

Statutory Public Meeting

Development Charges Study, Community Benefits Charges Strategy and Related By-Laws



Source: City of Barrie

CITY OF BARRIE

May 10, 2023



Purpose of Today's Meeting

Meeting Purpose

- Provide the public with opportunity to make representation on the proposed 2023 Development Charges By-law and Community Benefits Charges Strategy

Development Charges

- **Statutory Public Meeting** required by Section 12 of the *Development Charges Act*
- DC Background Study and Draft By-law were made publically available on **April 21, 2023**

Community Benefits Charges

- Under subsection 37(10) of the *Planning Act* a municipality must consult with the public
- CBC Strategy and Draft By-law made publically available on **April 21, 2023**

Agenda

- Background
- Development Charges (DCs)
 - Services Included in 2023 DC Study
 - Development Forecast
 - Capital Program Summary
 - Summary of Proposed Rates
 - Comparison of Current versus Calculated Rates
- Community Benefits Charges (CBCs)
 - Overview
 - Capital Program
 - Proposed Rate Structure
- Next Steps

New Framework for “Growth-Related” Capital in Ontario



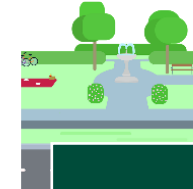
Development Charges Act (DCs)

- Used to fund initial round of growth-related capital infrastructure
- Prescribed list of eligible services
- Certain “soft” services removed from list (e.g. parking, cemeteries, airports, affordable housing, studies)
- No more 10% discount for soft services



Planning Act: Community Benefits Charges (CBCs)

- Initial round of capital, can overlap with DCs
- In-kind contributions permitted
- Capped at 4% of land value
- Imposed only on development with 5 or more storeys & 10 or more housing units
- Only local municipalities can charge



Planning Act: Parkland Acquisition

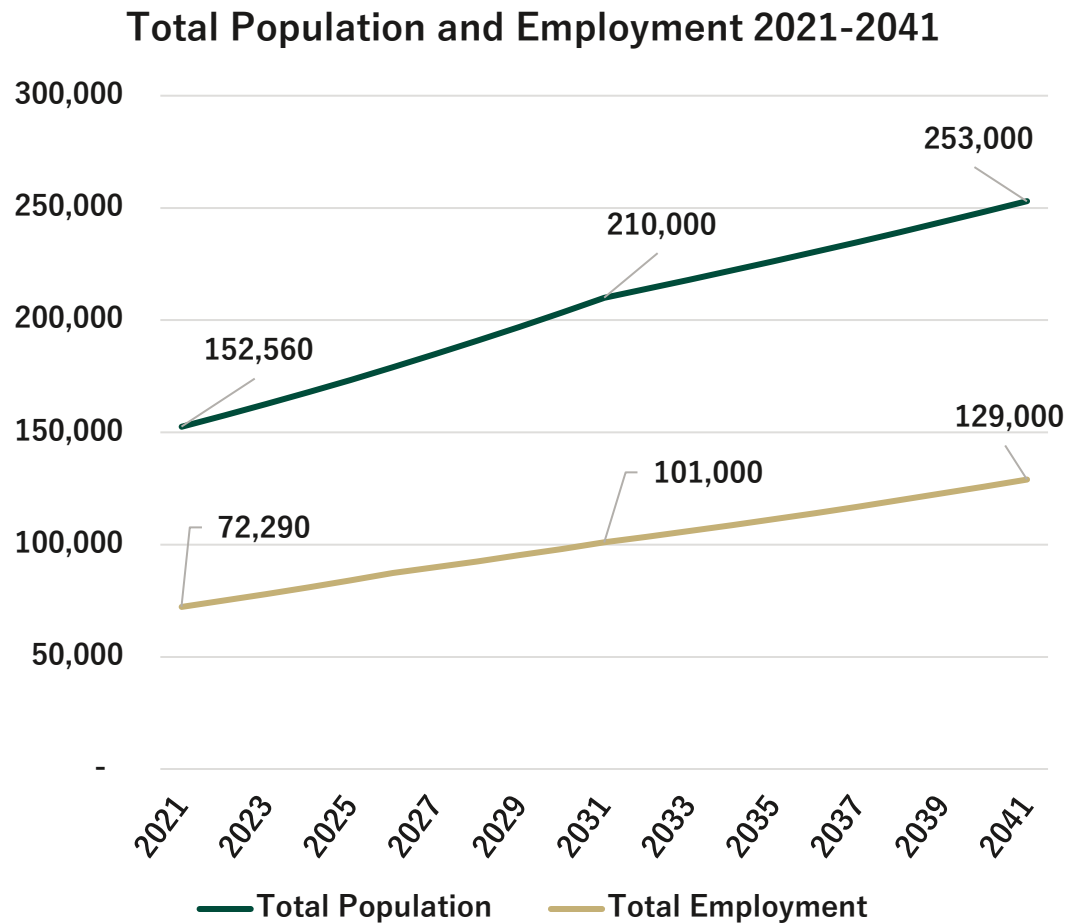
- Parkland acquisition
- Standard rate of 5% for residential and 2% for non-residential
- Alternative, higher rate may apply based on units/ha – new rules which “cap” the amount conveyed or collected
- Cash In Lieu permitted

All tools are appealable to Ontario Land Tribunal (with conditions)

Services Included in 2023 DC Background Study

City-Wide	Area-Specific
<ul style="list-style-type: none">• Water Services• Wastewater Services• Services Related to a Highway• Transit Services• Library Services• Parks and Recreation• Waste Diversion• Long Term Care• Ambulance Services• Public Works• Protection (Policing and Fire) <p>Note: Studies and Housing services are now ineligible</p>	<p>Former City Municipal Boundary Areas</p> <ul style="list-style-type: none">• Stormwater Drainage and Control Services• Water Services – Distribution Systems• Wastewater Services – Collection Systems <p>Salem & Hewitt’s Secondary Plan Areas</p> <ul style="list-style-type: none">• Water Services – Distribution Systems• Wastewater Services – Collection Systems <p>Note: Whiskey Creek ASDC has been removed</p>

Residential Development Forecast to 2041



- The 2031 and 2041 population, households and employment numbers are consistent with the *City of Barrie, Long-Term Growth Scenarios Review – Made in Barrie Scenario*
 - Aligns with the forecasts used in the current infrastructure master plans
 - Consistent with 2019/2021 DC Studies
- Area-specific forecasts prepared for Salem & Hewitt’s:
 - 46% of all population growth to 2041
 - 34% of all new employment growth to 2041
- City’s new Official Plan was approved by the Province
 - 2051 growth targets will be used in future Master Plan and DC Study updates

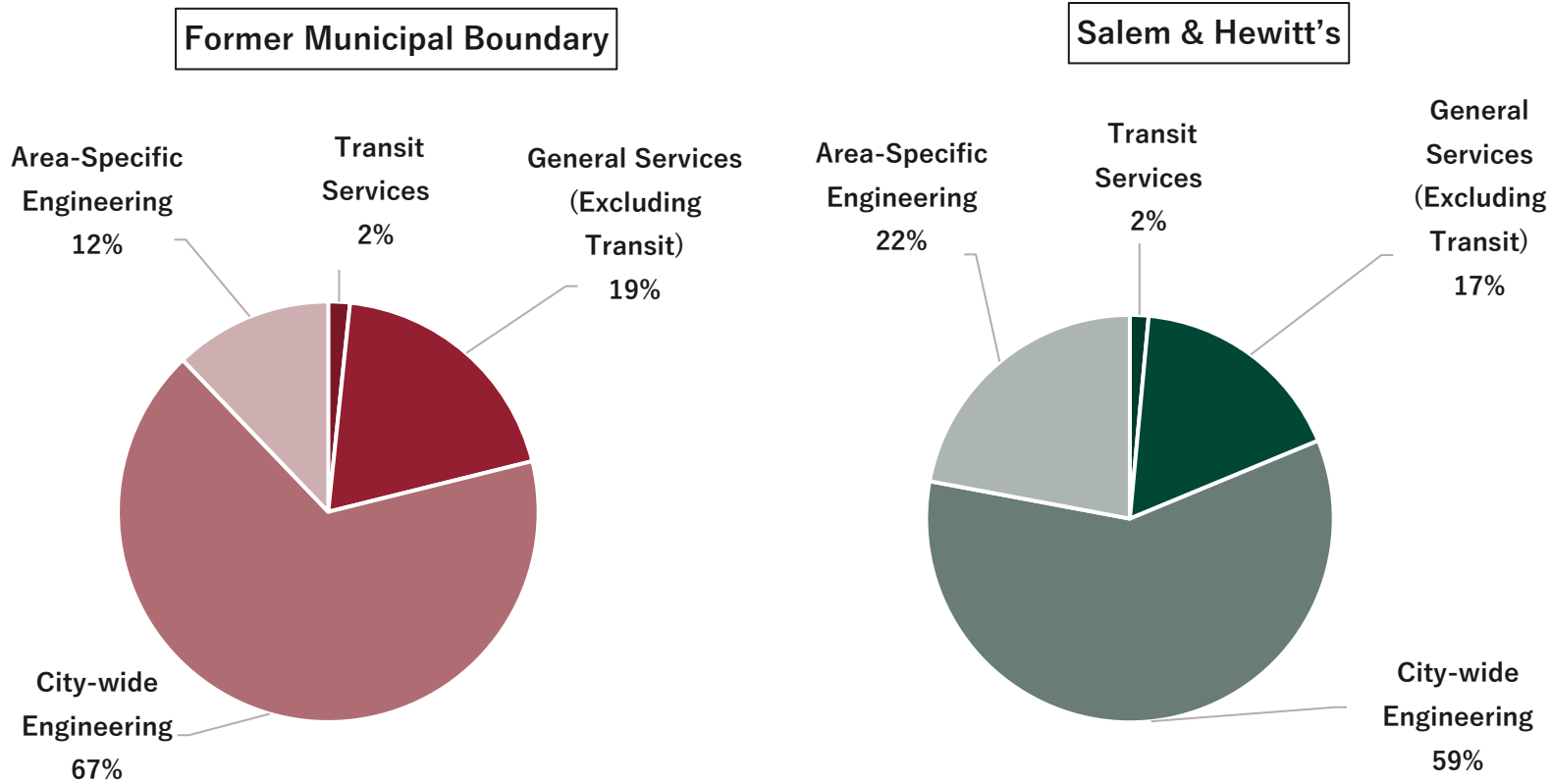
Capital Program Summary (\$millions)

Service	Gross Cost	Grants/ Subsidies	Benefit to Existing	DC Reserves	2023-2032	Post-2032
General Services + Transit	\$982.1	\$114.2	\$126.9	\$38.9	\$452.4	\$249.7

Service	Gross Cost	Grants/ Subsidies	Benefit to Existing	DC Reserves	2023-2041	Post-2041
City-wide: Engineering Services	\$4,781.7	\$0.0	\$611.7	\$165.2	\$2,920.2	\$1,084.7
Area-Specific: Former Municipal Boundary	\$662.2	\$0.0	\$380.7	\$4.8	\$276.7	\$0.0
Area-Specific: Salem & Hewitt's	\$416.7	\$0.0	\$0.0	\$0.0	\$416.7	\$0.0
Total	\$5,860.7	\$0.0	\$992.4	\$170.0	\$3,613.6	\$1,084.7

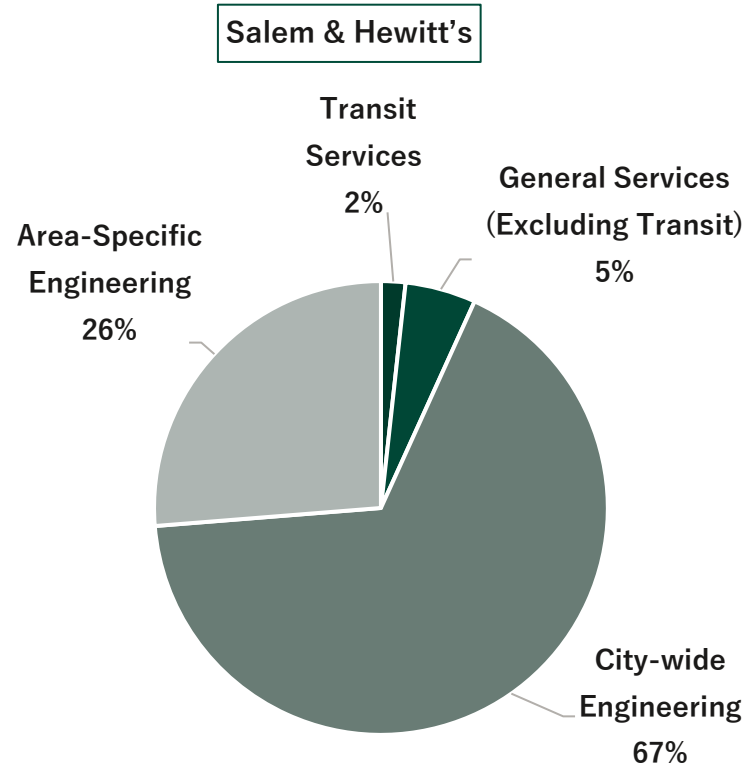
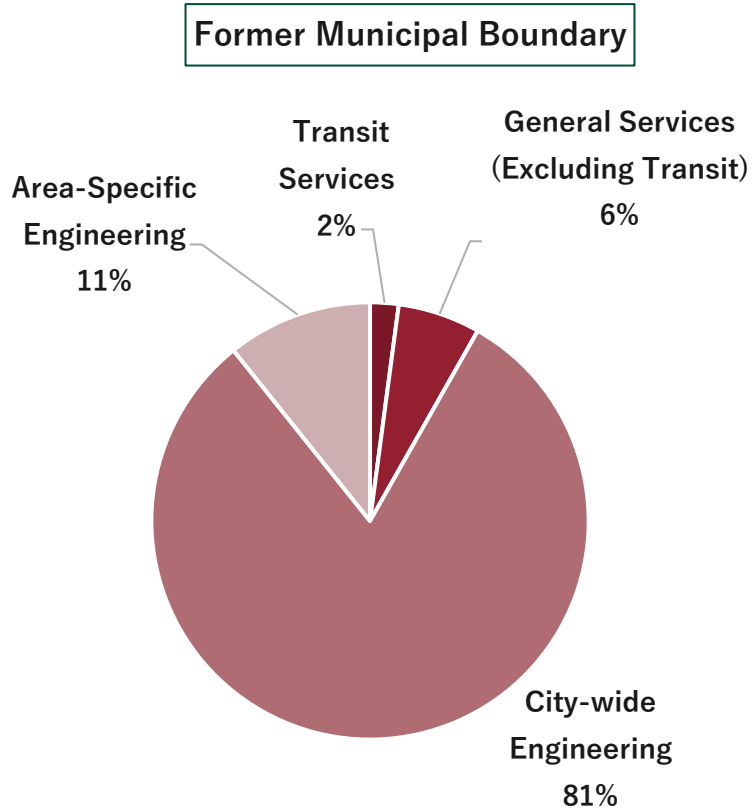
Service	Gross Cost	Grants/ Subsidies	Benefit to Existing	DC Reserves	2023-2032 + 2023-2041	Post-Period
TOTAL ALL SERVICES	\$6,842.8	\$114.2	\$1,119.3	\$208.9	\$4,065.9	\$1,334.4

Calculated Residential Rates



Former Municipal Boundary	Salem & Hewitt's
Singles/Semis \$111,874	Singles/Semis \$126,077
Other Multiples \$83,842	Other Multiples \$94,486
Apts 2+ Bedrooms \$70,013	Apts 2+ Bedrooms \$78,902
Apts 1 Bedroom \$45,510	Apts 1 Bedroom \$51,287
Special Care Units \$35,007	Special Care Units \$39,450

Calculated Non-Residential Rates



Former Municipal Boundary	Salem & Hewitt's
Retail m ² \$607.69	Retail m ² \$735.64
Non-Retail m ² \$354.33	Non-Retail m ² \$391.69

Calculated Residential and Non-Residential Rates: 5-Year Statutory Phase-in

FORMER BOUNDARY

Year	Single & Semi-Detached	Other Multiples	Apartments 2+ Bedrooms	Apartments Bachelor and 1 Bedroom	Special Care/ Special Dwelling Units	Retail \$/m2	Non-Retail \$/m2	Phase-in %
2023	\$89,499	\$67,074	\$56,010	\$36,408	\$28,006	\$486.15	\$283.46	80%
2024	\$95,093	\$71,266	\$59,511	\$38,684	\$29,756	\$516.53	\$301.18	85%
2025	\$100,687	\$75,458	\$63,012	\$40,959	\$31,506	\$546.92	\$318.89	90%
2026	\$106,280	\$79,650	\$66,512	\$43,235	\$33,257	\$577.30	\$336.61	95%
2027	\$111,874	\$83,842	\$70,013	\$45,510	\$35,007	\$607.69	\$354.33	100%



SALEM & HEWITT'S

Year	Single & Semi-Detached	Other Multiples	Apartments 2+ Bedrooms	Apartments Bachelor and 1 Bedroom	Special Care/ Special Dwelling Units	Retail \$/m2	Non-Retail \$/m2	Phase-in %
2023	\$100,862	\$75,589	\$63,122	\$41,030	\$31,560	\$588.51	\$313.35	80%
2024	\$107,165	\$80,313	\$67,067	\$43,594	\$33,533	\$625.29	\$332.93	85%
2025	\$113,469	\$85,037	\$71,012	\$46,158	\$35,505	\$662.08	\$352.52	90%
2026	\$119,773	\$89,762	\$74,957	\$48,723	\$37,478	\$698.86	\$372.10	95%
2027	\$126,077	\$94,486	\$78,902	\$51,287	\$39,450	\$735.64	\$391.69	100%



\$/Single-Detached Unit Calculated vs Current Rates Over 5-Year Phase-In

Former Boundary \$/Single-Detached Unit	Calculated	Change (%)
Current	\$87,281	
Year 1 – 2023	\$89,499	2.5%
Year 2 – 2024	\$95,093	6.3%
Year 3 – 2025	\$100,687	5.9%
Year 4 – 2026	\$106,280	5.6%
Year 5 – 2027	\$111,874	5.3%



Salem & Hewitt's \$/Single-Detached Unit	Calculated	Change (%)
Current	\$90,445	
Year 1 – 2023	\$100,862	11.5%
Year 2 – 2024	\$107,165	6.2%
Year 3 – 2025	\$113,469	5.9%
Year 4 – 2026	\$119,773	5.6%
Year 5 – 2027	\$126,077	5.3%



\$/m2 Calculated vs Current Rates Over 5-Year Phase-in

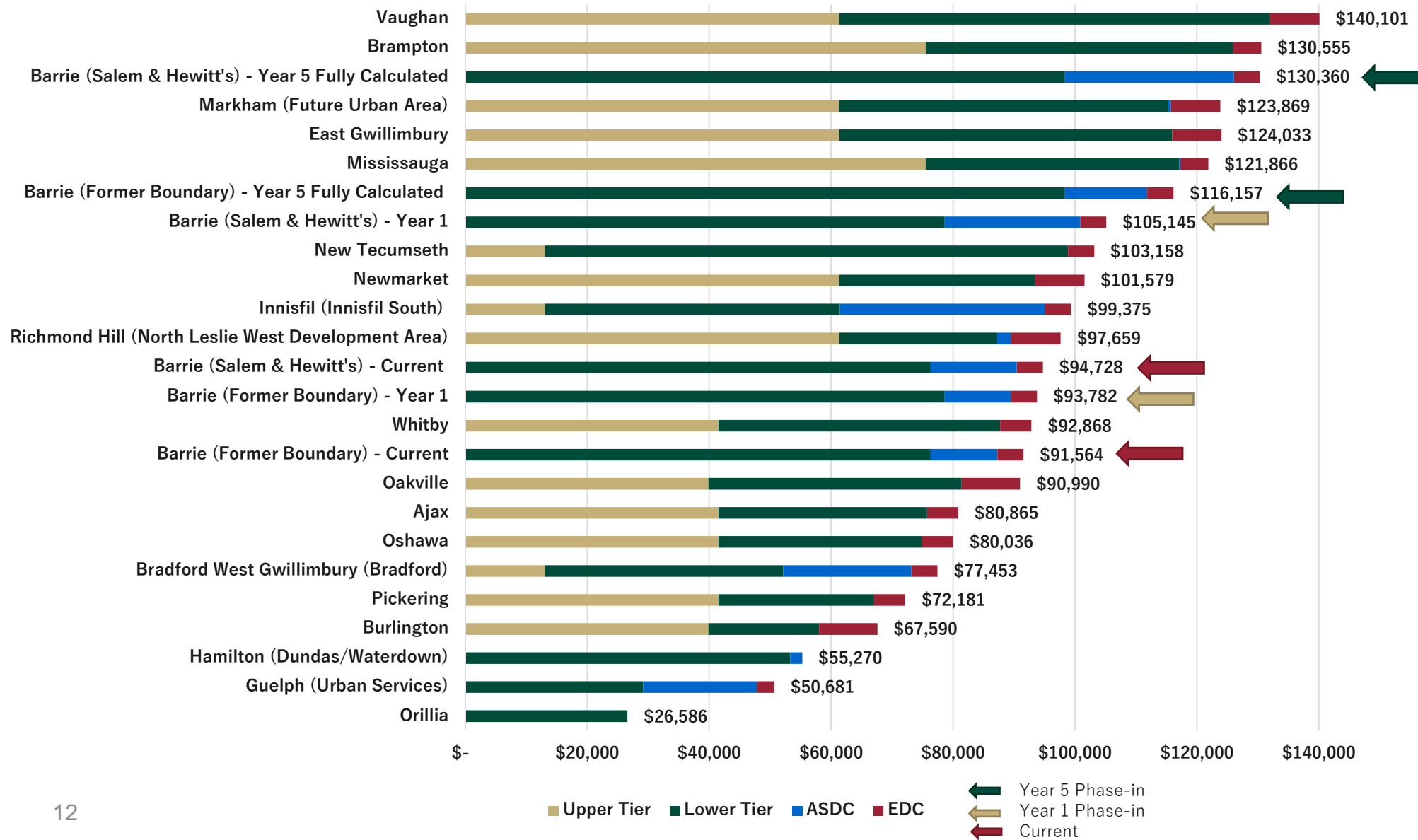
Former Boundary (\$/m2)	Retail Calculated	Change (%)	Non-Retail Calculated	Change (%)
Current	\$454.41		\$283.25	
Year 1 – 2023	\$486.15	7.0%	\$283.46	0.1%
Year 2 – 2024	\$516.53	6.2%	\$301.18	6.3%
Year 3 – 2025	\$546.92	5.9%	\$318.89	5.9%
Year 4 – 2026	\$577.30	5.6%	\$336.61	5.6%
Year 5 – 2027	\$607.69	5.3%	\$354.33	5.3%



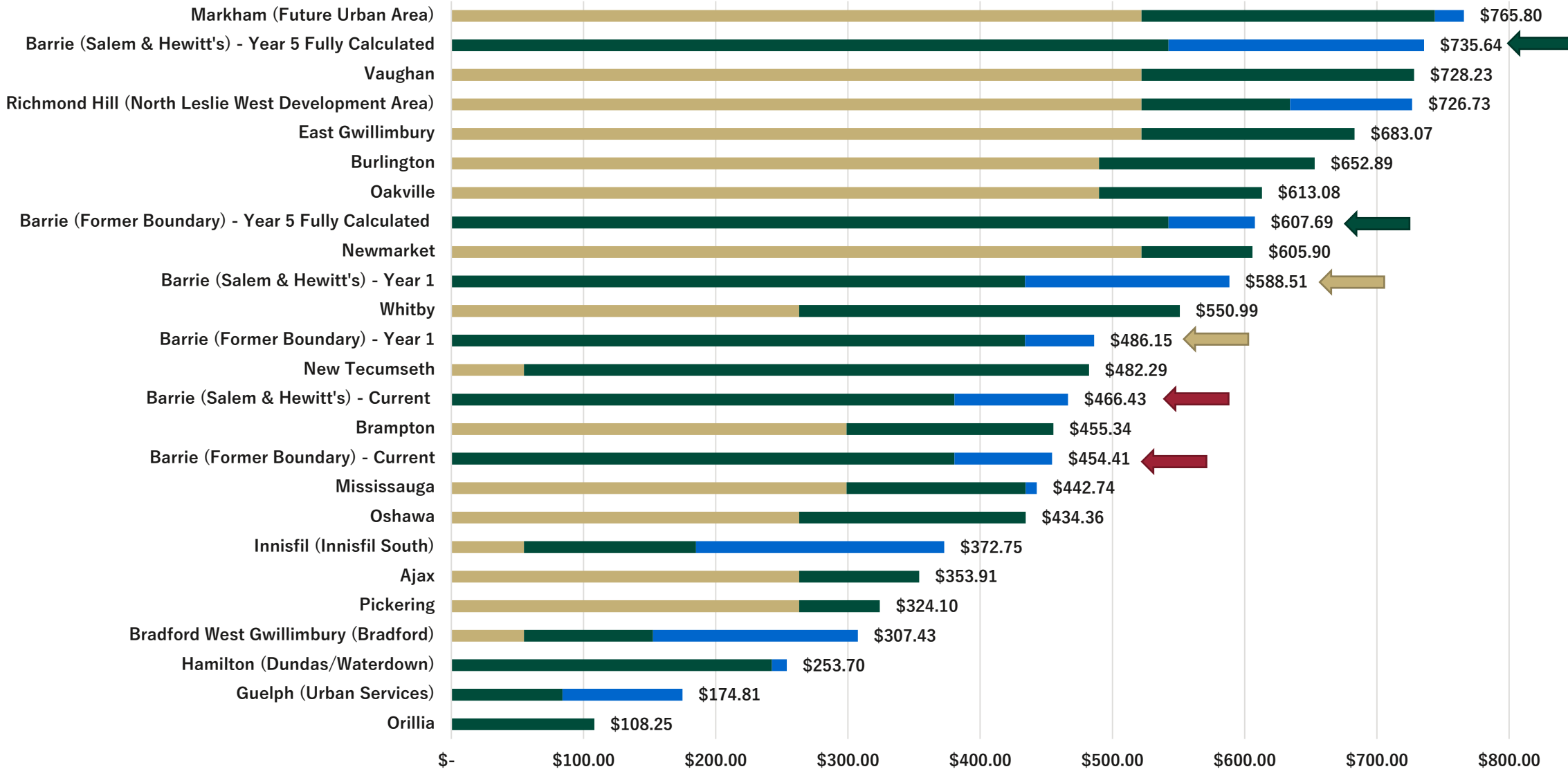
Salem & Hewitt's (\$/m2)	Retail Calculated	Change (%)	Non-Retail Calculated	Change (%)
Current	\$466.43		\$316.28	
Year 1 – 2023	\$588.51	26.2%	\$313.35	-0.9%
Year 2 – 2024	\$625.29	6.2%	\$332.93	6.2%
Year 3 – 2025	\$662.08	5.9%	\$352.52	5.9%
Year 4 – 2026	\$698.86	5.6%	\$372.10	5.6%
Year 5 – 2027	\$735.64	5.3%	\$391.69	5.3%



Residential Rate Comparison: Single/Semi-Detached



Non-Residential Rate Comparison: Retail



DC Policy Changes

- New statutory discounts/exemptions
 - Fully calculated rates must be phased-in over 5-year period
 - Affordable/Attainable housing (not yet in force)
 - Exemption for non-profit housing
 - Discount for rental housing (based on number of units)
 - DC By-law expiry extended to 10-years
- Non-statutory discounts/exemptions
 - Non-profit institution for institutional uses by the non-profit institution for their own purposes as to 50% of the development charge chargeable
 - One accessory building to an existing industrial building be charged \$35.43 per square metre (subject to indexing)
 - Removal of 40% discount for certain targeted services
 - Other minor administrative changes
- Other changes
 - Removal of Whiskey Creek Area-Specific Development Charge

Preliminary Bill 23 Impact Estimates: 5-Year Phase-in

2023-2027 Planning Period	Residential Revenue		Total
	Former Boundary	Salem & Hewitt's	
Revenue Forecast (No Phase-In)	\$ 450,800,000	\$ 602,800,000	\$ 1,053,600,000
Revenue Forecast (With Phase-In)	\$ 405,700,000	\$ 545,400,000	\$ 951,100,000
Total Revenue Loss	\$ 45,100,000	\$ 57,400,000	\$ 102,500,000

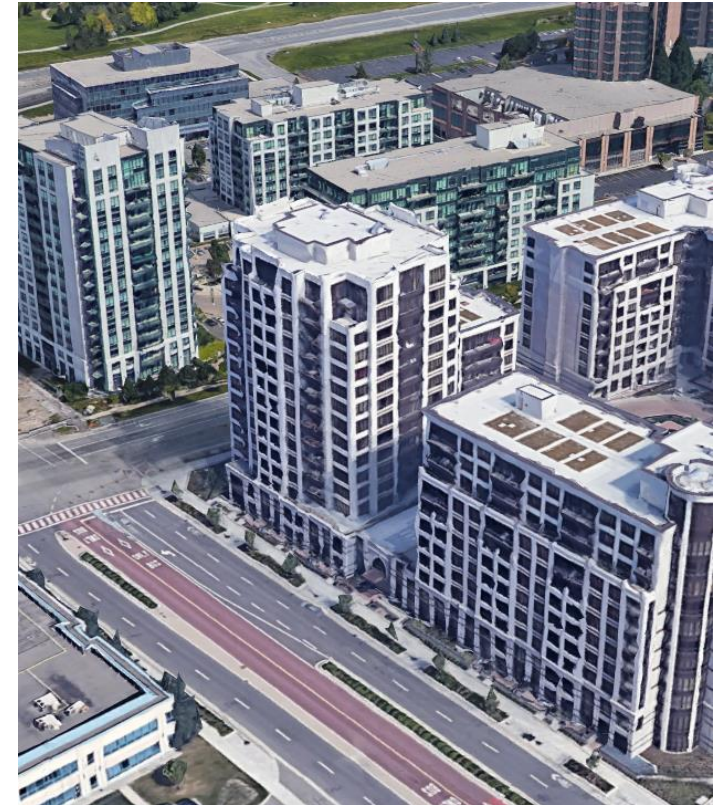
2023-2027 Planning Period	Non-Residential Revenue		Total
	Former Boundary	Salem & Hewitt's	
Revenue Forecast (No Phase-In)	\$ 148,200,000	\$ 102,100,000	\$ 250,300,000
Revenue Forecast (With Phase-In)	\$ 134,700,000	\$ 92,900,000	\$ 227,600,000
Total Revenue Loss	\$ 13,500,000	\$ 9,200,000	\$ 22,700,000

2023-2027 Planning Period	Total Revenue		Total
	Former Boundary	Salem & Hewitt's	
Revenue Forecast (No Phase-In)	\$ 599,000,000	\$ 704,900,000	\$ 1,303,900,000
Revenue Forecast (With Phase-In)	\$ 540,400,000	\$ 638,300,000	\$ 1,178,700,000
Total Revenue Loss	\$ 58,600,000	\$ 66,600,000	\$ 125,200,000

- Total anticipated revenue loss of 10% over 5-years
- Other exemptions, discounts have not yet been quantified
 - Discounts for rental
 - Exemptions for additional units in new/existing residential
- Affordable/Attainable housing exemption likely significant but not yet in force
- 5-year phase-in most significant revenue loss

Planning Act: Community Benefits Charges (CBCs)

- Height/density “bonusing” under s.37 of Planning Act now gone
- Replaced by CBC for growth-related capital—can overlap with DCs
- In-kind contributions permitted (credits given)
- Can only be levied against higher density development
 - 5 or more storeys, and
 - 10 or more residential units
- Regulation sets cap at **4%** of land value the day before a building permit is issued



Source: Google Earth Pro, 2020

What Can CBCs Fund?

- Can recover any “growth related” capital cost. In Barrie:
 - Master plans & studies (previously DCs)
 - Parking (previously DCs)
 - Housing, including affordable housing (previously DCs)
 - Parks projects
 - Parkland acquisition (no overlap with s.42)
 - Library services (no overlap with DCs)
 - Other (growth-related climate initiatives; public art)
- Still requires “nexus tests” between servicing needs and development
 - Community benefits
 - Servicing needs arising from buildings with 5 or more storeys and 10 or more residential units

Summary of Barrie Growth-Related CBC Capital Program (\$000)

Service	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	Benefit to Existing (\$)	Total Development Related Cost	Potential DC Funded	Other Development Related	CBC Eligible Costs
CBC Reviews	\$350	\$0	\$350	\$0	\$350	\$0	\$350	\$350
Master Plans & Studies	\$17,625	\$0	\$17,625	\$1,020	\$16,605	\$0	\$16,605	\$2,014
Parking	\$4,457	\$0	\$4,457	\$201	\$4,256	\$0	\$4,256	\$502
Parks Projects	\$386,250	\$0	\$386,250	\$0	\$386,250	\$112,862	\$273,388	\$173,494
Housing	\$123,286	\$85,018	\$38,267	\$13,561	\$20,434	\$0	\$20,434	\$3,193
Growth-Related Climate Initiatives	\$500	\$0	\$500	\$0	\$500	\$0	\$500	\$500
Public Art	\$405	\$0	\$405	\$0	\$405	\$0	\$405	\$63
Library Services	\$19,400	\$0	\$19,400	\$0	\$19,400	\$5,907	\$13,493	\$2,108
TOTAL	\$552,272	\$85,018	\$467,254	\$14,782	\$448,200	\$118,769	\$329,431	\$182,225

Total anticipated CBC revenue = \$6.3 million

CBC Implementation and Administration

- Requirements of CBC By-law adoption process:
 - Consultation required but not defined
 - Only one CBC By-law allowed
 - Notice of passage
 - Right of appeal to Ontario Land Tribunal
- Administration and Reporting
 - Must establish CBC “special account” (reserve fund)
 - In each calendar year, City must *spend or allocate* at least 60% of the monies that are in the special account at the beginning of the year
 - List of (at least 3) appraisers under agreement with the municipality must be maintained
 - Annual report showing opening and closing balances of special account and all transactions

CBC Payments Under Proposed By-law

- Proposed CBC rate is 4% of value of land as of day before building permit issuance
- Developers required to provide appraisal to City to assist with establishing land value
- Disputes about land value regulated by *Planning Act*

Next Steps

- Public Meeting – **Today**
- General Committee – **June 14**
- Proposed passage of DC and CBC By-laws – **June 21**
- Proposed passage of Parkland Dedication By-law – **Fall 2023**

Questions?