



# Township of Rideau Lakes Development Charge Background Study

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Public Meeting Presentation

September 3, 2024



# Introduction

## Public Meeting Purpose

- This meeting is a mandatory requirement under the *Development Charges Act (D.C.A.)*
- Prior to Council's consideration of a development charges (D.C.) by-law, a background study must be prepared and available to the public a minimum of 2 weeks prior to a public meeting and provided on the Township's website 60 days prior to by-law passage
- This public meeting is to provide a review the D.C. proposal and to receive public input on the proposed policies and charges



# Introduction

## Development Charges

- Purpose of D.C.s are to recover the capital costs associated with residential and non-residential development within a municipality
- Municipalities are empowered to impose these charges via the D.C.A.
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e., internal roads, watermains, sidewalks, streetlights, etc.)

# Study Process





# *Development Charges Act* Calculation Methodology

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Illustration

# Simplified D.C.A. Methodology/Calculation



Identify Amount, Type, and Location of Residential and Non-Residential Growth

- Eligible D.C. Services
- Increase in Need for Service must not exceed average historical level of service over prior 15-year period
- Expression of Council that needs will be met

Increase in Need for Service to Accommodate Growth

Identify Capital Costs to Provide Service

- Deduct:
1. Uncommitted excess capacity
  2. Grants, subsidies and contributions
  3. Benefit to existing development

D.C. Recoverable Cost of Infrastructure to Accommodate Growth

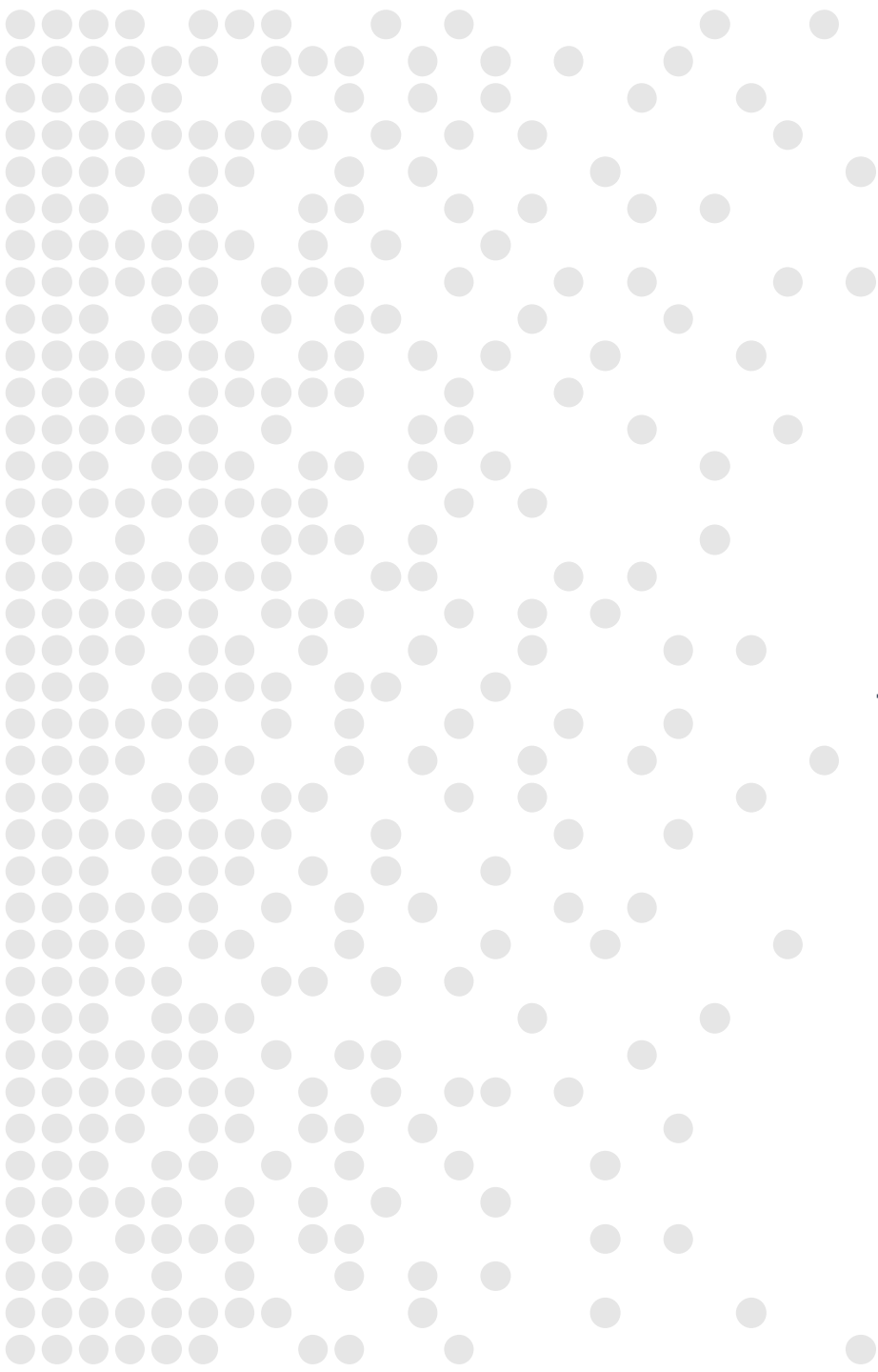
\$



**D.C. per Residential Unit**

**Development Charges**

**D.C. per sq.ft. of Non-Residential Development**



## Development Charges

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Growth Forecast

# Growth Forecast

## Mid-2024 to Mid-2034



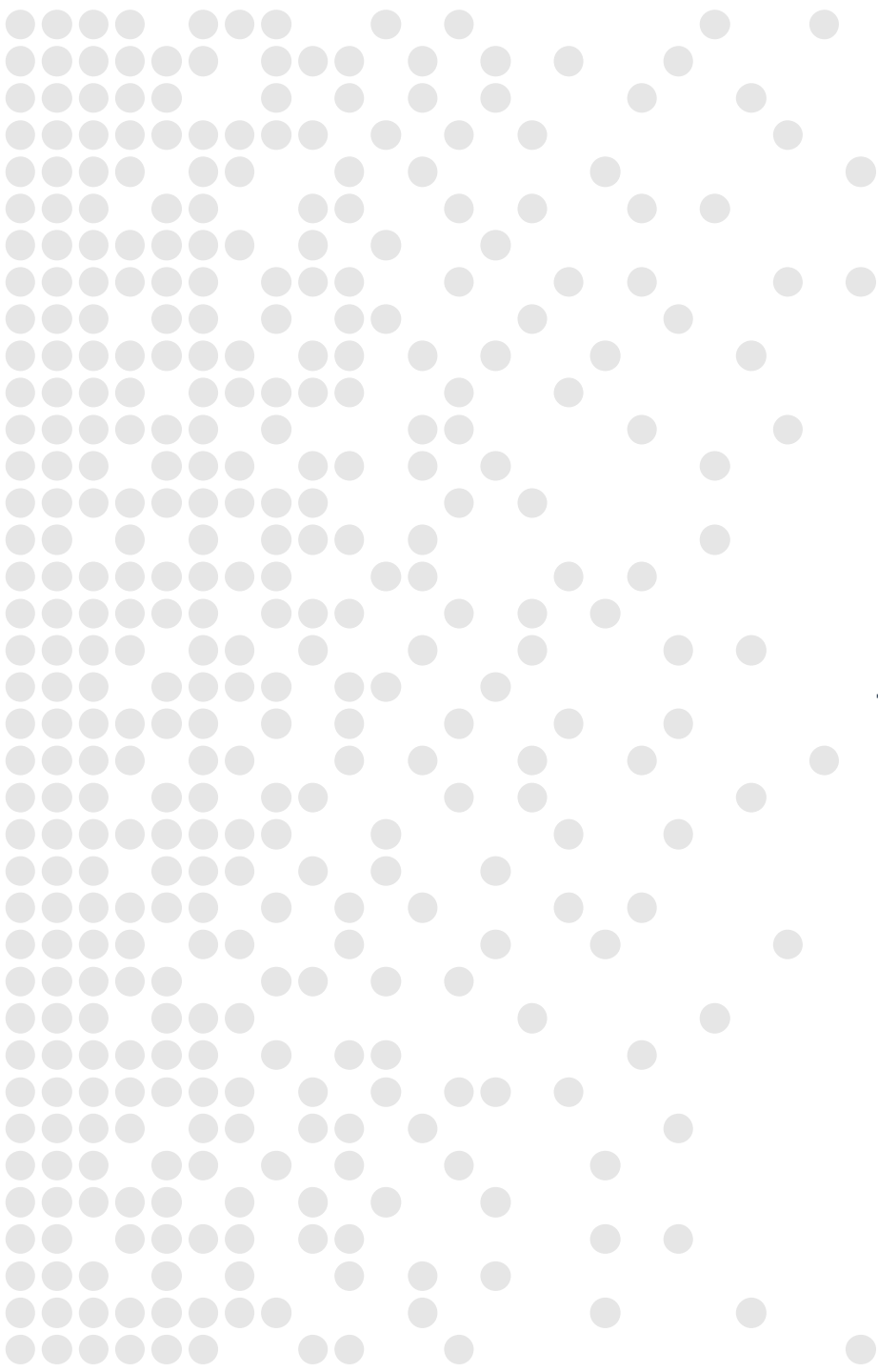
### Residential



### Non-Residential







## Development Charges

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Increase in Need for Service

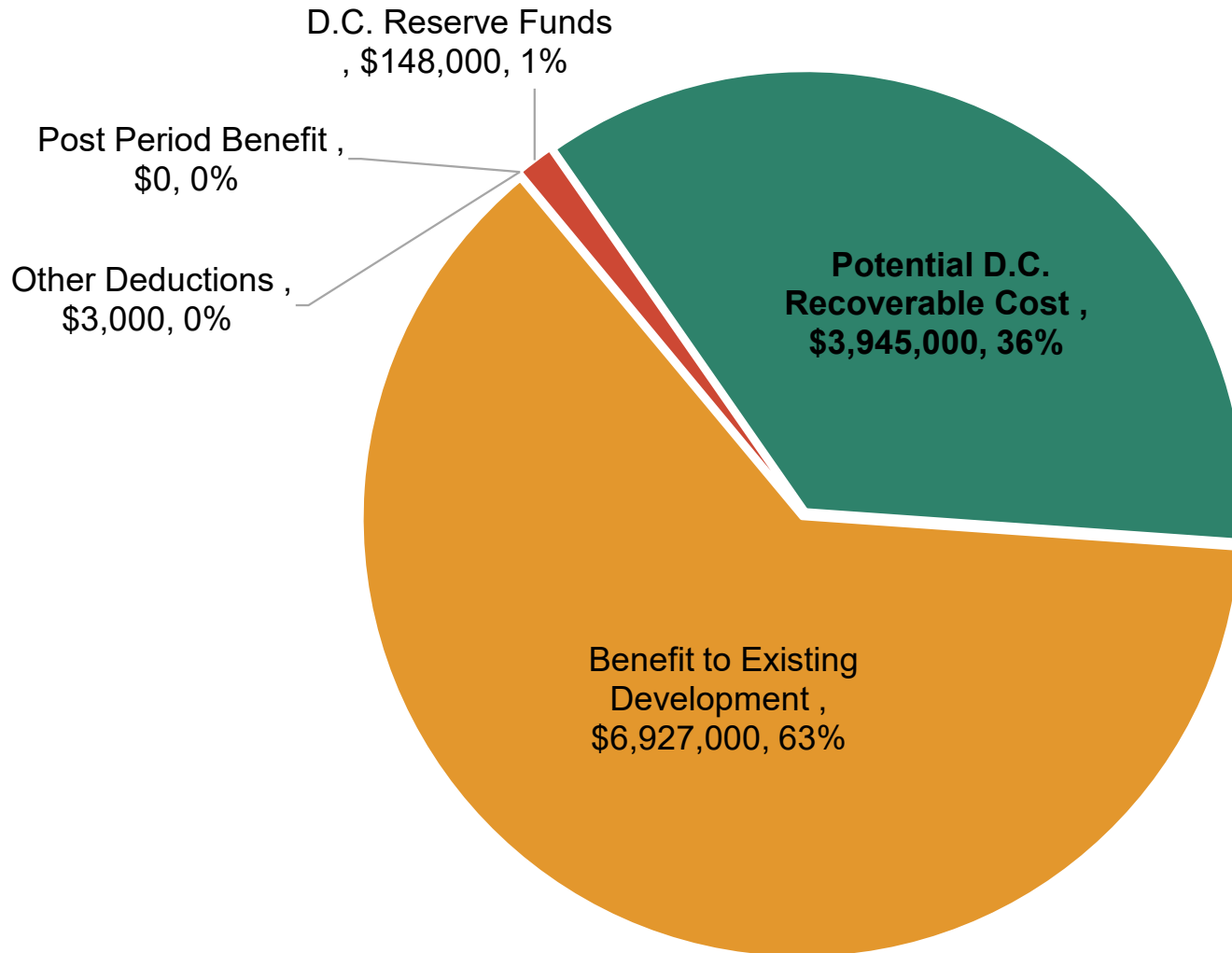


# Increase in Need for Service

- 10-Year (2024-2034)
  - Services Related to a Highway
  - Fire Protection Services
  - Parks and Recreation Services
  - Library Services
  - Waste Diversion Services
  - Growth-Related Studies
- Bill 185 added back studies as an eligible D.C. recoverable cost (previously removed through Bill 23)

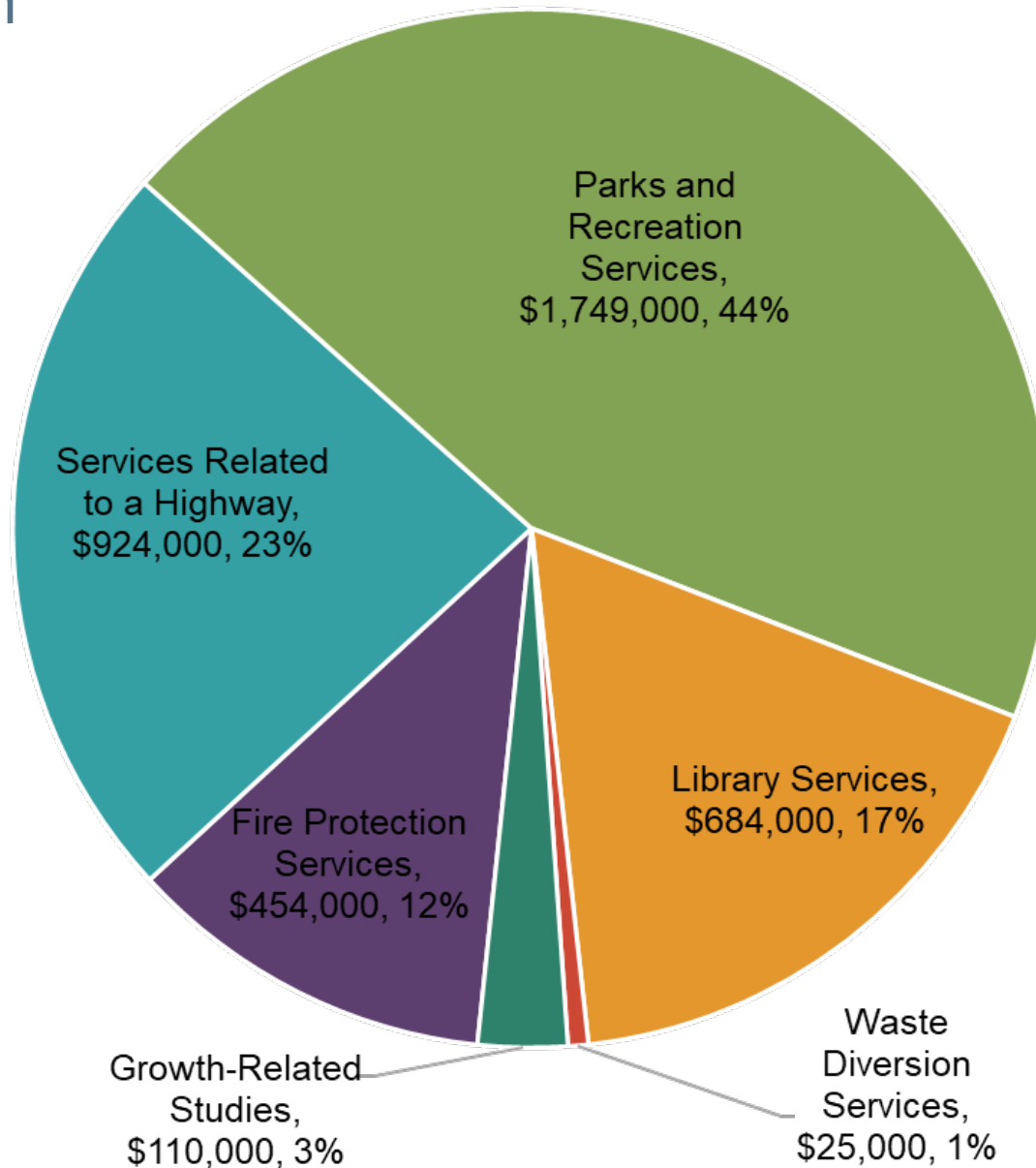
# Anticipated Capital Needs

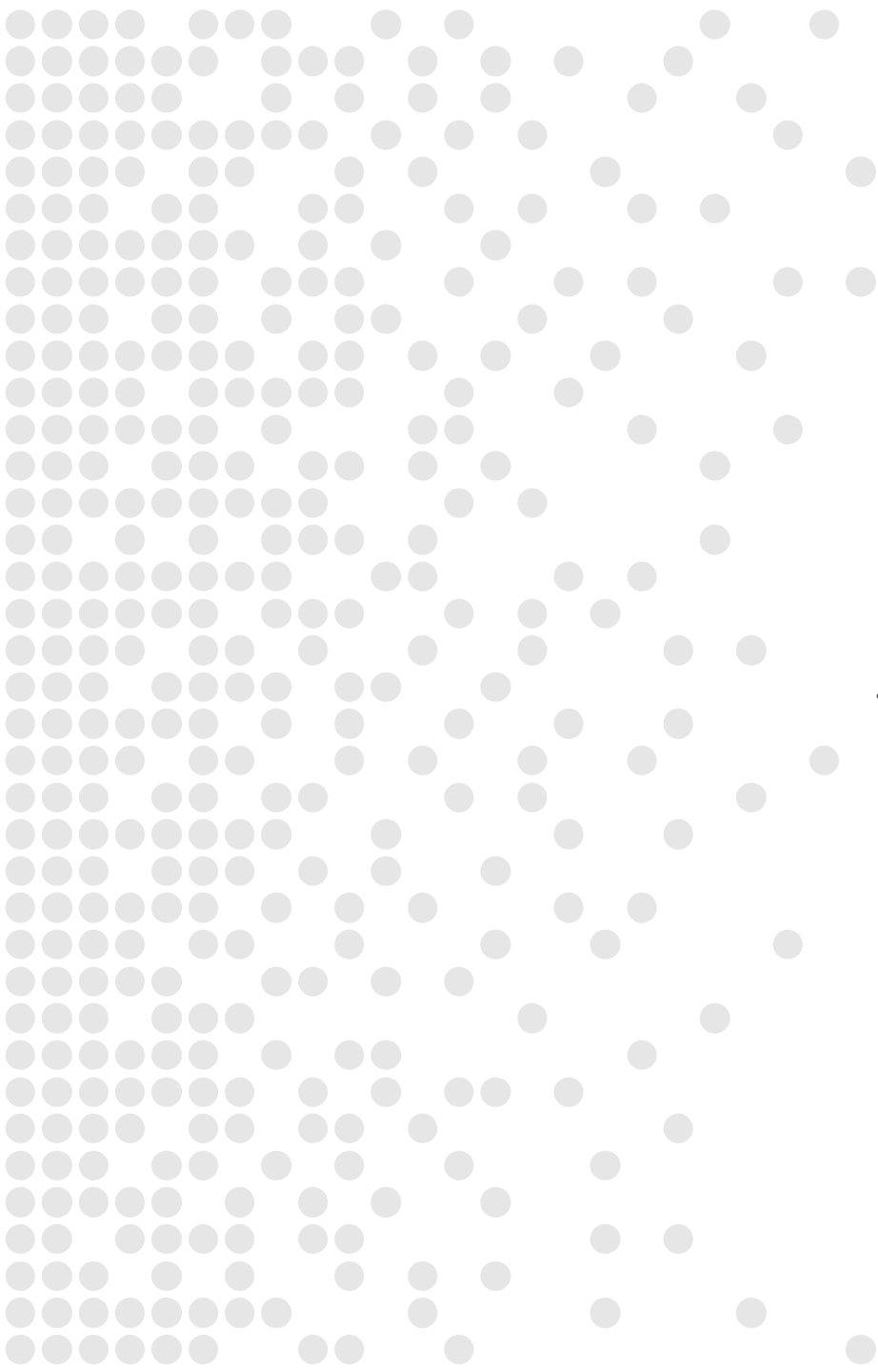
## Gross Capital Costs (\$11.7 million)



# D.C. Recoverable Costs

\$3.9 Million





# Development Charges

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## D.C. Calculation

# Calculated Schedule of D.C.s & Comparison



Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL			
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Industrial, Commercial, Institutional (per sq.ft. of Gross Floor Area)	Agricultural (per sq.ft. of Gross Floor Area)	Green Energy (Solar) per 500kW	Green Energy (Wind) per Turbine
<b>Municipal Wide Services/Class of Service:</b>								
Fire Protection Services	754	589	518	389	0.45	0.10	754	754
Services Related to a Highway	1,534	1,199	1,055	792	0.91	0.21	1,534	1,534
Parks and Recreation Services	3,207	2,506	2,205	1,656	0.62	0.14		
Library Services	1,254	980	862	647	0.24	0.06		
Waste Diversion Services	41	32	28	21	0.02	0.01	41	41
Growth-Related Studies	194	152	133	100	0.06	0.01	194	194
<b>Total Municipal Wide Services/Class of Services</b>	<b>6,984</b>	<b>5,458</b>	<b>4,801</b>	<b>3,605</b>	<b>2.30</b>	<b>0.54</b>	<b>2,523</b>	<b>2,523</b>

- Bill 185 removed the requirement to phase-in the charge during the first four years of the by-law.

# D.C. Comparison



## Residential (Single Detached) Comparison

Service/Class of Service	Current	Calculated	Difference (\$)	Difference (%)
<b>Municipal Wide Services/Classes:</b>				
Fire Protection Services	1,121	754	(367)	-33%
Services Related to a Highway	2,120	1,534	(586)	-28%
Parks and Recreation Services	2,202	3,207	1,005	46%
Library Services	910	1,254	344	38%
Growth-Related Studies	185	194	9	5%
Waste Diversion Services	38	41	3	8%
<b>Total Municipal Wide Services/Classes</b>	<b>6,576</b>	<b>6,984</b>	<b>408</b>	<b>6%</b>

## Non-Residential (per sq.ft.) Comparison

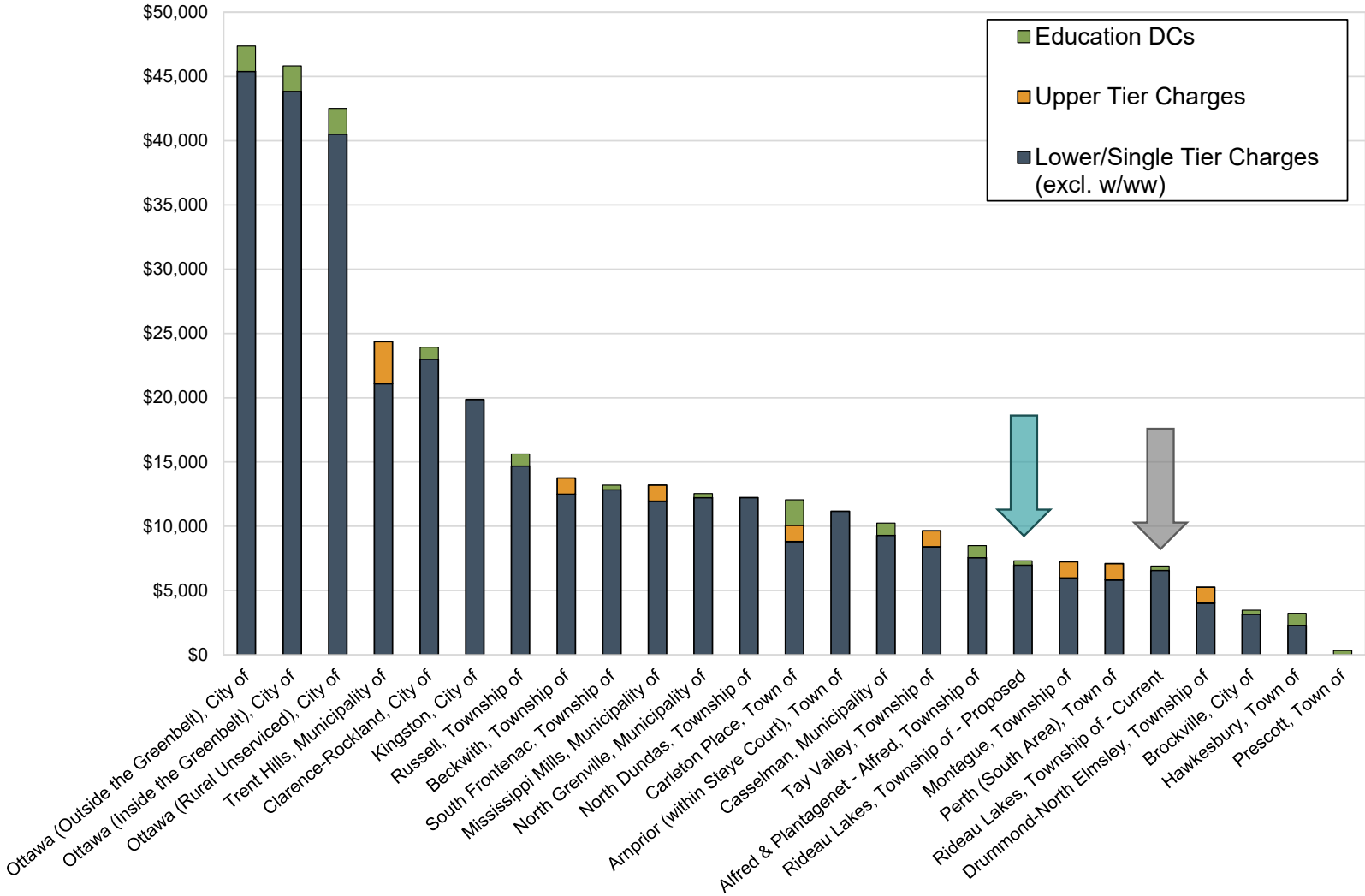
Service/Class of Service	Current	Calculated	Difference (\$)	Difference (%)
<b>Municipal Wide Services/Classes:</b>				
Fire Protection Services	0.76	0.45	(0.31)	-41%
Services Related to a Highway	1.47	0.91	(0.56)	-38%
Parks and Recreation Services	0.47	0.62	0.15	32%
Library Services	0.20	0.24	0.04	20%
Growth-Related Studies	0.08	0.06	(0.02)	-25%
Waste Diversion Services	0.02	0.02	-	0%
<b>Total Municipal Wide Services/Classes</b>	<b>3.00</b>	<b>2.30</b>	<b>(0.70)</b>	<b>-23%</b>

# Municipal Comparison

## Per Single Detached Residential Dwelling Unit



**Residential Development Charges Excluding Water and Wastewater Costs (per Single Detached Dwelling)**



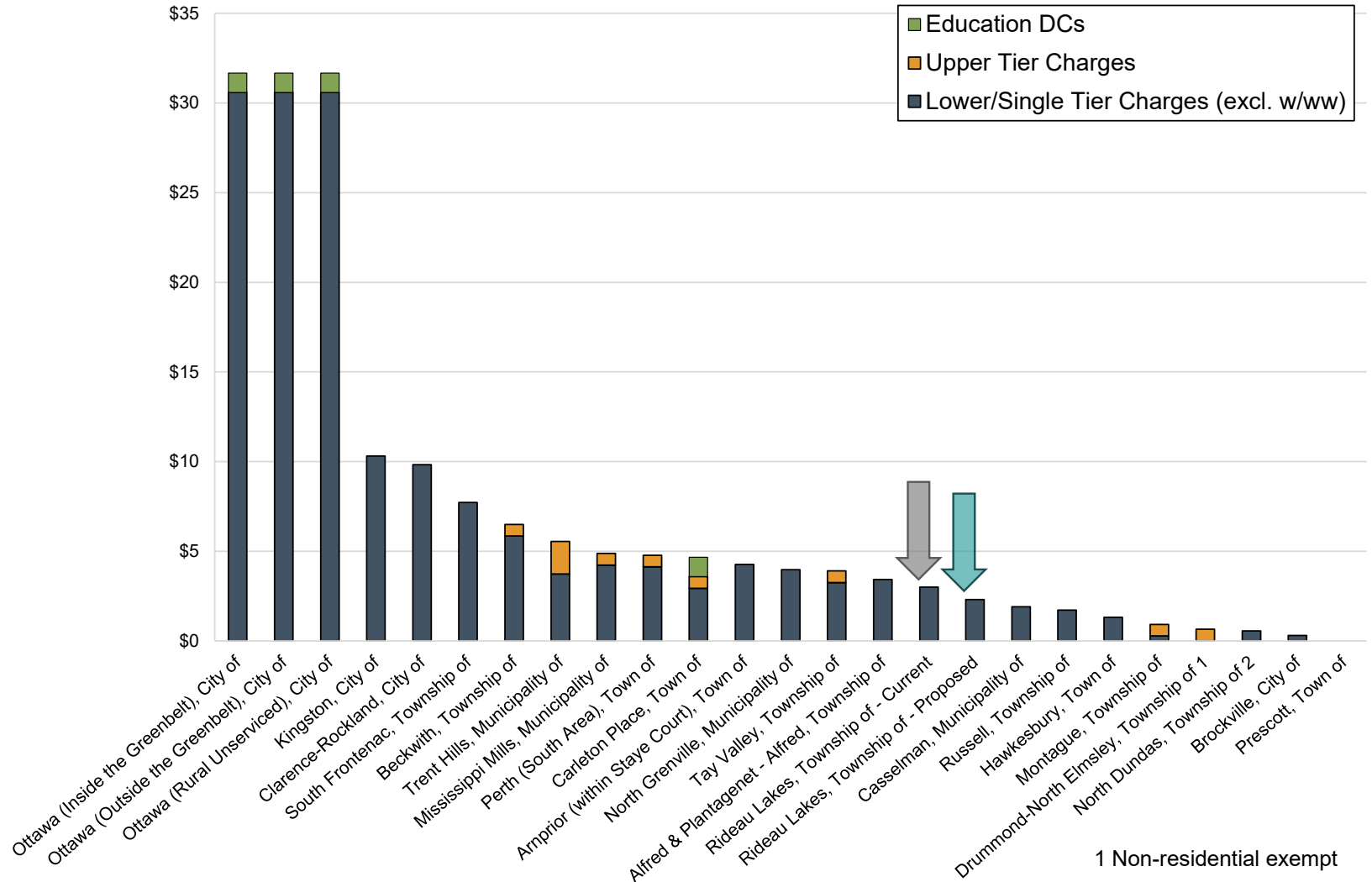




# Municipal Comparison

## \$ per Square Foot of Commercial Gross Floor Area

**Commercial Development Charges Excluding Water and Wastewater Costs (per sq.ft. of GFA)**

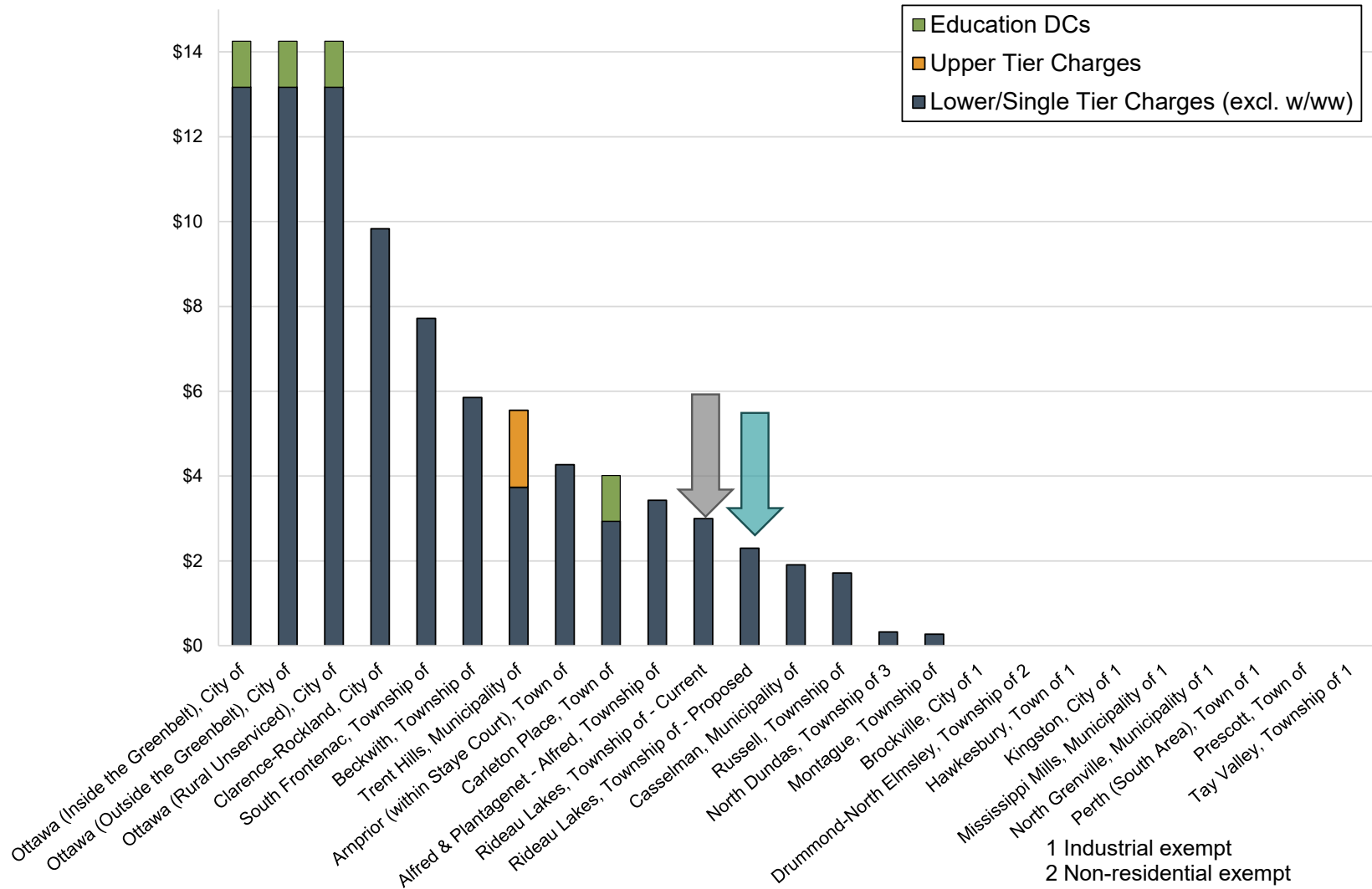




# Municipal Comparison

## \$ per Square Foot of Industrial Gross Floor Area

Industrial Development Charges Excluding Water and Wastewater Costs (per sq.ft. of GFA)





## Development Charges

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D.C. By-law Policies



# D.C. By-Law Policies

## Timing of Collection

- D.C.s are calculated and collected at building permit issuance
- D.C.s for developments proceeding through Site Plan or Zoning By-law Amendment will be determined based on the charges in effect on the day of the application
  - Charges to be frozen for a maximum period of 18 months after planning application approval
  - **Bill 185 reduced this period from 2 years to 18 months**
- Payment in installments
  - Rental housing and institutional developments would pay D.C.s in 6 equal annual payments, commencing from the date of occupancy
- Interest can be imposed on D.C.s determined at Site Plan or Zoning-By-law Amendment application and on installment payments



# D.C. By-Law Policies

## Statutory D.C. Exemptions

- Upper/Lower Tier Governments and School Boards
- Development of lands intended for use by a university that received operating funds from the Government
- Existing industrial building expansions (may expand by 50% with no D.C.)
- Additional residential units in existing and new residential buildings (*revised through Bill 23*):
  - May add up to two apartments for a single detached, semi-detached or row house (only one unit can be in an ancillary structure)
  - One additional unit or 1% of the units in an existing rental residential building with four or more residential units



# D.C. By-Law Policies

## Statutory D.C. Exemptions

- Non-profit housing (*Added through Bill 23*)
- Inclusionary zoning affordable housing units (*Added through Bill 23*)
- Affordable units (*Added through Bill 23*)
  - In effect as of June 1, 2024
- Additional exemptions for attainable units to be exempt upon proclamation by the Lieutenant Governor units (*Added through Bill 23*)
- Discount for rental housing development:
  - >2 bedrooms - 25% discount
  - 2 bedrooms - 20% discount
  - <2 bedrooms - 15% discount
- Mandatory phase-in of D.C.s removed through Bill 185



# D.C. Policies

## Non-Statutory D.C. Exemptions & Credits

- Current non-statutory exemptions include:
  - Buildings or structures to be used as hospitals as governed by the *Public Hospitals Act*, R.S.O., 1990
  - For the first 500 sq. m. of new non-residential buildings/structures, the charge shall be calculated on the basis of 50% of the rate set out
  - Green Energy developments with a nameplate generating capacity of less than 500kW
  - Expansion of existing non-residential developments up to a maximum of 50% of the existing gross floor area where “existing” is defined as September 2, 2014, or the gross floor area that existed after the issuance of a building permit for a new building
  - 50% reduction for development within the designated villages or hamlets of Chaffey’s Lock, Chantry, Crosby, Delta, Elgin, Forfar, Harlem, Jones Falls, Lombardy, Morton, Newboro, Newboyne, Phillipsville, Plum Hollow, Portland and Rideau Ferry, as set out in Schedule “C” to this By-law (Township of Rideau Lakes Official Plan schedules A2, A4, and A5).



# D.C. Policies

## Non-Statutory D.C. Exemptions & Credits

- An additional exemption for non-residential agricultural development is proposed to be added, i.e.,:
  - 50% reduction for non-residential agricultural uses
- Redevelopment credits on conversions or demolitions of existing buildings or structures where redevelopment occurs within 5 years of the date of building permit application for the demolished building
  - The credit cannot exceed the amount of D.C.s that would otherwise be payable
  - No credit is available if the use that was demolished/converted would be exempt under this by-law





# D.C. By-Law Policies

## By-Law Administration

- By-law to come into force on October 7, 2024
- Charges to be indexed on a mandatory basis on January 1<sup>st</sup> of each year in accordance with the D.C.A.
  - The most recent 3<sup>rd</sup> quarter year-over-year change in the index is to be used

# Next Steps



- Receive feedback from Council and public
- Amend background study and draft by-law based on Council feedback (if required)
- Council consideration of by-law for passage – October 7, 2024