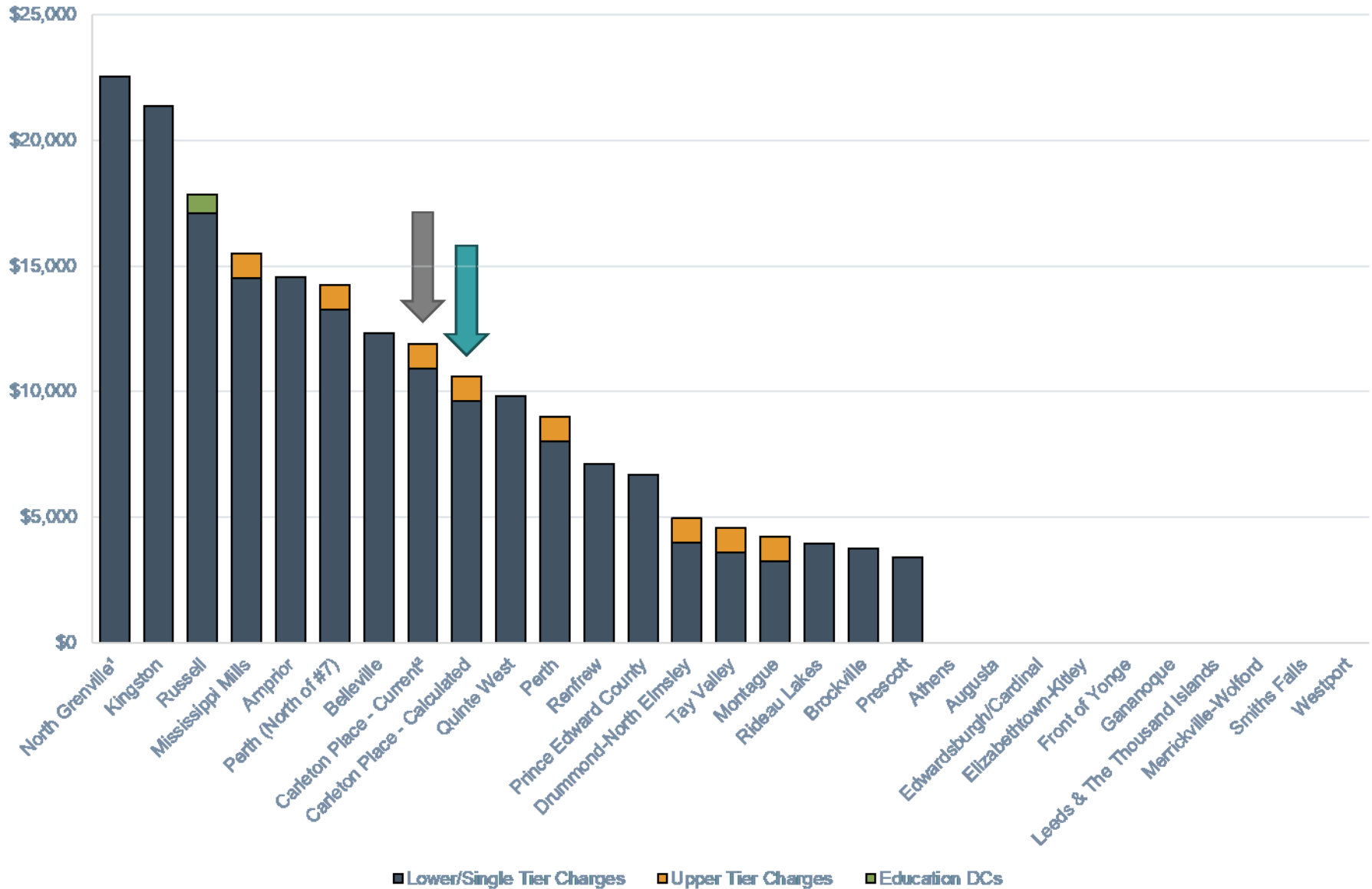
Service	Residential (Single Detached)		Non-Residential (per sq.m.)	
	Current	Calculated	Current	Calculated
Municipal Wide Services:				
Roads and Related Services	1,314	1,795	7.23	12.83
Fire Protection Services	-	588	-	3.90
Parks & Recreation Services	3,010	1,492	16.58	1.96
Library Services	-	139	-	0.18
Child Care Services	-	274	-	-
Admin Studies	-	97	-	0.64
Total Municipal Wide Services	4,324	4,385	23.81	19.51
Area Specific Services:				
Wastewater Services	3,587	2,670	charged as part of water & sewer bill	19.43
Water Services	2,996	2,546		18.53
Total Area Specific Services	6,583	5,216	-	37.96
Grand Total - Urban Area	10,907	9,601	23.81	57.47

Note – a survey of Carleton Place commercial water and wastewater charges annually range from \$357 - \$3,905



Municipal Development Charge Comparison

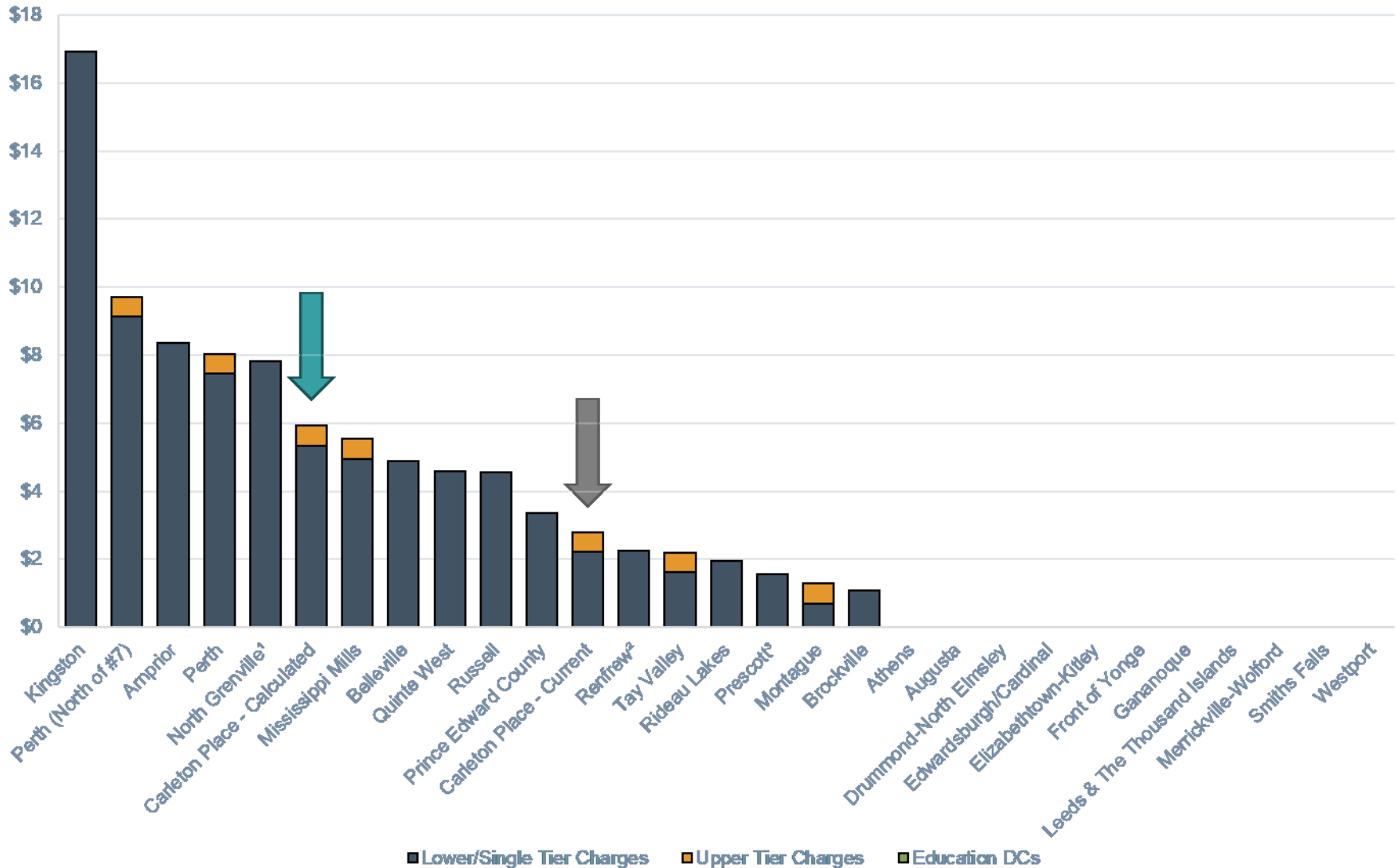
Residential Development Charges (per Fully Serviced Single Detached Dwelling)





Municipal Development Charge Comparison

Commercial Development Charges (per sq.ft. of GFA)



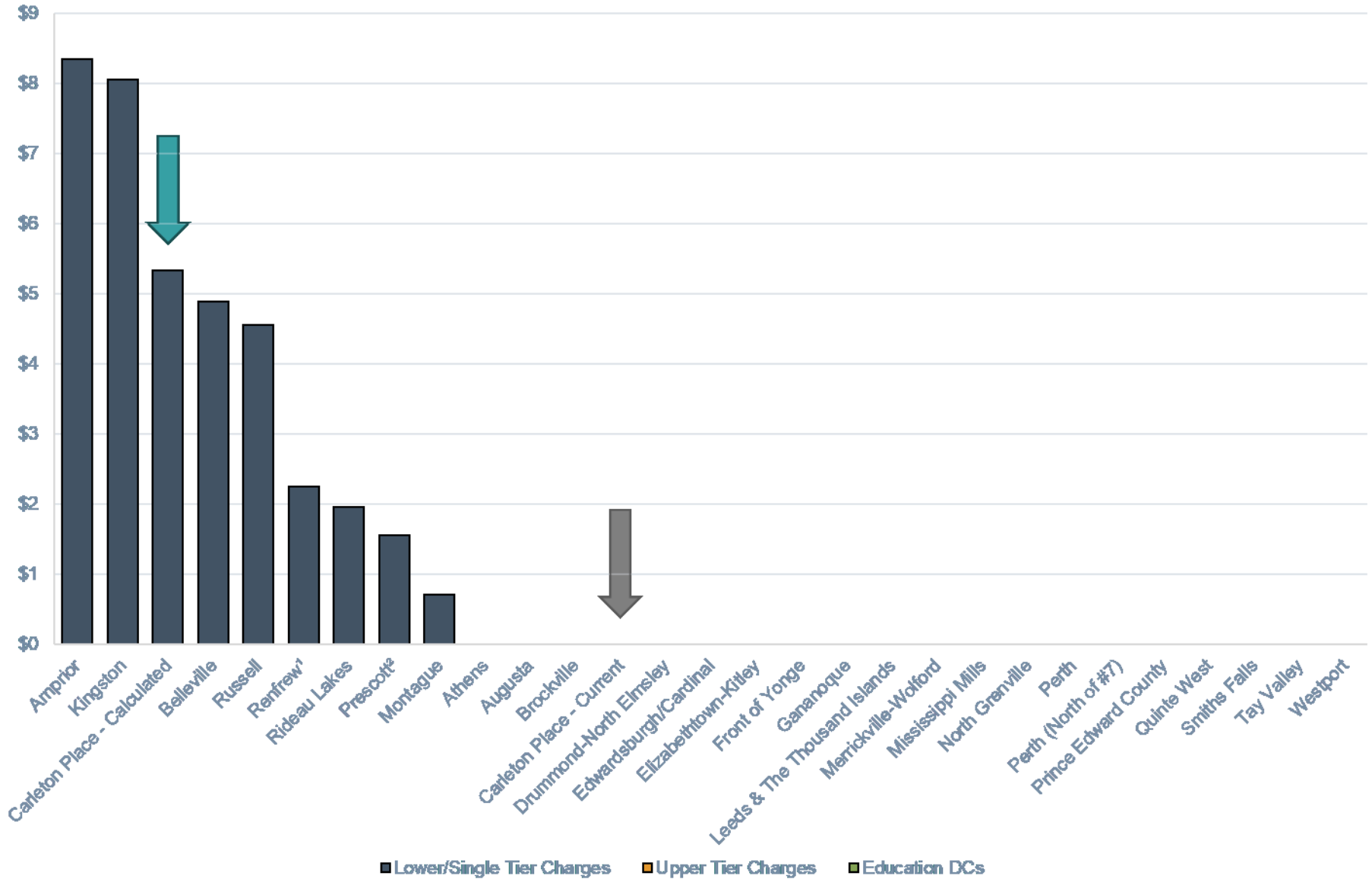
¹ Applicable charge for first 2,500 sq.ft.

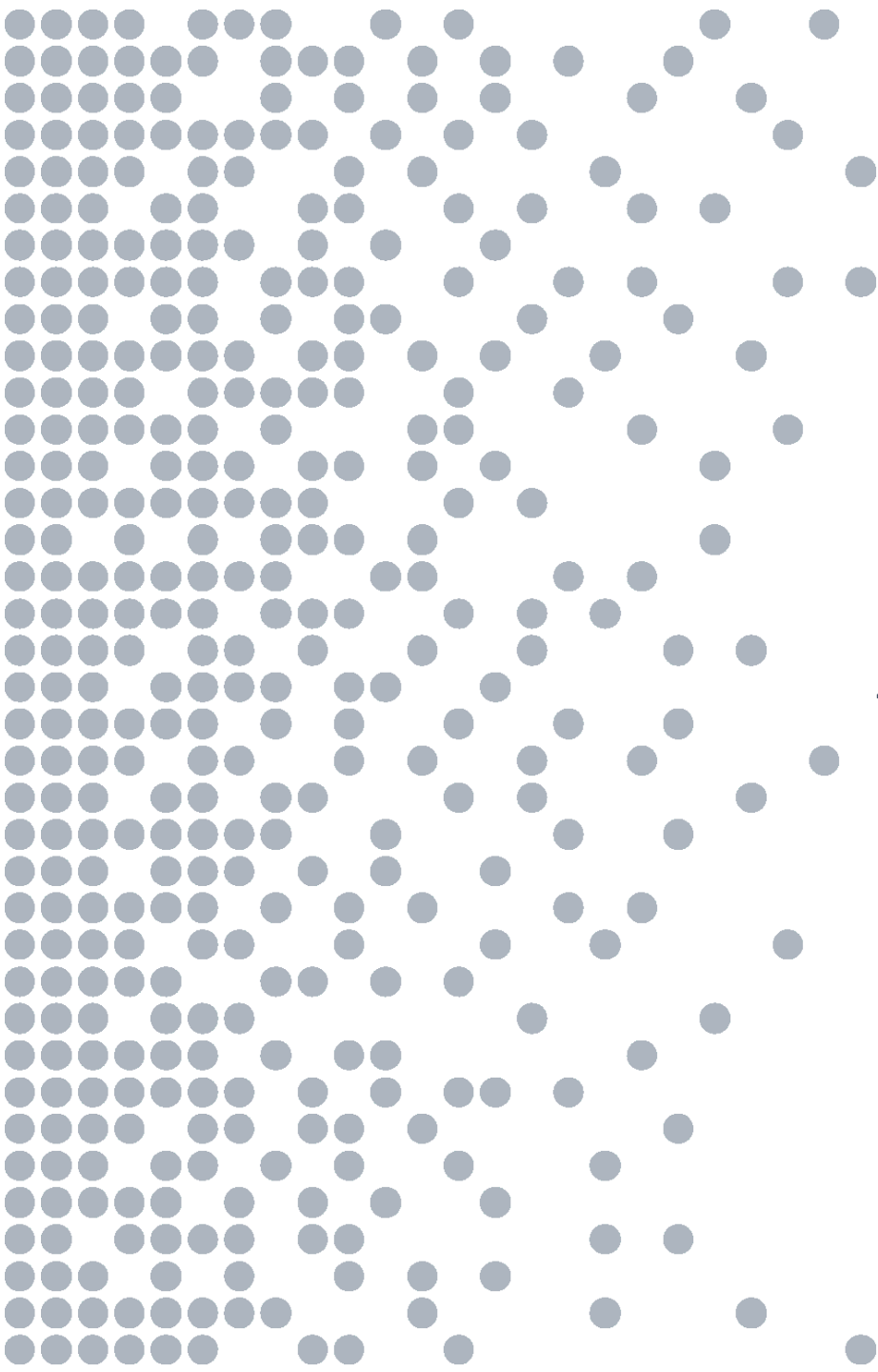
Note – a survey of Carleton Place commercial water and wastewater charges annually range from \$357 - \$3,905

Municipal Development Charge Comparison



Industrial Development Charges (per sq.ft. of GFA)





Development Charge By-Law Policies



D.C. By-Law Policies

Imposition of the Charge and Timing of Collection

- It is recommended that all services be recovered under a D.C. By-Law, i.e. removing the water and wastewater charges from the *Municipal Act* by-law
- D.C.s shall be calculated and payable at the time of building permit issuance
 - Town may enter into agreement for the D.C. to be paid before or after it would otherwise be payable
- D.C. for developments proceeding through Site Plan or Zoning By-law Amendment after December 31, 2019, the D.C. will be determined based on the charges in effect on the date of the planning application
 - Building permit must be issued within 2 years of planning application approval
 - Not applicable in the Town due to development permit system



D.C. By-Law Policies

Timing of Collection

- D.C. Installment Payments
 - Rental housing and institutional developments would pay D.C.s in 6 equal annual payments, commencing from the date of occupancy
 - Non-profit housing would pay D.C.s in 21 equal annual payments, commencing from the date of occupancy
- Town to impose interest on installment payments at Bank of Canada Prime Rate plus 2%



D.C. By-Law Policies

Statutory D.C. Exemptions

- The D.C.A. provides mandatory exemptions for:
 - Industrial building expansions (may expand by 50% with no D.C.)
 - Residential intensification:
 - May add up to two apartments for a single detached home as long as size of home doesn't double
 - Add one additional unit in medium & high density buildings
 - Upper/Lower Tier Governments and School Boards



D.C. By-Law Policies

Discretionary D.C. Exemptions

- The Town's current D.C. By-law provides for the following non-statutory exemptions:
 - Industrial and Institutional development; and
 - Residential units less than 60 units per hectare located in the Downtown District or on a Strategic Property, as defined in the Official Plan
- Town to consider non-statutory exemptions for affordable housing and brownfield developments



D.C. By-Law Policies

Redevelopment Credits

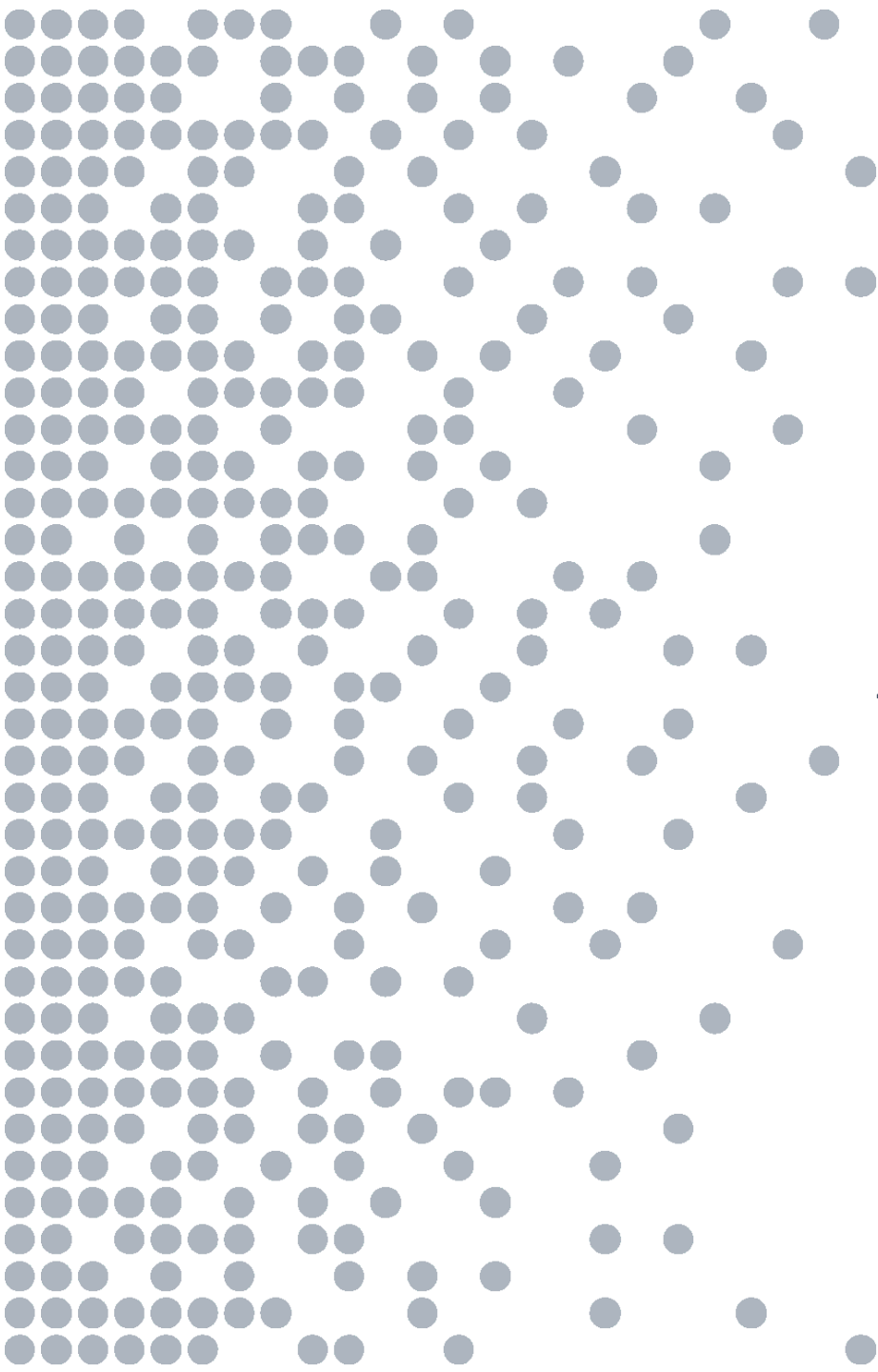
- Redevelopment credits on conversions or demolitions of existing buildings or structures are generally granted to recognize what is being replaced on site (not specific in the Act but provided by case law)
- Town's D.C. by-law provides for redevelopment credits where building permit issuance occurs within five (5) years of demolition/conversion
- No credit is provided in excess of the development charge payable



D.C. By-Law Policies

D.C. Indexing

- D.C.A. allows for adjustment of charges to reflect underlying cost increases and reduces municipal cash flow impact between statutory by-law reviews
- Indexing can be:
 - Mandatory – implemented annually commencing from the date the by-law comes into force, in accordance with the Statistics Canada Quarterly, Construction Price Statistics
 - Discretionary – index presented to Council annually for direction
- The Town's current D.C. By-law provides for mandatory indexing of the charges annually on the 1st of January, based on the last quarter index of the prior year



Next Steps

Next Steps



- Receive input from Council on the draft findings prior to release of the D.C. Background Study
- Release D.C. Background Study and Draft D.C. By-law
- Undertake the statutory Public Meeting
- Council to consider passage of the D.C. by-law – at least 60 days after release of D.C. Background Study