

2019 Development Charges Review Technical Stakeholder Consultation

Friday, May 17, 2019

Mississauga Civic Centre



Today we will discuss...

- Introductions
- Brief Overview of Technical Stakeholder Consultation #3
- Update on Draft 2019 DC Rates & Statutory Public Meeting
- Upcoming Key Dates
- Provincial Bill 108 Amendments to DC Act
- Questions and Discussion

Introductions

- City of Mississauga Staff:
 - Jeff Jackson, Director, Finance and Treasurer
 - Elizabeth McGee, Manager, Financial Strategies
 - Susan Cunningham, Manager, Development Financing & Reserve Management, email: susan.cunningham@mississauga.ca
 - Rebecca Aza, Policy Analyst, email: rebecca.aza@mississauga.ca
 - Jahnavi Ramakrishnan, Policy Analyst, email: jahnavi.ramakrishnan@mississauga.ca
 - Safiya Khan, Administrative Coordinator, email: safiya.khan@mississauga.ca
- Hemson Consulting:
 - Craig Binning, Partner
 - Jackie Hall, Consultant

Technical Stakeholder Consultation #3 Recap

Technical Stakeholder Consultation #3

- Third meeting with the development industry stakeholders was held on **April 11, 2019**
 - Presentation and materials can be found here:
www.mississauga.ca/portal/cityhall/developmentcharges
- The following information was presented:
 - Development forecast and underlying assumptions
 - Summary of DC-eligible capital program
 - Comparison of current DC rates vs. calculated 2019 DC rates
 - Benchmarking with comparator municipalities
 - Review of stakeholder feedback
 - Questions and discussion

Technical Stakeholder Consultation #3

- Since the last meeting, one submission has been received:
 - Submission from Altus
- Draft DC Background Study was released to the public on Friday, April 5, 2019 & Draft DC By-law was released to the public on Monday April 22, 2019
 - Draft Background Study, Transportation Background Study, Storm Drainage Component, and DC By-law can be found here: www.mississauga.ca/developmentcharges
 - **Comments on the draft Background Study and By-law should be directed to Clerks** by e-mailing karen.morden@mississauga.ca.
- Questions on the material presented at Technical Stakeholder Consultations should be directed to City staff:
 - **Susan Cunningham**, Manager, Development Financing & Reserve Management
susan.cunningham@mississauga.ca

May 8th Statutory Public Meeting and Update on 2019 Draft DC Rates

Statutory Public Meeting – May 8, 2019

- Required under Section 12 of the Development Charges Act, 1997
 - Provide the public with an opportunity to make representation on the proposed 2019 DC By-law
 - Background on Development Charges
 - Calculated Residential and Non-Residential DC Rates
 - Overview of key policy changes: **2019 DC By-law proposes to exempt secondary units**
 - Presentation is posted on our website:
www.mississauga.ca/portal/cityhall/developmentcharges

Updated Residential DC Rate

| Service | Residential Charge By Unit Type | | | | Percentage of Charge |
|-----------------------------------|---------------------------------|------------------------|------------------|-----------------|----------------------|
| | Singes & Semis | Rows & Other Multiples | Apartments Units | Small Units | |
| General Government Services | \$135 | \$105 | \$92 | \$50 | 0.3% |
| Development-Related Studies | \$441 | \$343 | \$300 | \$164 | 1.1% |
| Library Services | \$1,585 | \$1,233 | \$1,080 | \$588 | 4.0% |
| Fire Services | \$1,167 | \$908 | \$796 | \$434 | 3.0% |
| Recreation & Parks Development | \$16,298 | \$12,679 | \$11,108 | \$6,052 | 41.5% |
| Transit Services | \$1,631 | \$1,269 | \$1,112 | \$606 | 4.2% |
| Public Works Services | \$847 | \$659 | \$577 | \$315 | 2.2% |
| Parking Services | \$686 | \$533 | \$467 | \$255 | 1.7% |
| LAC Debt | \$122 | \$95 | \$83 | \$45 | 0.3% |
| Sub-total General Services | \$22,912 | \$17,824 | \$15,615 | \$8,509 | 58.3% |
| Roads And Related Infrastructure | \$16,382 | \$12,745 | \$11,166 | \$6,083 | 41.7% |
| TOTAL CHARGE PER UNIT | \$39,294 | \$30,569 | \$26,781 | \$14,592 | 100.0% |

Current vs. Calculated Residential DC Rate - Apartment

| Service | Current Apartment Charge (1) | Calculated Apartment Charge | Difference in Charge | |
|---|------------------------------|-----------------------------|----------------------|------------|
| | | | | |
| General Government | \$160 | \$92 | (\$68) | -43% |
| Development-Related Studies | \$0 | \$300 | \$300 | 0% |
| Library Services | \$761 | \$1,080 | \$319 | 42% |
| Fire Services | \$1,442 | \$796 | (\$646) | -45% |
| Recreation & Parks Development | \$7,388 | \$11,108 | \$3,720 | 50% |
| Transit Services | \$1,161 | \$1,112 | (\$49) | -4% |
| Public Works Services | \$460 | \$577 | \$117 | 25% |
| Parking Services | \$220 | \$467 | \$247 | 112% |
| LAC Debt | \$120 | \$83 | (\$37) | -31% |
| Sub-total General Services | \$11,712 | \$15,615 | \$3,903 | 33% |
| Roads And Related Infrastructure | \$8,309 | \$11,166 | \$2,857 | 34% |
| TOTAL CHARGE PER UNIT | \$20,021 | \$26,781 | \$6,760 | 34% |
| (1) Rates as of February 1, 2019 based on By-law 161-14 | | | | |

Current vs. Calculated Non-Industrial DC Rate

| Service | Current Non-Industrial Charge (\$/m2) | Calculated Non-Industrial Charge (\$/m2) | Difference in Charge | |
|-----------------------------------|---------------------------------------|--|----------------------|------------|
| General Government | \$0.67 | \$0.58 | (\$0.09) | -13% |
| Development-Related Studies | \$0.00 | \$1.90 | \$1.90 | 0% |
| Library Services | \$0.00 | \$0.00 | \$0.00 | 0% |
| Fire Services | \$3.97 | \$5.03 | \$1.06 | 27% |
| Recreation & Parks Development | \$0.00 | \$0.00 | \$0.00 | 0% |
| Transit Services | \$11.03 | \$7.12 | (\$3.91) | -35% |
| Public Works | \$4.41 | \$3.66 | (\$0.75) | -17% |
| Parking Services | \$2.10 | \$2.97 | \$0.87 | 41% |
| LAC Debt | \$0.00 | \$0.00 | \$0.00 | 0% |
| Sub-total General Services | \$22.18 | \$21.26 | (\$0.92) | -4% |
| Roads And Related Infrastructure | \$88.15 | \$89.54 | \$1.39 | 2% |
| TOTAL CHARGE PER SQ.M | \$110.33 | \$110.80 | \$0.47 | 0% |

(1) Rates as of February 1, 2019 based on By-law 161-14

Current vs. Calculated Industrial DC Rate

| Service | Current Industrial Charge (\$/m2) | Calculated Industrial Charge (\$/m2) | Difference in Charge | |
|---|-----------------------------------|--------------------------------------|----------------------|------------|
| | | | | |
| General Government | \$0.63 | \$0.58 | (\$0.05) | -8% |
| Development-Related Studies | \$0.00 | \$1.90 | \$1.90 | 0% |
| Library Services | \$0.00 | \$0.00 | \$0.00 | 0% |
| Fire Services | \$3.95 | \$5.03 | \$1.08 | 27% |
| Recreation & Parks Development | \$0.00 | \$0.00 | \$0.00 | 0% |
| Transit Services | \$11.03 | \$7.12 | (\$3.91) | -35% |
| Public Works | \$4.39 | \$3.66 | (\$0.73) | -17% |
| Parking Services | \$2.15 | \$2.97 | \$0.82 | 38% |
| LAC Debt | \$0.00 | \$0.00 | \$0.00 | 0% |
| Sub-total General Services | \$22.15 | \$21.26 | (\$0.89) | -4% |
| Roads And Related Infrastructure | \$67.52 | \$68.59 | \$1.07 | 2% |
| TOTAL CHARGE PER SQ.M | \$89.67 | \$89.85 | \$0.18 | 0% |
| (1) Rates as of February 1, 2019 based on By-law 161-14 | | | | |

Stormwater Management: Land Area Charge

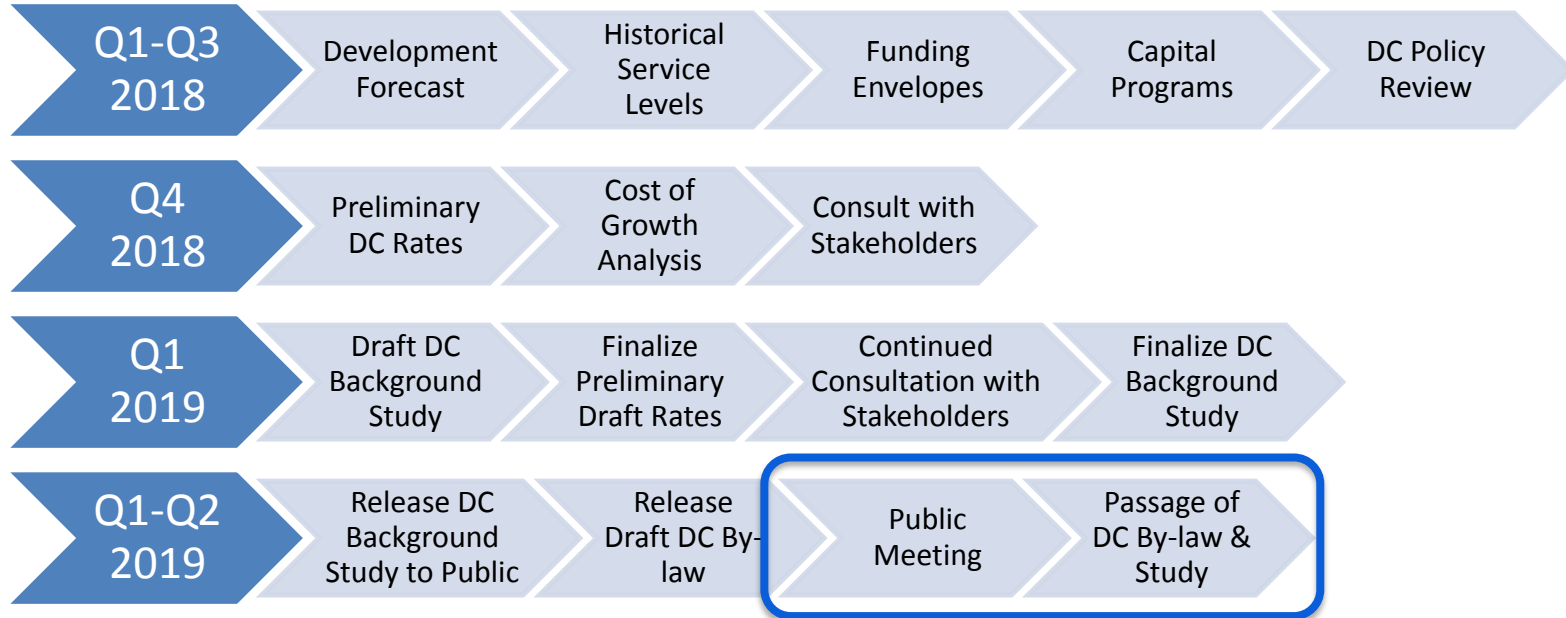
- The City's Stormwater Management development charge is calculated on net developable land area basis
- Stormwater Management rate has decreased
 - Current rate = \$103,203 per hectare
 - Calculated rate = \$12,484 per hectare
- Applies to both residential and non-residential development

The April 5, 2019 DC Background Study indicated a rate of \$8,658. Since the Study's release, the Stormwater Management rate has been revised based on discussions with development industry stakeholders.

This has resulted in an increase to the rate published in the draft Study and draft By-law.

2019 DC Review Timelines

Overview of Study Process



Key Dates

- **May 17, 2019:** Technical Stakeholder Meeting #4 (Today)
- **June 5, 2019:** Anticipated Passage of 2019 DC By-law
- **June 6, 2019:** Anticipated effective date of 2019 DC By-law
- **June 25, 2019:** Expiration of 2014 DC By-law (unless repealed by Council at an earlier date).

Bill 108

Bill 108: More Homes, More Choice Act, 2019

- Provincial announcement on May 2, 2019 proposing changes to the DC Act:
 - Services with a 10% reduction (“soft services”) removed from DC Act and combined into a Community Benefits Charge under the Planning Act
 - Exempting secondary suites from DCs in new construction
 - DC rates payable in installments for certain types of development
 - DC rates determined at an earlier point in development process
- Proposed regulations are yet to be released

Questions/Discussion

Thank you for your participation!

Stay informed by visiting the City's website:

www.mississauga.ca/developmentcharges