

2019 Development Charges Study Technical Stakeholder Consultation

Tuesday, January 29, 2019

Living Arts Centre



HEMSON

Today we will discuss...

- Introductions
- Brief Overview of Technical Stakeholder Consultation #1
- Growth Forecast
- Capital Program for General Services
- Timelines
- Responses to Stakeholder Feedback
- Questions and Discussion
- Next Steps

Introductions

- City of Mississauga Staff:
 - 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
 - Jahnvi Ramakrishnan, Policy Analyst, email: jahnvi.ramakrishnan@mississauga.ca
- Hemson Consulting:
 - Craig Binning, Partner
 - Russell Mathew, Partner
 - Jackie Hall, Consultant

Technical Stakeholder Consultation #1 Recap

Technical Stakeholder Consultation #1

- Initial meeting with the industry was held on **November 21, 2018**
 - Presentation and materials can be found at www.mississauga.ca/developmentcharges
- The following information was presented:
 - Results of City survey on Development Charges
 - Introduction to Development Charges and associated legislation (*Development Charges Act, 1997*) and recent amendments (Bill 73)
 - Overview of 2019 DC Background Study process
 - Preliminary residential and non-residential growth forecasts
 - Overview of historical inventories
 - Proposed residential and non-residential rate structure
 - Preliminary policy considerations
 - ❖ General Services historical inventories were distributed following the meeting

Technical Stakeholder Consultation #1

- Since the last meeting, two submissions have been received:
 - Treatment of long-term care facilities
 - Treatment of industrial non-residential (e.g. FSW, letters of credit, etc.)
- Questions and/or comments on the material presented at the Technical Stakeholder Consultations should be directed to City staff:
 - **Susan Cunningham**, Manager, Development Financing & Reserve Management
susan.cunningham@mississauga.ca

Development Forecast

Development Forecast: Residential Assumptions

- Residential forecast includes:
 - Census population
 - Occupied dwellings
- Occupied Dwelling Units are based on City unit definitions:
 - Single and Semi-Detached
 - Rows + (includes stacked and back-to-back townhouses)
 - Apartments

Development Forecast: Stacked Townhouses

- Census rowhouse does not include stacked townhouses and may or may not include back-to-back townhouses or triplex/quadrplex units
- Stacked townhouses are defined by the Census as “apartments under 5-storeys”
- 2019 DC growth forecast reflects a more expansive unit definition for rows than in the Census
 - “**Rows +**” category includes standard townhouses, stacked townhouses and back-to-back townhouses



Development Forecast: Residential

Residential Type	General Services 2019-2028			Engineered Services 2019-2041	
	At 2018	Growth 2019-2028	At 2028	Growth 2019-2041	At 2041
Total Occupied Dwellings	242,134	21,200 (100%)	263,334	50,701 (100%)	292,835
- Ground-Related Units		5,021 (24%)		11,706 (23%)	
- Apartments		16,179 (76%)		38,996 (77%)	
Total Population					
- Census Population(1)	729,655	50,718	780,373	119,745	849,400
- Total Pop in New Private Dwellings (2)		55,436		132,449	

1. Census population excludes an undercoverage of 3.37%
2. Population in New Dwellings were calculated based on the following persons per unit (PPU) assumptions:
 - **Singles & Semi** = **4.04**
 - **Rows+** = **3.08**
 - **Apartments** = **2.41**

Development Forecast: Non-Res. Assumptions

- Non-residential forecast includes:
 - Employment forecast
 - Non-residential gross floor area (GFA) forecast
- Employment and GFA forecast has been prepared for different types of employment:
 - Retail/Service Commercial
 - Institutional
 - Major Office
 - Employment Land Employment
- Estimates include no fixed place of work but excludes work at home employment

Development Forecast: Non-Res. Assumptions

- Floor space per worker (FSW) assumptions are based on industry standards and City data
- The following FSW assumptions have been used to forecast non-residential GFA:
 - Retail/Service Commercial = 40.0m²
 - Institutional = 65.0m²
 - Employment Land = 96.0m²
 - Major Office = 23.0m²

Development Forecast: Non-Residential

Non-Residential Type	General Services 2019-2028			Engineered Services 2019-2041	
	At 2018	Growth 2019-2028	At 2028	Growth 2019-2041	At 2041
Employment <i>- Employment in New Space</i>	463,094	31,814 <i>34,920</i>	494,908	62,679 <i>70,925</i>	525,773
Non-Residential GFA (m ²)* <i>- Retail/Service Commercial (40.0m²)</i> <i>- Institutional (65.0m²)</i> <i>- Employment Land (96.0m²)</i> <i>- Major Office (23.0m²)</i>		1,760,014 <i>174,840</i> <i>258,115</i> <i>385,779</i> <i>941,280</i>		3,389,041 <i>368,280</i> <i>534,365</i> <i>834,716</i> <i>1,651,680</i>	

* Non-residential GFA is calculated based on employment in new space

General Services Capital Program

Capital Programs for General Services

- Capital programs have been developed in consultation with City staff
 - Informed by 2019 Budget and departmental Master Plans
- Draft capital programs for general services detailing the timing, gross costs, DC eligible and ineligible costs will be provided following the meeting
- Capital programs for Transit and Roads and Related services will be provided at a later date

Draft Capital Programs for General Services

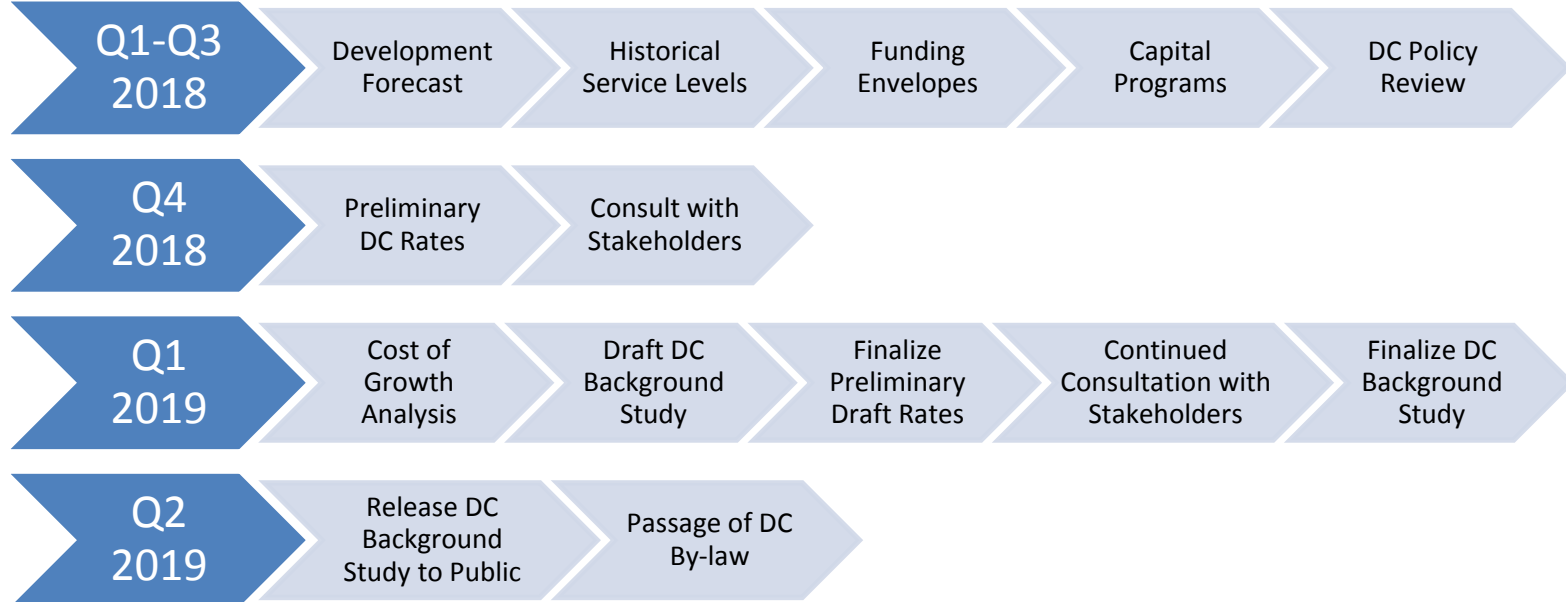
Service	Gross Costs	Grants, Subsidies & Other Recoveries	Non-DC Eligible Costs (BTE & 10%)	Total DC Eligible Costs ¹
General Government	\$2,379,200	\$0	\$0	\$2,379,200
Development-Related Studies	\$13,222,900	\$0	\$4,367,500	\$8,855,400
Library	\$41,567,500	\$0	\$22,571,700	\$18,995,800
Fire Services²	\$88,377,300	\$45,129,000	\$0	\$43,248,300
Recreation	\$446,225,800	\$83,917,100	\$100,460,300	\$261,848,400
Public Works	\$36,270,000	\$0	\$2,470,000	\$33,800,000
Parking	\$60,200,000	\$30,000	\$14,117,000	\$46,053,000
Living Arts Centre	\$1,187,400	\$0	\$0	\$1,187,400

(1) Includes in-period and post period allocations

(2) Grants and subsidies relate to non-DC funded Fire Stations

2019 DC Review Timelines

Overview of Study Process



Key Dates

- **1st Week of April, 2019:** Public Release of draft Background Study
- **May 8, 2019:** Statutory Public Meeting
- **June 5, 2019:** Anticipated Passage of 2019 DC By-law
- **June 25, 2019:** Expiration of 2014 DC By-law (unless repealed by Council at an earlier date)

Stakeholder Feedback

Issues Raised

- **New Rows & Multiples rate category**
 - Rationale for new category and placement of stacked and back-to-back townhouses in this category
- **Treatment of long-term care/assisted living**
- **Industrial developments**
 - Floorspace per worker assumptions, requirement for letters of credit for speculative developments, etc.

Questions & Discussion

Next Steps

- General Services Capital Programs will be sent via email by February 1st
- Preliminary draft rates to be circulated to stakeholders mid/end of March
- Next Technical Stakeholder Meeting tentatively scheduled for 2nd week of April
- Questions and/or feedback to be directed to:
Susan Cunningham
Manager, Development Financing & Reserve Management
Email: susan.cunningham@mississauga.ca

Thank you for your participation!

Stay informed by visiting the City's website:

www.mississauga.ca/developmentcharges