

DEVELOPMENT CHARGES BACKGROUND STUDY UPDATE

November 14, 2016

Agenda

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1. Current Development Charge (DC) By-laws

- The City of Markham passed its City Wide Hard (CWH), City Wide Soft (CWS) and Area Specific Development Charge (ASDC) By-laws in May 2013
- DCs are governed by the *Development Charges Act, 1997 (DCA)* which stipulates that the maximum life of a DC By-law is 5 years from date of enactment (may be repealed/replaced earlier)
- The City is required to pass new CWH, CWS and ASDC By-laws by May 2018
- Staff are commencing the preparation of the DC Background Study for all the DC By-laws with completion projected by December 2017

2. Background Study Objectives

- To calculate Development Charges consistent with the *DCA* to recover the maximum allowable portions of growth-related net capital costs
- To identify the growth-related net capital costs for:
 - CWS Services over the planning period 2017-2026
 - CWH and ASDC by-laws to build-out in 2031
- To enact new CWH, CWS and ASDC by-laws prior to the expiration of the existing by-laws on May 28, 2018
 - If new by-laws are not passed, the City cannot continue to collect development charges

3. Development Charge Process

- Steps Required by the *DCA*:
 - 1) Develop Growth Forecast – Residential and Non-Residential
 - 2) Calculate Historic 10 Year Average Service Levels
 - 3) Determine Growth-Related Capital Requirements
 - Compile and review hard infrastructure requirements to 2031
 - Update of inventory for Indoor Recreation, Library, Park Development & Facilities, Fire Services, Public Works, Waste Management and Parking to 2016
 - Prepare 10-year CWS services capital program for 2017-2026

3. Development Charge Process

- Steps Required by the *DCA (cont'd)*:
 - 4) Calculate Development Charges
 - 5) Prepare an Asset Management Plan
 - 6) Prepare the Development Charges Background Study
 - 7) Hold a Statutory Public Meeting
 - 8) Approval of the Background Study and By-laws – Council

4. Timeline for Background Study Update



5. Growth Forecast

- Will be based on planning estimates – in line with the York Region Official Plan targets – prepared by City staff and the external consultant
 - Population growth to build-out (2031)¹
 - Growth in number and type of new household units (by area)
 - Employment growth – number of employees and space (m²)
 - Developable land areas

1) Includes intensification

6. Growth-Related Capital

- Only growth-related costs can be included in the development charge
- Portions of projects related to prior growth (existing community) or replacement must be financed from other sources – e.g. property taxes, grants
- Projects oversized for future growth may be recovered from future development if not financed from development charges
- The maintenance and replacement of new and existing facilities and infrastructure are funded through tax dollars, not development charges

7. Policy Review

- Determine the impact of intensification - additional infrastructure requirements and determination of growth-related portion of costs
- Reassess various by-law provisions and policies, e.g. Review Deferral Policy for treatment of Non-Profit Health Care Facilities

Explore possible alignment with York Region policies

- For buildings requiring multiple permits, collection of DCs at the latest, foundational building permit issuance
- Continue with alignment of apartment sizes for consistency
- Explore other policy initiatives as they become known

8. Public Consultation

- The *Development Charges Act* requires a minimum of one Public Meeting to be held prior to the adoption of the by-laws
 - A minimum of three weeks' notice must be given
 - The Background Study and proposed By-law(s) must be made available a minimum of two weeks prior to the meeting
- Past practice has been to engage the development community in advance of the public meeting
 - Staff intend to continue this practice of meeting with the development community
- As per Bill 73, the Background Study must be available to the public 60 days prior to Council approval

9. Council Sub-Committee

- To align with past practice, staff will convene a Council Development Charge Sub-Committee to:
 - Discuss the various policy updates
 - Review the preliminary data and charges
- Participant Recommendation
 - Mayor
 - Chair of the Budget Sub Committee
 - Vice Chair of the Budget Sub Committee

10. Timeline Review

- Update infrastructure requirements and inventory compilation – by Dec. 2016
- Update growth forecast – by January 2017
- Review policies – by February 2017
- Preliminary Calculation – by April 2017
- Public Consultation – April to July 2017
- Council Sub-Committee – April to July 2017
- Finalize Study – September to October 2017
- Public Meeting – November 2017
- Council Approval – December 2017

QUESTIONS