

Council Presentation

Development Charges Background Study Update



Picture Source: <https://www.greatersudbury.ca>

CITY OF GREATER SUDBURY

April 23, 2024



What are Development Charges?

- Funding tool that helps assign the costs of public infrastructure to the people that benefit from them
- Pays for new infrastructure (e.g. roads, pipes) and facilities (e.g. ambulance stations) to maintain service levels
- Principle is “growth pays for growth” – existing taxpayers do not subsidize new development

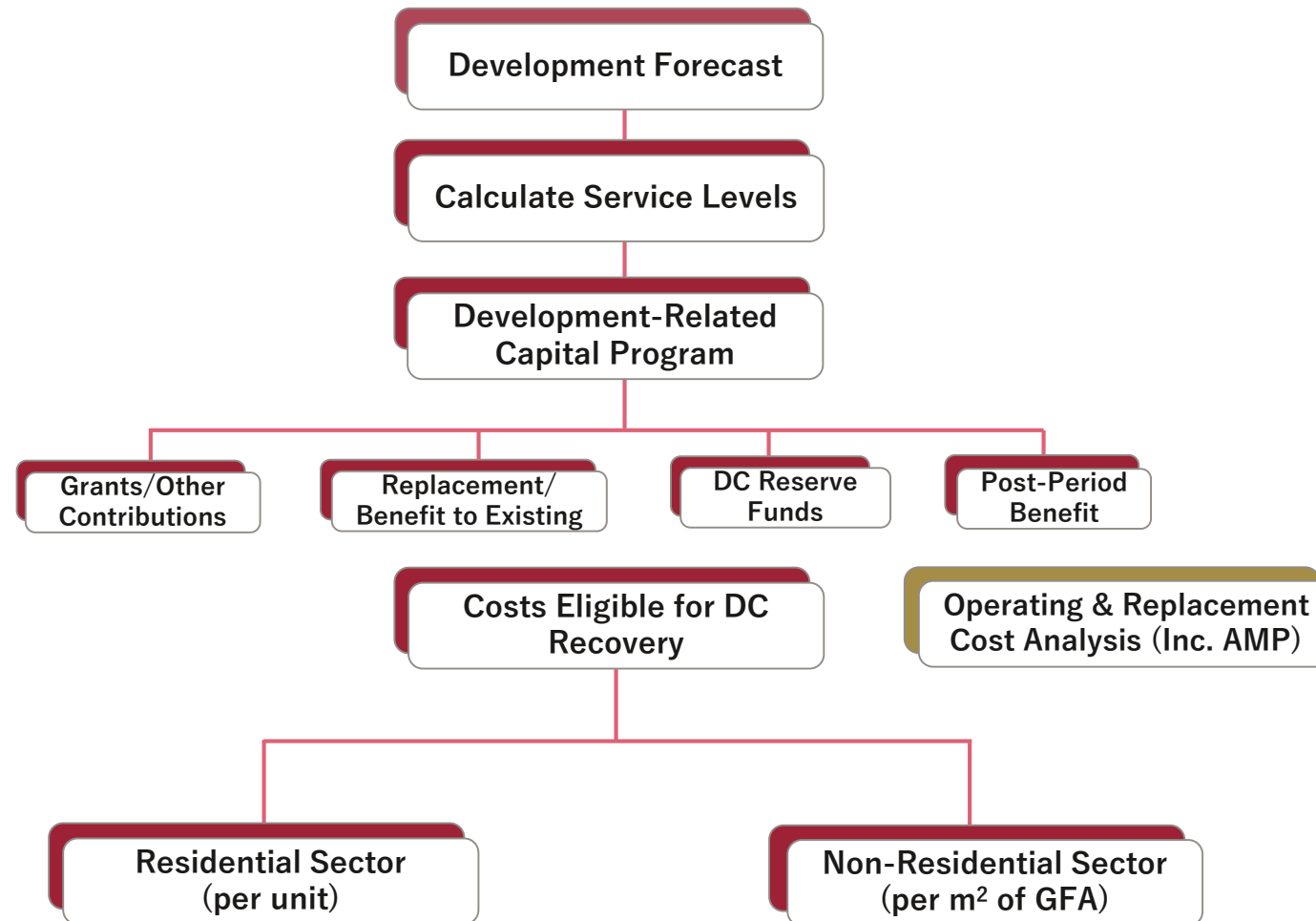


Development Charge Act Requirements

- DCs established by by-law
- Maximum life of DC by-law is 10 years after the day it comes into force
 - City's current by-law expires June 30, 2024
- Prior to passing a by-law City must
 - Undertake a background study
 - Hold at least one public meeting
- Appeals adjudicated at OLT

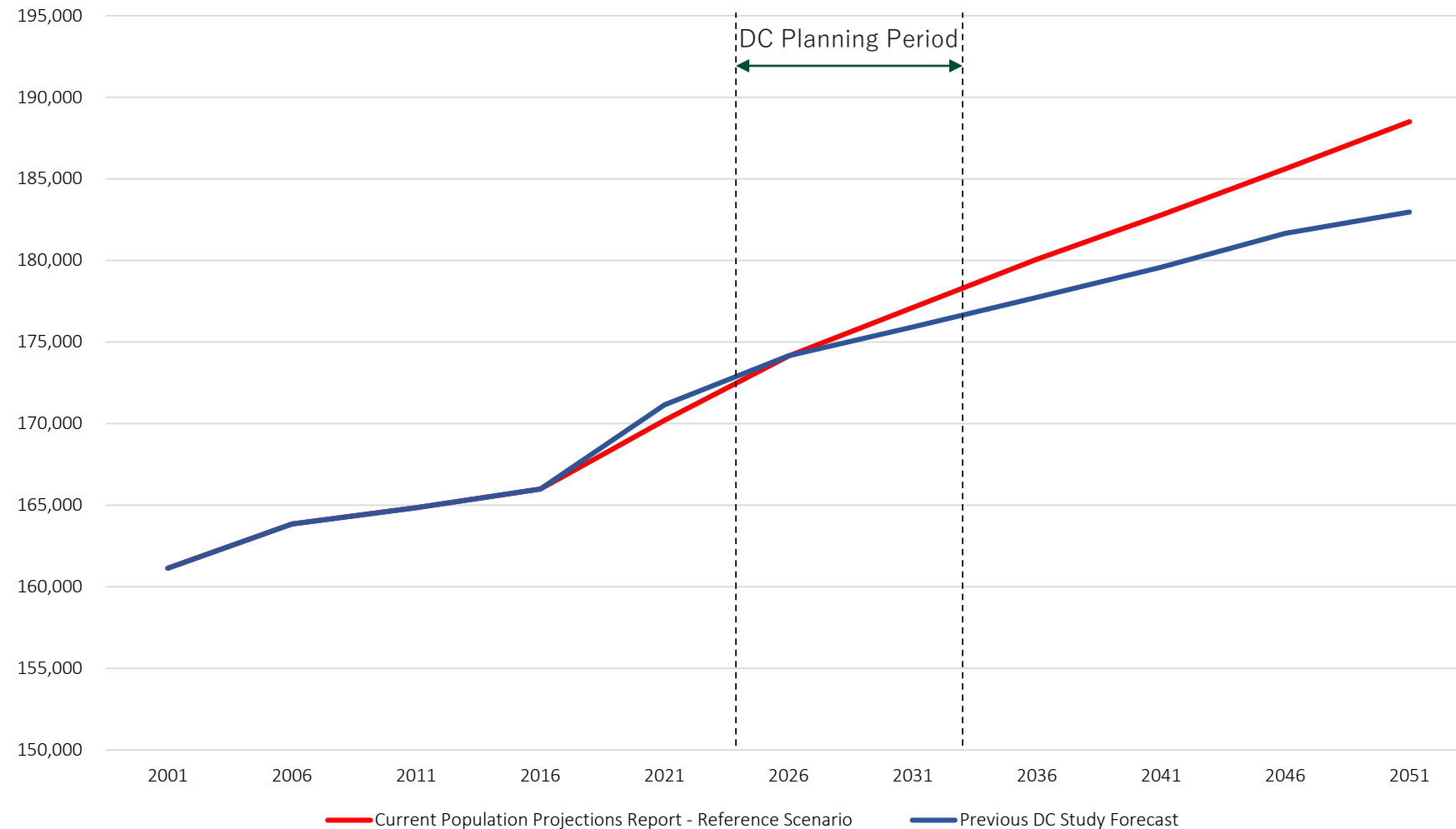


Development Charges Study Process



Development Forecast Summary

Population Forecasts to 2051: City of Greater Sudbury

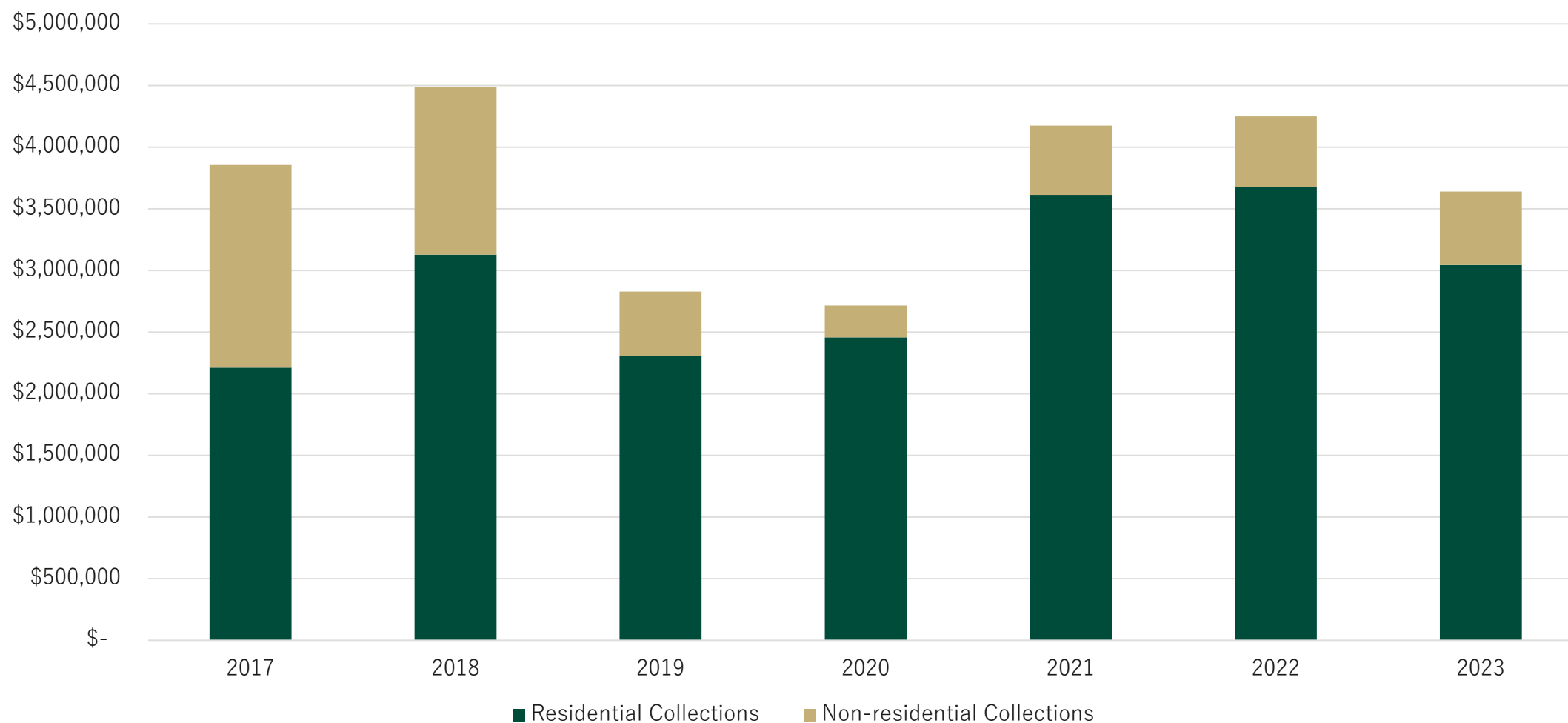


Historical Collections

2019 – 2023

Collections - \$17.6 m

Discounts - \$5.2 m



10-Year General Services Capital Program (\$000s)

Service	Gross Cost	Grants & Subsidies	Benefit to Existing	Prior DCs & Reserve Funds	Post-Period Benefit	DC Eligible
Library Services	\$51,000	\$100	\$46,000	\$1,000	\$700	\$3,000
Fire Services	\$58,000	\$0	\$56,000	\$1,000	\$0	\$700
Police Services	\$97,000	\$3,000	\$90,000	\$1,000	\$0	\$3,000
Parks & Recreation	\$18,000	\$2,000	\$6,000	\$4,000	\$0	\$7,000
Ambulance Services	\$14,000	\$0	\$12,000	\$500	\$400	\$1,000
Emergency Preparedness	\$3,000	\$1,000	\$400	\$900	\$0	\$700
Transit	\$76,000	\$61,000	\$10,000	\$2,000	\$1,000	\$2,000
Total	\$317,000	\$67,000	\$219,000	\$12,000	\$2,000	\$16,000

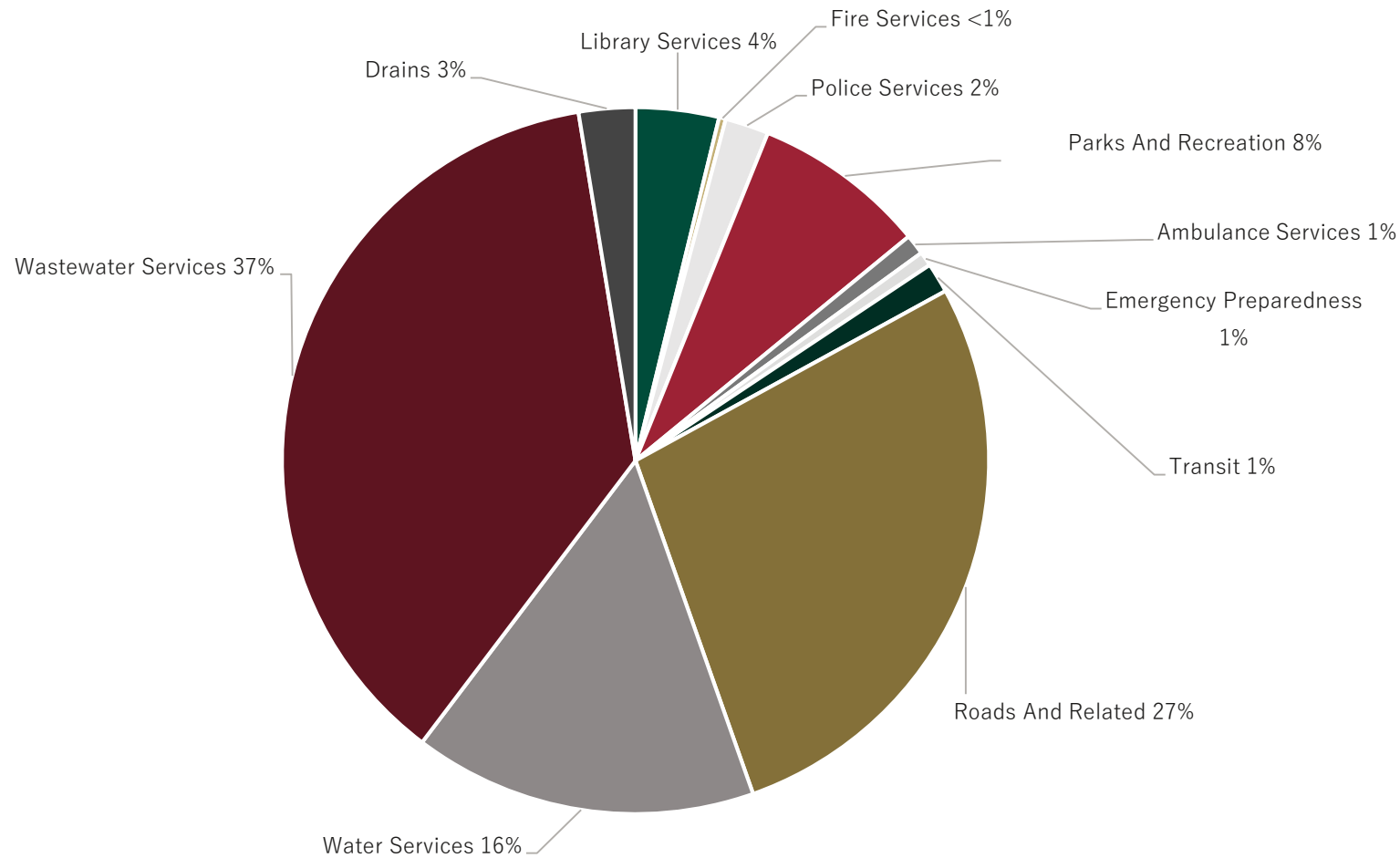
Totals may not add due to rounding.

10-Year Engineering Services Capital Program

Service	Gross Cost	Grants & Subsidies	Benefit to Existing	Prior DCs & Reserve Funds	Post-Period Benefit	DC Eligible
Roads & Related	\$426,000	\$150,000	\$205,000	\$7,000	\$30,000	\$33,000
Water	\$211,000	\$0	\$171,000	\$1,000	\$23,000	\$16,000
Wastewater	\$291,000	\$11,000	\$204,000	\$3,000	\$40,000	\$33,000
Drains	\$100,000	\$63,000	\$31,000	\$400	\$2,000	\$3,000
Total	\$1,028,000	\$225,000	\$611,000	\$12,000	\$95,000	\$85,000

Totals may not add due to rounding.

Residential Development Charges by Unit Type



DC Per Unit

Single Detached
\$29,505

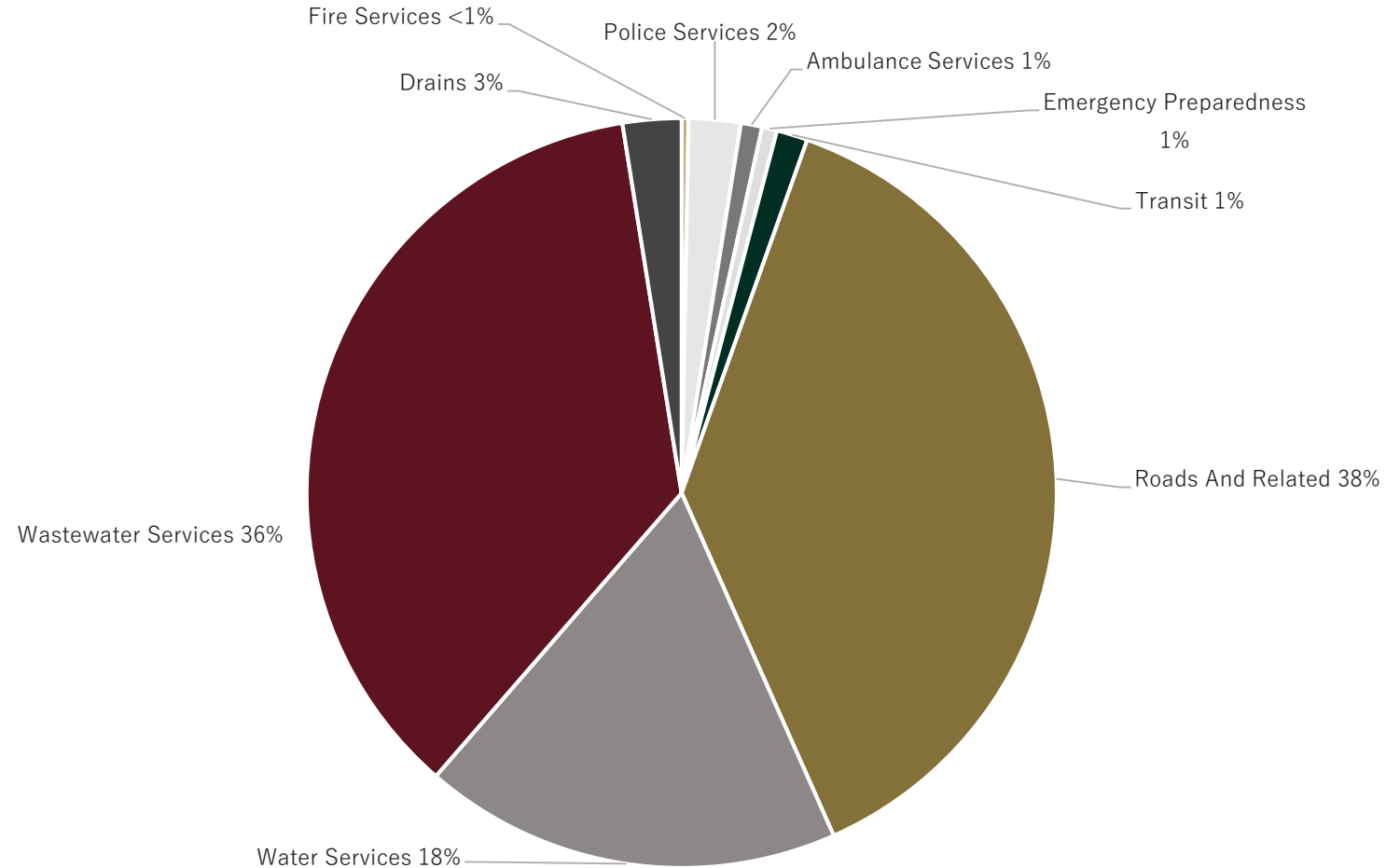
Semi-Detached
\$24,880

Multiples, Apartments &
Small Residential
\$17,581

Residential Development Charge Comparison

Service	Residential (\$/Single Detached Unit)			
	Current Residential Charge	Calculated Residential Charge	Difference in Charge from Current	
<i>General Government</i>	<i>\$259</i>	<i>\$0</i>	<i>-\$259</i>	<i>-100.0%</i>
Library Services	\$572	\$1,124	\$552	96.4%
Fire Services	\$57	\$90	\$33	57.3%
Police Services	\$538	\$590	\$52	9.7%
Parks And Recreation	\$2,083	\$2,346	\$263	12.6%
Ambulance Services	\$134	\$275	\$141	106.0%
Emergency Preparedness	\$442	\$195	-\$247	-55.9%
Transit	\$683	\$404	-\$279	-40.8%
Subtotal General Services Charge	\$4,768	\$5,024	\$256	5.4%
Roads And Related	\$9,220	\$8,135	-\$1,085	-11.8%
Water Services	\$1,255	\$4,637	\$3,382	269.5%
Wastewater Services	\$5,863	\$10,947	\$5,084	86.7%
Drains	\$1,057	\$762	-\$295	-27.9%
Subtotal Engineered Services Charge	\$17,394	\$24,481	\$7,087	40.7%
TOTAL CHARGE PER UNIT	\$22,162	\$29,505	\$7,343	33.1%

Non-Industrial Development Charge



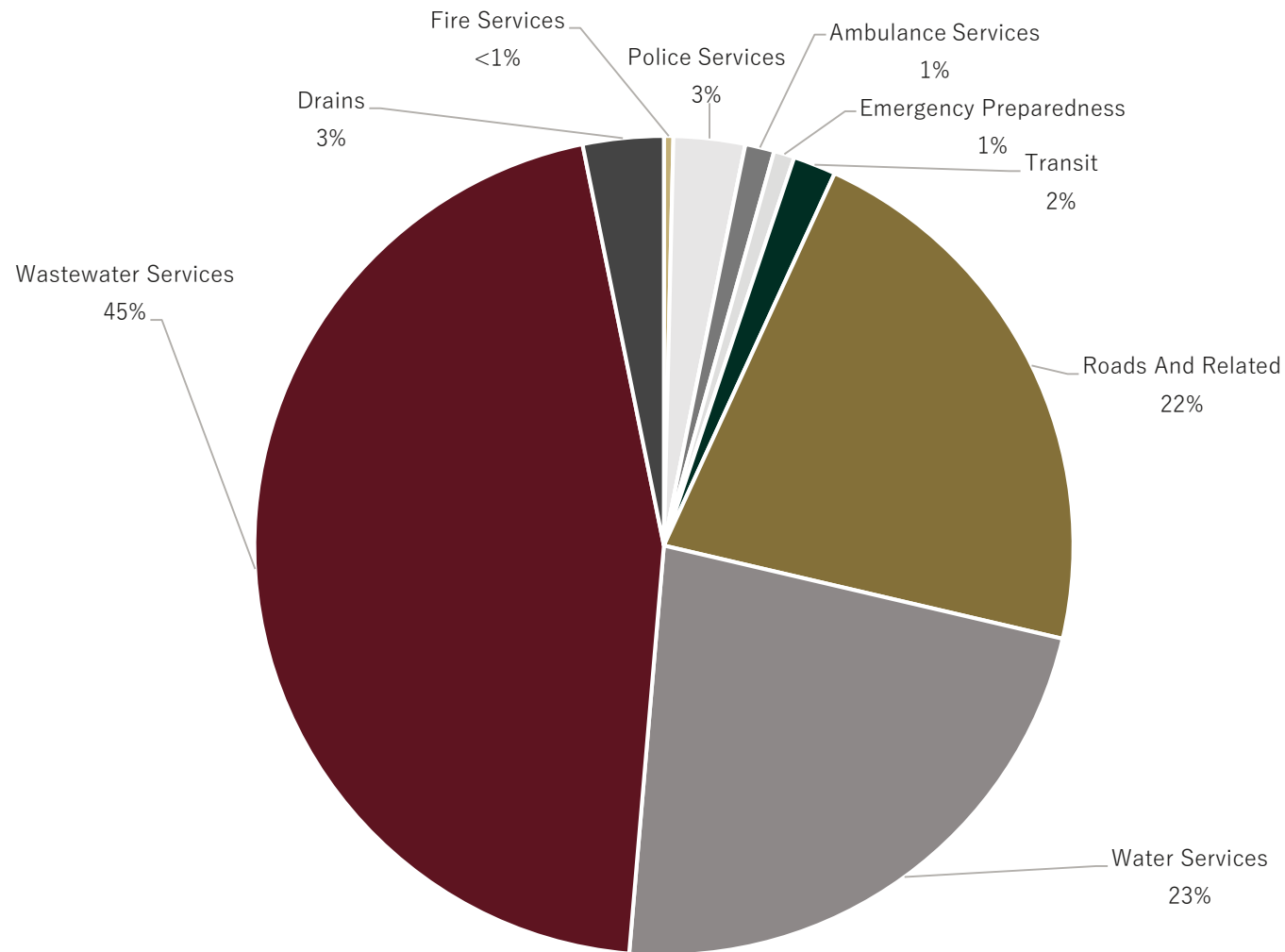
Non-Industrial DC

Non-Industrial
\$16.97 per sq.ft.

Non-Industrial Development Charge Comparison

Service	Non-Residential Non-Industrial (\$/Square Foot)				
	Current Non-Industrial Charge	Calculated 2019 Non-Industrial Charge	Calculated Non-Industrial Charge	Difference in Charge from Current	
<i>General Government</i>	<i>\$0.06</i>	<i>\$0.11</i>	<i>\$0.00</i>	<i>-\$0.06</i>	<i>-100.0%</i>
Library Services	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Fire Services	\$0.01	\$0.03	\$0.05	\$0.04	299.7%
Police Services	\$0.12	\$0.24	\$0.38	\$0.26	219.9%
Parks And Recreation	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Ambulance Services	\$0.03	\$0.06	\$0.16	\$0.12	396.0%
Emergency Preparedness	\$0.09	\$0.19	\$0.11	\$0.02	17.0%
Transit	\$0.15	\$0.30	\$0.23	\$0.08	51.7%
Subtotal General Services Charge	\$0.46	\$0.93	\$0.92	\$0.46	99.4%
Roads And Related	\$3.36	\$6.72	\$6.44	\$3.08	91.6%
Water Services	\$0.27	\$0.54	\$3.06	\$2.79	1037.3%
Wastewater Services	\$1.24	\$2.49	\$6.13	\$4.88	392.2%
Drains	\$0.23	\$0.45	\$0.43	\$0.20	90.7%
Subtotal Engineered Services Charge	\$5.10	\$10.19	\$16.05	\$10.95	214.9%
TOTAL CHARGE PER SQ.FT.	\$5.56	\$11.12	\$16.97	\$11.41	205.3%

Industrial Development Charge



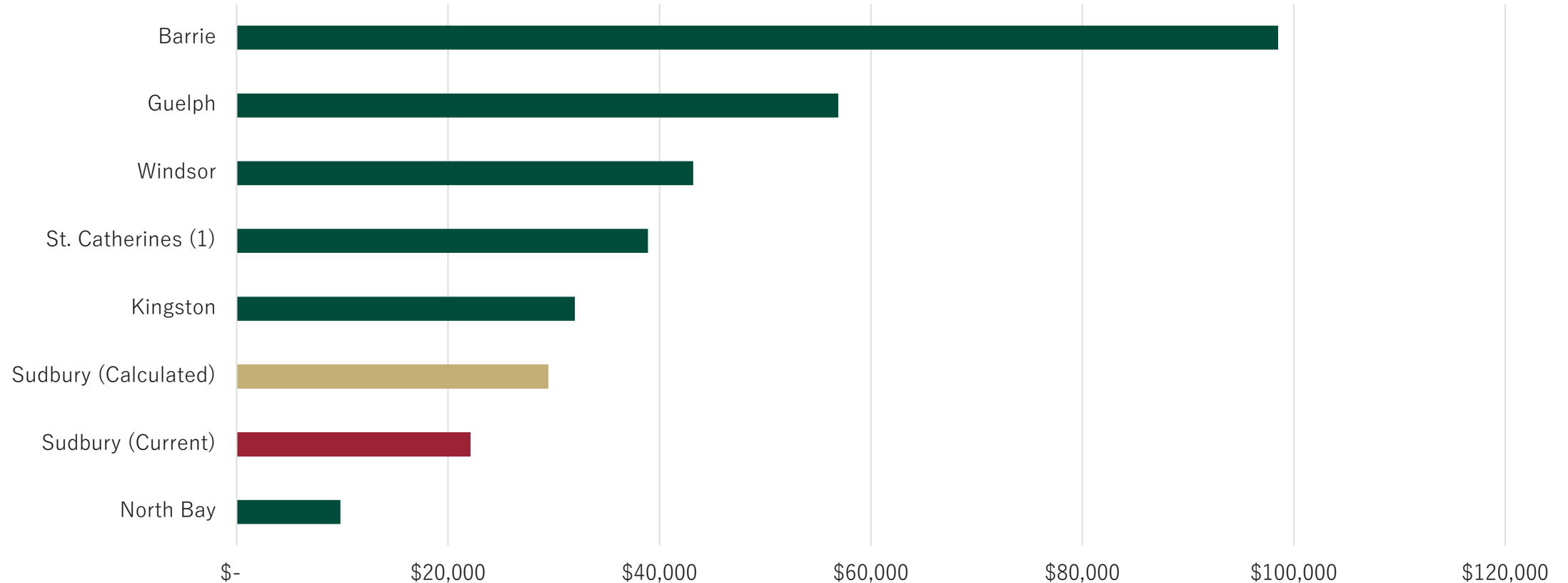
Industrial DC

Industrial
\$13.48 per sq.ft.

Industrial Development Charge Comparison

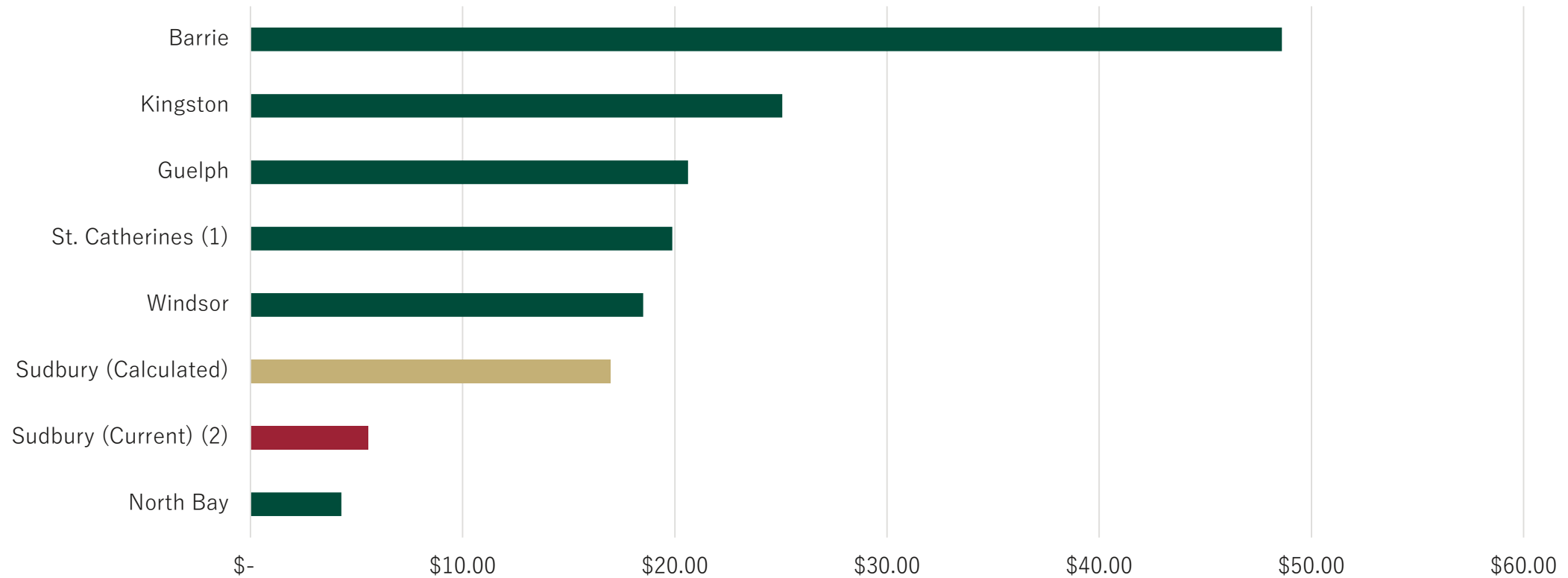
Service	Non-Residential Industrial (\$/Square Foot)				
	Current Industrial Charge	Calculated 2019 Industrial Charge	Calculated Industrial Charge	Difference in Charge from Current	
<i>General Government</i>	<i>\$0.06</i>	<i>\$0.11</i>	<i>\$0.00</i>	<i>-\$0.06</i>	<i>-100.0%</i>
Library Services	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Fire Services	\$0.01	\$0.03	\$0.05	\$0.04	299.9%
Police Services	\$0.12	\$0.24	\$0.38	\$0.26	220.1%
Parks And Recreation	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Ambulance Services	\$0.03	\$0.06	\$0.16	\$0.12	396.4%
Emergency Preparedness	\$0.09	\$0.19	\$0.11	\$0.02	17.1%
Transit	\$0.15	\$0.30	\$0.23	\$0.08	51.8%
Subtotal General Services Charge	\$0.46	\$0.93	\$0.92	\$0.46	99.5%
Roads And Related	\$1.50	\$3.00	\$2.94	\$1.44	95.9%
Water Services	\$0.27	\$0.54	\$3.06	\$2.79	1038.1%
Wastewater Services	\$1.24	\$2.49	\$6.13	\$4.88	392.6%
Drains	\$0.23	\$0.45	\$0.43	\$0.20	90.8%
Subtotal Engineered Services Charge	\$3.24	\$6.48	\$12.55	\$9.32	287.7%
TOTAL CHARGE PER SQ.FT.	\$3.70	\$7.40	\$13.48	\$9.78	264.2%

Residential DC Comparison (per SDU)



(1) Includes DCs charged by Niagara Region

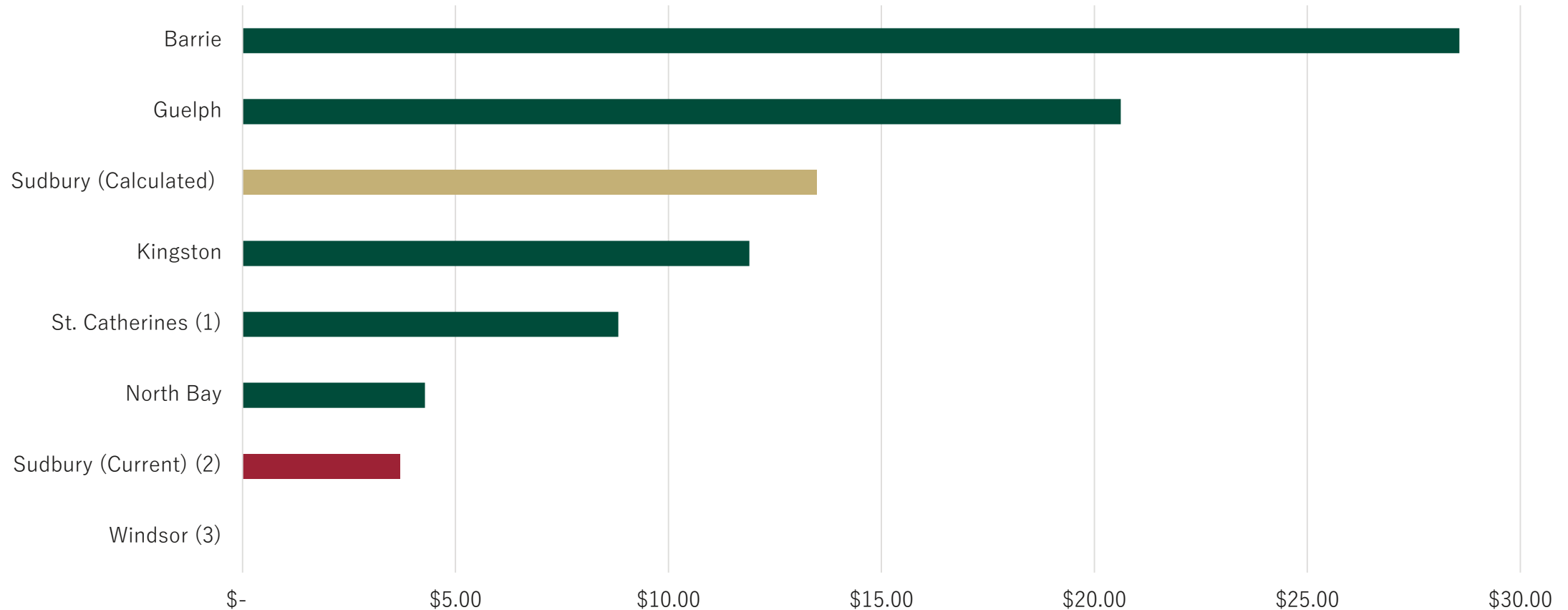
Non-Industrial DC Comparison (per sq.ft.)



(1) Includes DCs charged by Niagara Region

(2) Reflects Council approved discount; 2019 DC Background Study rate was \$11.42

Industrial Rate Comparison (per sq.ft.)



(1) Includes DCs charged by Niagara Region

(2) Reflects Council approved discount; 2019 DC Background Study rate was \$7.40

(3) Industrial development exempt from DCs in Windsor

DC Legislation is Still Evolving

- Bills 108, 138, 197, 23...and counting
- Bill 23, *More Homes Built Fast Act*
 - Exemptions: existing rentals, residential intensification, non-profit housing
 - Discounts: purpose built rentals
 - Phase-in: all DCs over 5 years
- Bill 185, *Cutting Red Tape to Build More Homes Act*
 - Repeal of phase-in
 - Reintroduction of growth-related studies as eligible cost
 - Affordable housing exemptions (June 1)

Proposed DC By-law Changes

1. Legislative conformity

2. DC policies

- 10-year redevelopment credit for vacant and derelict buildings
- Green building DC reductions / exemptions:
 - 25% LEED
 - 50% LEED Silver
 - 75% LEED Gold
 - 100% LEED Platinum
- Brownfield redevelopment exemptions
- Minor changes to Nodes and Corridors exempt areas
- Changes to small residential unit requirements
- Sunsetting of locational-based exemptions after 5 years
- Separate by-laws for different services

Highly Consultative DC Process

Stakeholder Meeting	Topics	Date
Consultation Meeting #1	<ul style="list-style-type: none"> ▪ Current exemptions ▪ Planned capital projects ▪ Bill 23 changes 	December 12
Consultation Meeting #2	<ul style="list-style-type: none"> ▪ Capital forecast 	January 30
Consultation Meeting #3	<ul style="list-style-type: none"> ▪ Capital forecast ▪ Policy considerations ▪ DC operational matters 	February 20
Consultation Meeting #4	<ul style="list-style-type: none"> ▪ DC process & timeline ▪ DC Background Study and By-law ▪ Stakeholder feedback 	April 25
Public Meeting	<ul style="list-style-type: none"> ▪ Receive submissions from public and Council ▪ Amend proposed charges and by-law, if required ▪ Determine if additional public meeting is required 	May 14

Next Steps

Task	Description	Date
Release DC Background Study	<ul style="list-style-type: none"> 60-days prior to by-law passage 	April 12
Finance & Administration Committee Presentation	<ul style="list-style-type: none"> Present methodology, legislative changes, DC draft rates, and policy changes 	April 23
Advertise Public Meeting	<ul style="list-style-type: none"> 20-days notice 	April 23
Release Draft DC By-law	<ul style="list-style-type: none"> 2 weeks before Public Meeting (or sooner) 	Apr 30
Hold Statutory Public Meeting	<ul style="list-style-type: none"> Receive submissions from public and Council Amend proposed charges and by-law, if required Determine if additional public meeting is required 	May 14
Council Consideration	<ul style="list-style-type: none"> Council consideration of rates and resolutions 	May 22
DC By-law Passage	<ul style="list-style-type: none"> Any changes brought forward for adoption 	June 11 (last opportunity June 25)