

2019 Development Charges Study Technical Stakeholder Consultation

Thursday, April 11, 2019

Mississauga Valley Community Centre



Today we will discuss...

- Introductions
- Brief Overview of Technical Stakeholder Consultation #2
- Draft 2019 Development Charges Background Study
- Draft 2019 DC Rates
- Responses to Stakeholder Feedback
- Questions and Discussion
- Timelines & Next Steps

Introductions

- City of Mississauga Staff:
 - 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
 - Jackie Hall, Consultant

Technical Stakeholder Consultation #2 Recap

Technical Stakeholder Consultation #2

- Second meeting with the development industry stakeholders was held on **January 29, 2019**
 - Presentation and materials can be found here:
www.mississauga.ca/portal/cityhall/developmentcharges
- The following information was presented:
 - Preliminary development forecast and underlying assumptions
 - General Services capital program (gross and total DC eligible costs)
 - Study timelines
 - Review of stakeholder feedback
 - Questions and discussion

Technical Stakeholder Consultation #2

- General Services, Transit, and Engineered Services capital programs were circulated to the group and posted on the City's website
- Since the last meeting, three submissions have been received:
 - Submission from BILD
 - Development issues specific to Lakeview
 - Development issues specific to Port Credit
- 2019 Draft DC Background Study was released to the public on Friday, April 5
 - Draft Background Study, Transportation Background Study, and Storm Drainage Component can be found here: www.mississauga.ca/developmentcharges
- Questions and/or comments 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

2019 Draft DC Background Study and Draft DC Rates

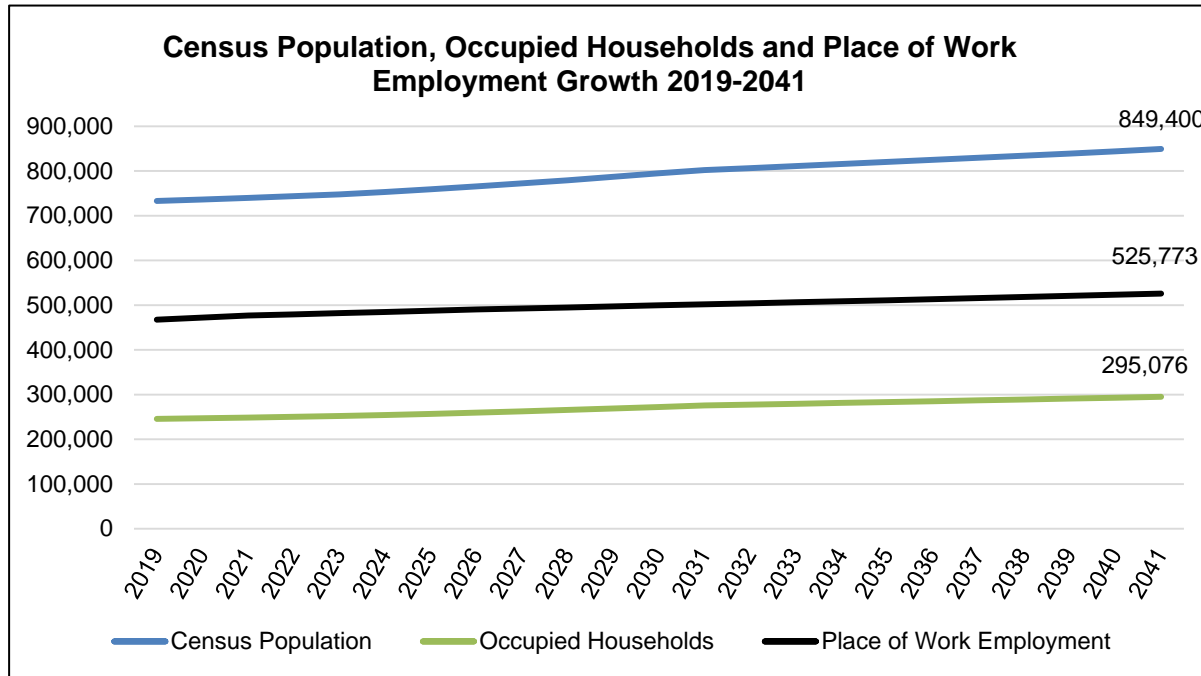
Overview of 2019 DC Background Study and Rates (Version for Public Consultation)

- Key inputs to the 2019 DC Background Study dated April 5, 2019
 - Development Forecast
 - General, Transit, and Engineered Services Capital Programs
 - Calculated 2019 DC Rates

Development Forecast

- Consideration was given to feedback received by industry stakeholders regarding development forecast assumptions
- Residential dwelling units included in the development forecast:
 - Single and Semi-Detached
 - Rows and Other Multiples (includes back-to-back townhouses)
 - Apartments (includes stacked townhouses)
- Non-residential floor space per worker assumptions:
 - Population Related = 40.0m²
 - Institutional = 65.0m²
 - Employment Land = 100.0m²
 - Major Office = 23.0m²

Development Forecast (cont.)



2019-2041 population increase = 119,400

2019-2041 employment increase = 62,700

2019-2041 households increase = 50,700

Summary of Capital Program Costs (\$000)

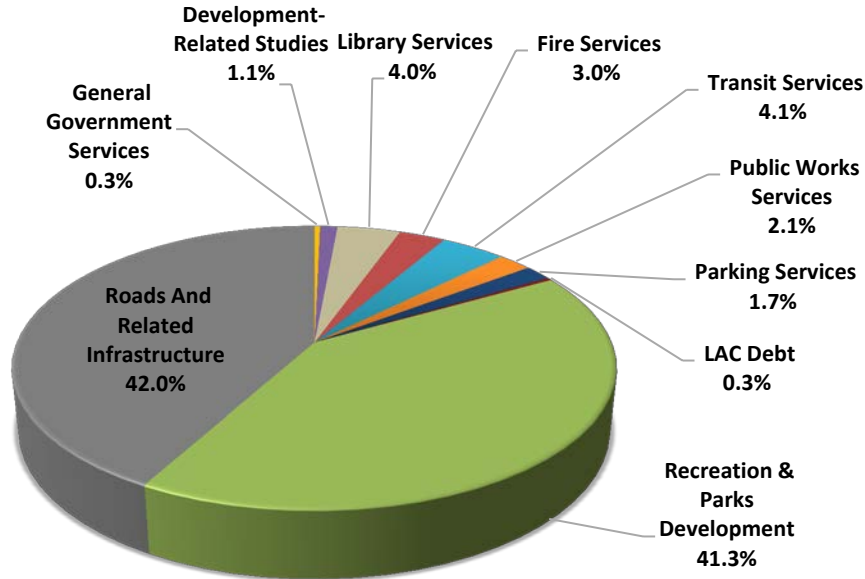
Service	Gross Cost	Less: Other Sources of Funding	Less: Benefit to Existing & 10% Statutory Adjst.	Less: Available DC Reserve Funds	Less: Post-Period Benefit	DC Eligible Share (In-Period)
Dev.- Related Studies	\$13,234.6	\$0.0	\$4,367.5	\$0.0	\$0.0	\$8,867.1
General Government ¹	\$2,395.3	\$0.0	\$0.0	\$0.0	\$0.0	\$2,395.3
Library	\$41,567.5	\$0.0	\$22,571.8	\$789.7	\$0.0	\$18,206.0
Public Works	\$36,270.0	\$0.0	\$2,470.0	\$9,249.7	\$8,280.0	\$16,270.3
Fire Services ²	\$89,213.5	\$45,129.0	\$0.0	\$0.0	\$21,623.0	\$22,461.5
Recreation and Parks Dev.	\$446,184.6	\$83,917.1	\$100,460.7	\$10,310.4	\$45,813.5	\$205,682.9
Parking	\$60,200.0	\$30.0	\$14,117.0	\$3,858.4	\$28,687.5	\$13,507.1
Transit	\$45,917.6	\$0.0	\$6,539.7	\$0.0	\$5,274.6	\$34,103.3
Living Arts Centre	\$1,175.2	\$0.0	\$0.0	\$0.0	\$0.0	\$1,175.2
Roads & Related ³	\$941,101.0	\$4,235.0	\$85,486.7	\$30,685.9	\$22,435.5	\$798,257.9
Stormwater Management ³	\$492,825.4	\$0.0	\$426,709.6	\$52,549.0	\$0.0	\$13,566.8
TOTAL	\$2,170,084.7	\$133,311.1	\$662,723.0	\$107,443.1	\$132,114.1	\$1,134,493.4

1) There is no 10% statutory adjustment for General Government as the program only relates to the recovery of a negative reserve fund balance (10% adjustment has already been accounted for)

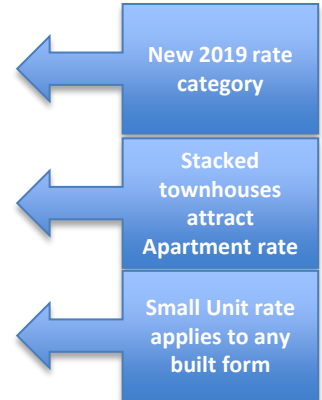
2) Other funding sources includes new Fire Stations that will be fully funded from non-DC revenue sources (e.g. property taxes)

3) Roads and Related and Stormwater Management are based on a long-term planning horizon to 2041

Calculated Residential DC Rates



Residential Charges per Unit
Single & Semi-Detached \$39,483
Rows/Multiples \$30,716
Apartments >700 sq.ft \$26,910
Small Units <=700 sq.ft \$14,662



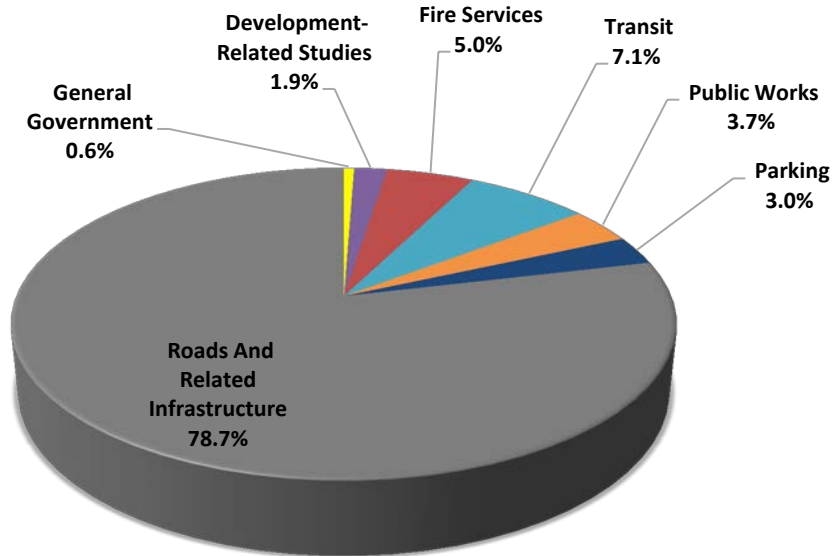
Comparison of Current vs Calculated Residential DC Rates per Apartment Unit

Service	Current \$/Apt. ¹	Calculated \$/Apt.	Difference \$	Difference %
General Government ²	\$160	\$92	(\$68)	-43%
Dev.-Related Studies ²	\$0	\$300	\$300	0%
Library Services	\$761	\$1,080	\$319	42%
Fire Services	\$1,442	\$796	(\$646)	-45%
Recreation & Parks Dev.	\$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%
Roads & Related	\$8,309	\$11,295	\$2,986	36%
Total Charge per Apt.	\$20,021	\$26,910	\$6,889	34%

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

2) General Government and Development-Related Studies were combined as one service under By-law 161-14

Calculated Non-Residential DC Rates



Non-Residential Charges per m ²
Non-Industrial \$117.41
Industrial \$95.19

← Roads & Related DC eligible costs are allocated differently between these categories

Comparison of Current vs Calculated Non-Residential DC Rates: Non-Industrial

Service	Current \$/m ² ¹	Calculated \$/m ²	Difference \$	Difference %
General Government ²	\$0.66	\$0.61	(\$0.05)	-7%
Dev.-Related Studies ²	\$0.00	\$2.00	\$2.00	0%
Library Services	\$0.00	\$0.00	\$0.00	0%
Fire Services	\$3.97	\$5.30	\$1.33	34%
Recreation & Parks Dev.	\$0.00	\$0.00	\$0.00	0%
Transit Services	\$11.03	\$7.51	(\$3.52)	-32%
Public Works Services	\$4.41	\$3.86	(\$0.55)	-12%
Parking Services	\$2.10	\$3.14	\$1.04	49%
LAC Debt	\$0.00	\$0.00	\$0.00	0%
Roads & Related	\$88.15	\$94.99	\$6.84	8%
Total Charge per m²	\$110.32	\$117.41	\$7.35	7%

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

2) General Government and Development-Related Studies were combined as one service under By-law 161-14

Comparison of Current vs Calculated Non-Residential DC Rates: Industrial

Service	Current \$/m ² ¹	Calculated \$/m ²	Difference \$	Difference %
General Government ²	\$0.63	\$0.61	(\$0.02)	-2%
Dev.-Related Studies ²	\$0.00	\$2.00	\$2.00	0%
Library Services	\$0.00	\$0.00	\$0.00	0%
Fire Services	\$3.95	\$5.30	\$1.35	34%
Recreation & Parks Dev.	\$0.00	\$0.00	\$0.00	0%
Transit Services	\$11.03	\$7.51	(\$3.52)	-32%
Public Works Services	\$4.39	\$3.86	(\$0.53)	-12%
Parking Services	\$2.15	\$3.14	\$0.99	46%
LAC Debt	\$0.00	\$0.00	\$0.00	0%
Roads & Related	\$67.52	\$72.76	\$5.24	8%
Total Charge per m²	\$89.67	\$95.19	\$5.52	6%

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

2) General Government and Development-Related Studies were combined as one service under By-law 161-14

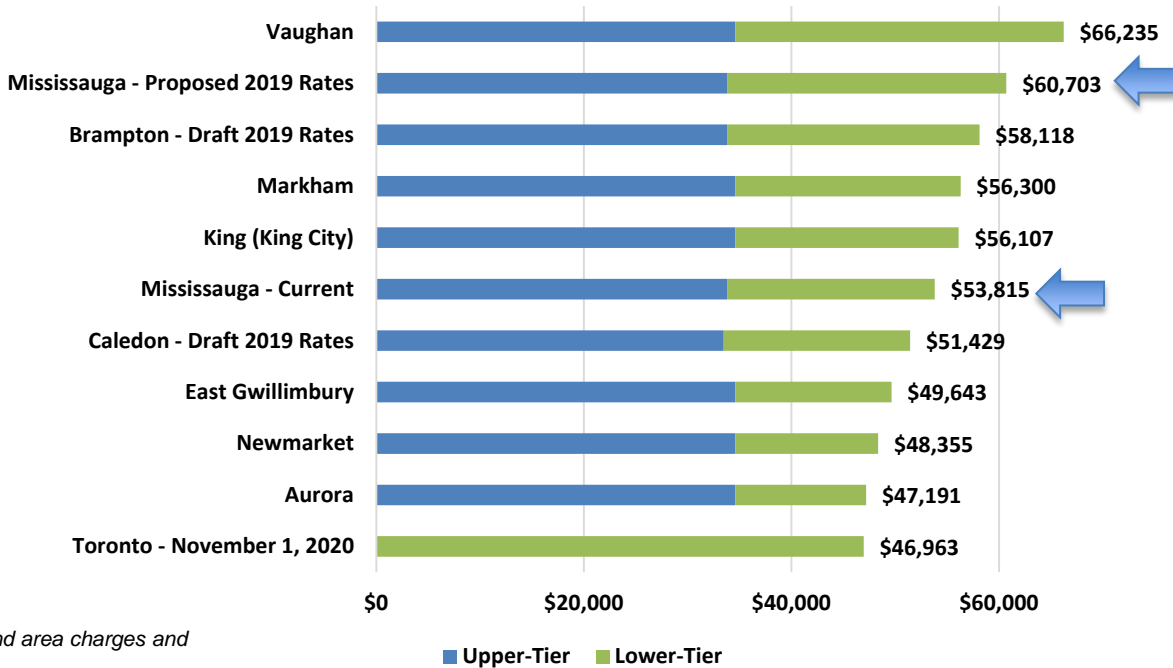
Stormwater Management: Land Area Charge

- 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 = \$8,658 per hectare
- Applies to both residential and non-residential development

Key Factors Influencing Rate Changes

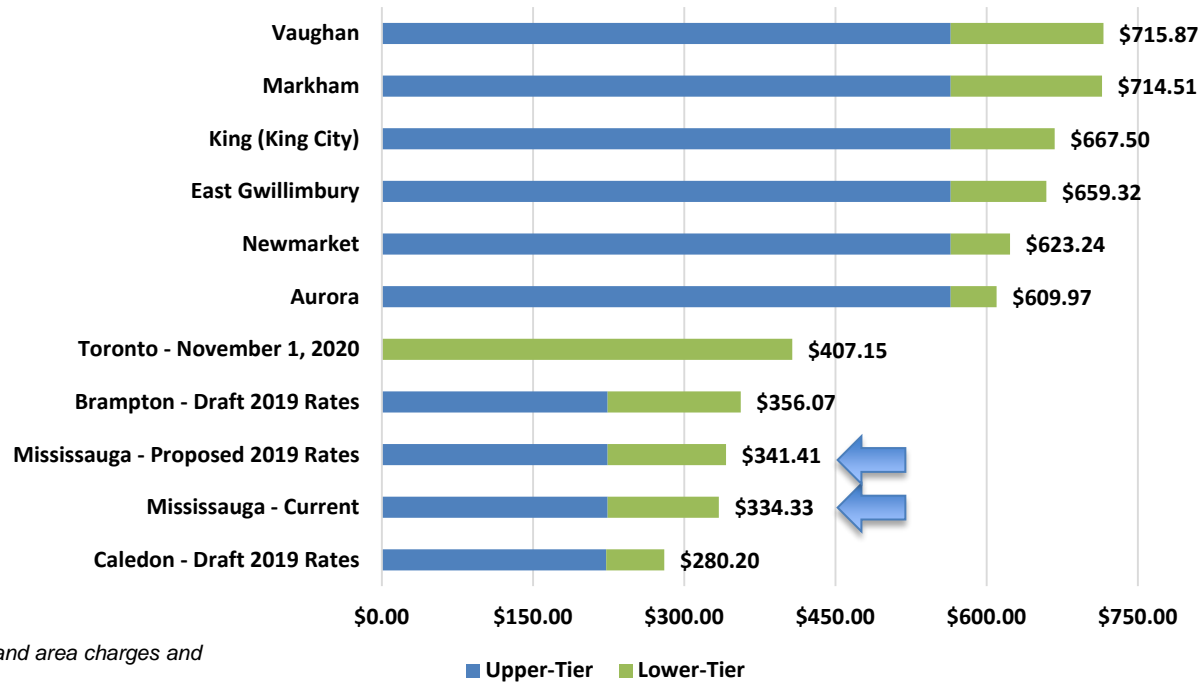
- Unit costs and scope of work for Roads and Related Infrastructure projects have increased/changed since 2014
- More robust inventory analysis (e.g. asset management practices are improving) thus improving historical service levels
- Increased land values
- Changes in residential rate categories
 - Introduction of a new category for “rows and other multiples”

DC Benchmarking: Apartment Units



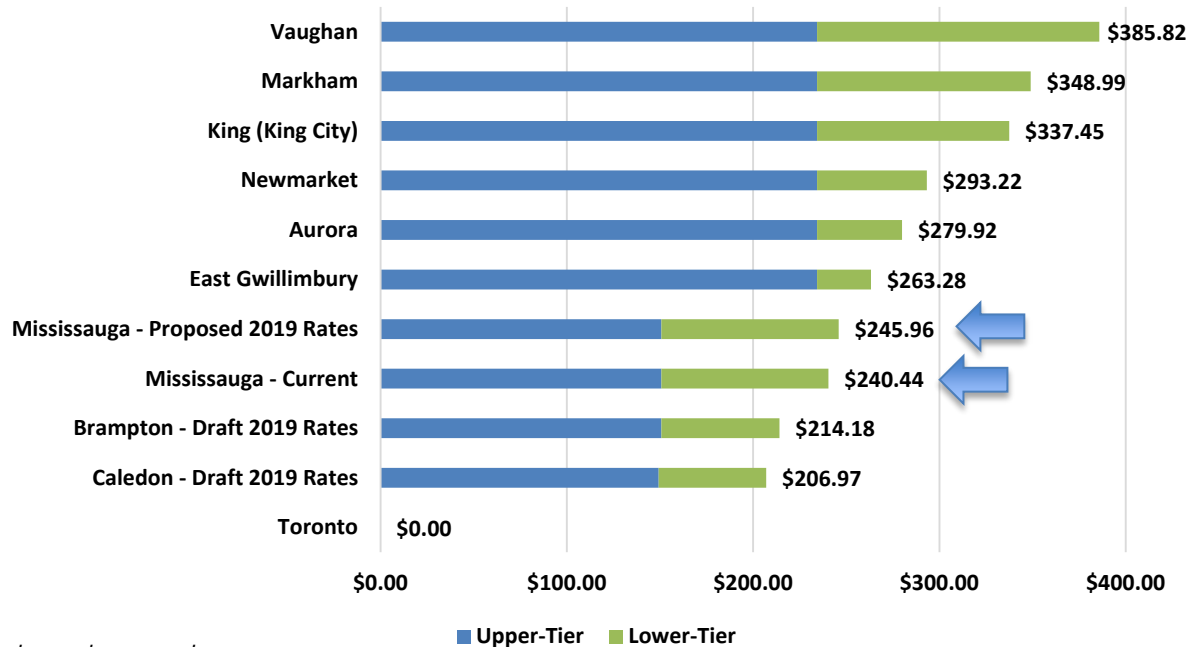
Excludes SWM DC land area charges and Education DCs

DC Benchmarking: Non-Industrial



Excludes SWM DC land area charges and Education DCs

DC Benchmarking: Industrial



Excludes SWM DC land area charges and Education DCs

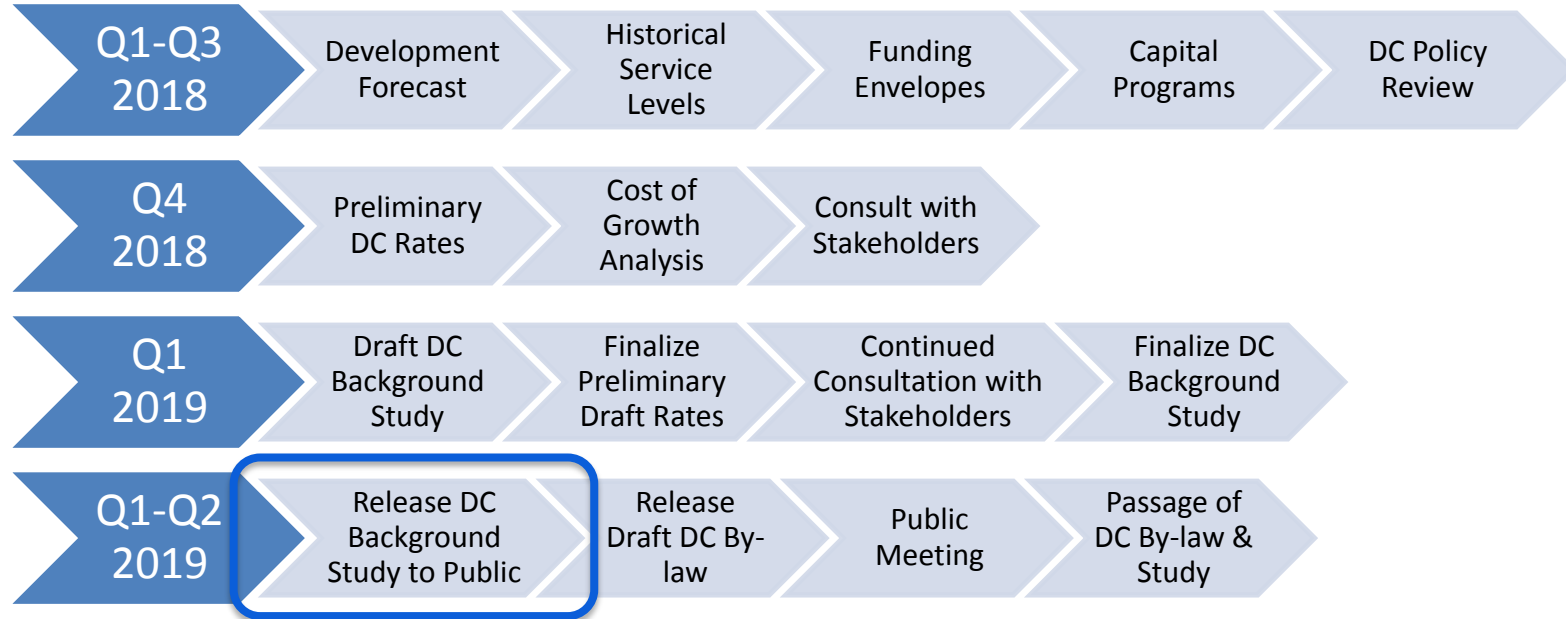
Stakeholder Feedback

Issues Raised

- **New Rows & Multiples rate category**
 - Proposed to include back-to-back townhomes and other multiples including townhomes
 - ❖ Stacked townhomes proposed to continue to attract the Apartment DC rate or small unit rate if applicable
- **Treatment of long-term care/assisted living**
 - In the 2014 DC this type of form attracts the Residential Development Charge
- **Industrial developments**
 - FSW assumption of 100m²/worker is still under review

2019 DC Review Timelines

Overview of Study Process



Key Dates

- **April 5, 2019:** Public Release of draft Background Study on City website
- **April 18, 2019:** Public Release of draft DC By-law on City website
- **May 8, 2019:** Statutory Public Meeting
- **Additional Stakeholder Meeting:** feedback from group?
- **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).

Thank you for your participation!

Stay informed by visiting the City's website:

www.mississauga.ca/developmentcharges