

For Information Only

Development Charges - Freezing for One Year

Presented To:	Public Input and Information Session
Presented:	Tuesday, Jun 21, 2016
Report Date	Wednesday, Jun 08, 2016
Type:	Correspondence for Information Only

Resolution

For Information Only

Please refer to attached report.

Signed By

Report Prepared By

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed Jun 8, 16

Recommended by the Department

Ed Stankiewicz
Acting Chief Financial Officer/City
Treasurer
Digitally Signed Jun 8, 16

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Jun 8, 16

Development Charges – Freezing for One Year

This report provides background for the public meeting being held to secure input on the proposed freezing of Development Charges (DC) Rates at the June 30, 2016 levels.

Where an amendment is proposed to a Development Charges By-law, the *Development Charges Act* requires that a public meeting be held to allow citizens to provide input regarding the proposed changes. Notice was given of a public meeting scheduled for 6:00 pm on June 21, 2016 at the Finance & Administration Committee. Those interested in speaking were encouraged to register in advance with Clerks Services and advised that the presentations are limited to 5 minutes each.

Background

When the Development By-law was passed in 2014, Council approved certain increases to development charges, based on a consideration of the background study, and the public input received. The bylaw currently provides for these increases to be implemented in the last 3 years of the Bylaw and further provides for inflationary increases to be applied to the rates as of July 1st in each year.

The proposed amending bylaw will:

- a) implement the increase in developments over the last 2 years of the term of the By-law (July 1, 2017 – June 30, 2019) rather than the last 3 years of the By-law. This will result in an increase in the development charge rates applicable in the last two years of the bylaw over the rates currently shown in the bylaw; and
- b) provide that the inflationary increase which would otherwise be applied to the current development charges on July 1st, 2016, not be implemented.

The current Development Charges rates which will continue in effect after the amendments are shown in the chart below:

	Single Family Dwelling (per unit)	Semi Detached Dwelling (per unit)	Multiples and Apartments (per unit)	Industrial (per square foot)	Non-Industrial (per square foot)
All Services	\$15,036	\$9,415	\$9,415	\$4.40	\$8.98
Excluding Water Service	\$14,248	\$8,921	\$8,921	\$3.93	\$8.47
Excluding Wastewater Service	\$12,496	\$7,824	\$7,824	\$2.90	\$7.34
Excluding Water and Wastewater Service	\$11,708	\$7,330	\$7,330	\$2.43	\$6.83

The financial implication of implementing the proposed two amendments is estimated at \$380,000 of lost revenue to the City. This is based on the estimated development for this upcoming year from the 2014 DC Background Study. It is important to note that this is a high level estimate of lost DC revenue as actual development may be different from the estimated development from the background study.

The revenues from development charges are used to fund the growth related capital expenditures. Any lost revenue resulting from the freeze in development charges may have to be funded from the tax levy, City reserve funds and/or external debt, in order for future growth related capital expenditures to be made.

Once the Finance and Administration Committee has received the public input at the meeting of June 21, 2016, a motion will be required if any further changes are requested. The amending by-law will be prepared for presentation to the June 28, 2016 Council meeting based on the motion approved at the May 31, 2016 City Council meeting.

In summary, this report explains the two amendments to the DC by-law 2014-151 as per the City Council motion approved at the May 31, 2016 City Council meeting.