



Town of Oakville

D.C. and C.B.C. Council Workshop / Steering Committee

April 22, 2022

Overview of the Study



- The current Development Charges (D.C.) by-law expires February 2023.
- The Region of Halton is currently undertaking an update to their growth forecast which will inform their longer term planning horizon (beyond 2031).
- Therefore this study is intended to be an interim D.C. by-law based on the Town's 2031 growth forecast.
- Once the Region completes their growth projections, the Town will need to undertake updates to their Official Plans, Planning Studies, Masterplans (transportation, parks & recreation, library, etc.), and other related studies. Subsequently, the Town will be able to undertake a new D.C. study to incorporate the updated findings over a longer term forecast.
- Additionally the new legislation related to the Community Benefit Charges (Bill 197) will revise how Section 37 of the Planning Act will be implemented. This presentation provides for an overview of this matter.

Agenda



- Development Charges
 - Study Process and Timelines
 - Changes to the Development Charges Act (D.C.A.)
 - Growth Forecast
 - Current and Draft Rates / Policies
 - Rate Survey
 - Other Considerations
- Community Benefits Charges (C.B.C.)
 - Methodology for Determining Funding Envelope
 - C.B.C. Eligible Growth & Land Values
 - Potential Funding Envelope & Future Capital Costs
 - Bill 197 Transition Period Impacts
- Next Steps



Development Charges

Town of Oakville
2022 D.C. Background Study



D.C. Study Process & Timelines

- Meetings with Town Staff, growth forecast development and policy review (October 2021 to March 2022)
- EMT (March 10, 2022)
- **D.C. Steering Committee (April 22, 2022)** 
- Stakeholder Meeting (May 2022)
- Release of Background Study (May 13, 2022) or (June 10, 2022)*
- Public Meeting (June 20, 2022) or (July 12, 2022)*
- Council Consideration of by-law passage (July 12, 2022) or (August 9, 2022)*

*Alternative dates

Recent Changes to the D.C. Legislation



There were a number of changes to the D.C.A. since the completion of the previous background study. These changes were provided through:

- Bill 108: More Homes, More Choice Act, 2019
 - Provided timing of payment provisions (for Rental Housing, Institutional development, and non-profit housing), D.C. rate freeze for site plan and zoning by-law amendments, and allows for interest to be applied.
- Bill 138: Plan to Build Ontario Together Act, 2019
 - Removed installment payments for commercial and industrial developments (identified in Bill 108)
- Bill 197: COVID-19 Economic Recovery Act, 2020
 - Provides a list of D.C. eligible services, classes of services, and removal of the 10% mandatory deduction and 10-year planning horizon.
- Bill 213: Better for People, Smart for Business Act, 2020
 - Provides for a mandatory exemption for development of land intended for use by a university that receives operating funds from the Government
- **These legislative changes were addressed in the 2021 D.C. Update study dated January 28, 2021.**

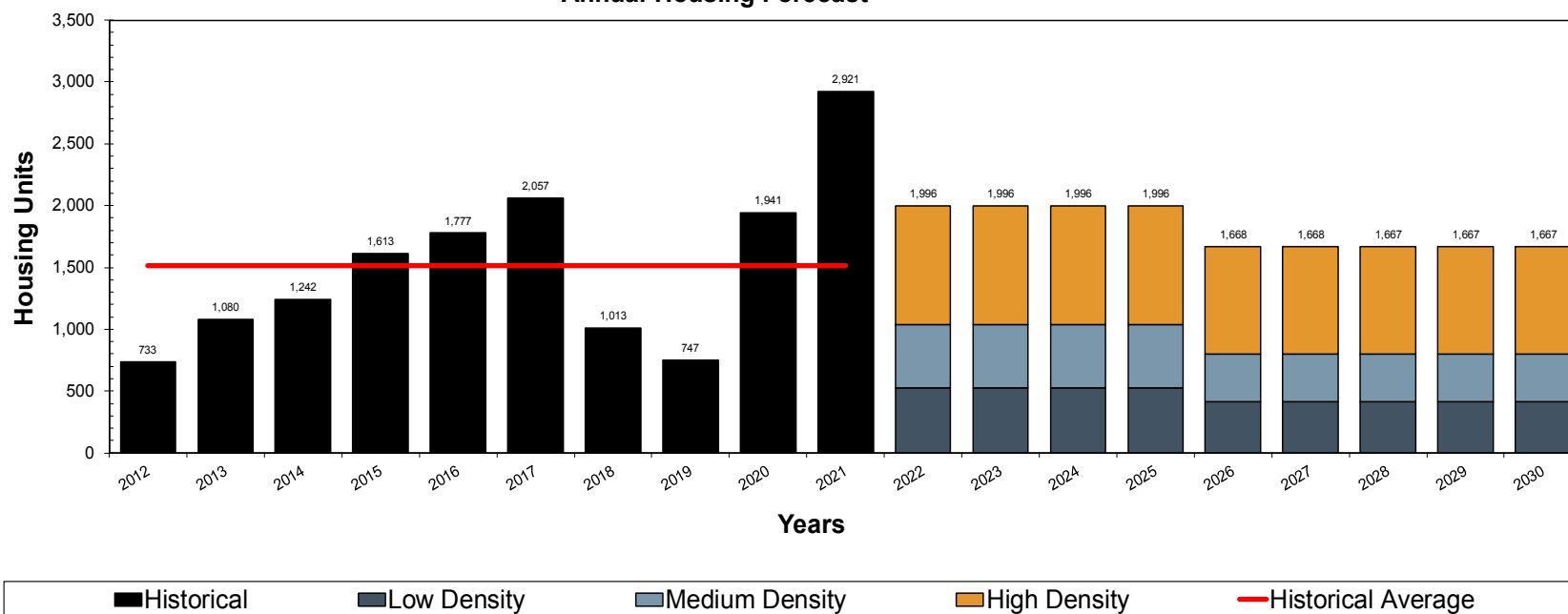
Growth Forecast



Housing Forecast, 2022 to 2031

Figure A-1

Annual Housing Forecast¹



Source: Derived from Town of Oakville building permit data (net of demolitions), 2012 to 2021, by Watson & Associates Economists Ltd.

¹ Growth forecast represents calendar year.

Growth Forecast Summary



Measure	10 Year 2022-2031
(Net) Population Increase	39,350
Residential Unit Increase	17,049
Non-Residential Gross Floor Area Increase (ft ²)	11,428,100

Source: Watson & Associates Economists Ltd. Forecast 2022

Services & Classes of Services Considered for the D.C.



- **Services:**

- Services Related to a Highway;
- Fire Protection Services;
- Transit Services;
- Parks & Recreation;
- Library Services; and
- By-Law Enforcement Services
(New for this D.C. Study).

- **Classes of Services:**

- Growth Studies

Capital Infrastructure - Draft



Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2022\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non- Residential Share
Services Related to a Highway	2022-2031	1,077,045,083	339,418,800	31,893,450	705,732,833	312,775,500	86,849,500	306,107,833	208,153,326	97,954,506
Public Works	2022-2031	40,681,000	317,400	-	40,363,600	917,300	-	39,446,300	26,823,484	12,622,816
Fire Protection Services	2022-2031	35,589,807	2,105,500	-	33,484,307	9,395,900	-	24,088,407	16,380,117	7,708,290
Transit Services	2022-2031	84,569,341	21,800,600	-	62,768,741	43,760,100	5,008,500	14,000,141	9,520,096	4,480,045
Parks and Recreation	2022-2031	313,781,611	94,488,700	2,065,000	217,227,911	556,600	656,000	216,015,311	205,214,546	10,800,766
Library Services	2022-2031	68,365,980	32,066,300	589,000	35,710,680	16,476,842	-	19,233,838	18,272,146	961,692
By-law Enforcement	2022-2031	289,400	-	-	289,400	-	-	289,400	196,792	92,608
Growth Studies	2022-2031	8,840,548	-	125,500	8,715,048	384,800	-	8,330,248	5,664,569	2,665,679
Total		1,629,162,769	490,197,300	34,672,950	1,104,292,519	384,267,042	92,514,000	627,511,477	490,225,075	137,286,403

Note: Other deductions represent Prior Year Approved Budgets

Current D.C. In Effect



Service	Residential					Non-Residential
	Single & Semi Detached	Multiples	Apartments with ≥ 2 Bedrooms	Apartments with < 2 Bedrooms	Special Care/Special Dwelling Units	per sq.ft.
Services Related to a Highway	22,818	16,624	12,263	7,396	6,953	11.15
Transit Services	862	628	464	280	263	0.38
Fire Protection Services	1,181	861	635	383	360	0.58
Parks and Recreation Services	18,431	13,428	9,905	5,974	5,616	0.92
Library Services	1,460	1,064	785	473	445	0.08
Growth Studies	645	470	347	209	197	0.30
Municipal Parking*	527	384	283	171	160	0.22
Total	45,925	33,459	24,681	14,885	13,994	13.64

* Effective until September 18, 2022 or until a new D.C. by-law is passed

Calculated Charges - Draft



Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL (per sq.ft. of Gross Floor Area)
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	
Municipal Wide Services/Class of Service:						
Services Related to a Highway	21,131	15,642	10,606	7,996	6,309	9.68
Transit Services	856	634	430	324	256	0.39
Fire Protection Services	1,473	1,090	739	557	440	0.67
Parks and Recreation Services	18,454	13,660	9,262	6,983	5,510	0.95
Library Services	1,643	1,216	825	622	491	0.08
Growth Studies	510	378	256	193	152	0.23
By-law Enforcement	18	13	9	7	5	0.01
Total Municipal Wide Services/Class of Services	44,085	32,633	22,127	16,682	13,163	12.01

Draft Rate Comparison – Residential (single detached)



Service/Class of Service	Current (as of April 1, 2022)	Calculated
Municipal Wide Services/Classes:		
Services Related to a Highway	22,818	21,131
Transit Services	862	856
Fire Protection Services	1,181	1,473
Parks and Recreation Services	18,431	18,454
Library Services	1,460	1,643
Growth Studies	645	510
Parking	527	-
By-law Enforcement	-	18
Total Municipal Wide Services/Classes	45,925	44,085

Draft Rate Comparison – Non-Residential (per sq.ft.)



Service/Class of Service	Current (as of April 1, 2022)	Calculated
Municipal Wide Services/Classes:		
Services Related to a Highway	11.15	9.68
Transit Services	0.38	0.39
Fire Protection Services	0.58	0.67
Parks and Recreation Services	0.92	0.95
Library Services	0.08	0.08
Growth Studies	0.30	0.23
Parking	0.22	-
By-law Enforcement	-	0.01
Total Municipal Wide Services/Classes	13.64	12.01

Current Discretionary Exemptions



- a non-residential farm building;
- a public hospital;
- a university or college;
- a provincial or federal crown agency;
- conservation authority;
- place of worship;
- non-residential cap – 50% reduction for greater than two times coverage;
- non-profit organization; and
- a temporary building or structure, subject to certain criteria.

Other Considerations – Policy Changes

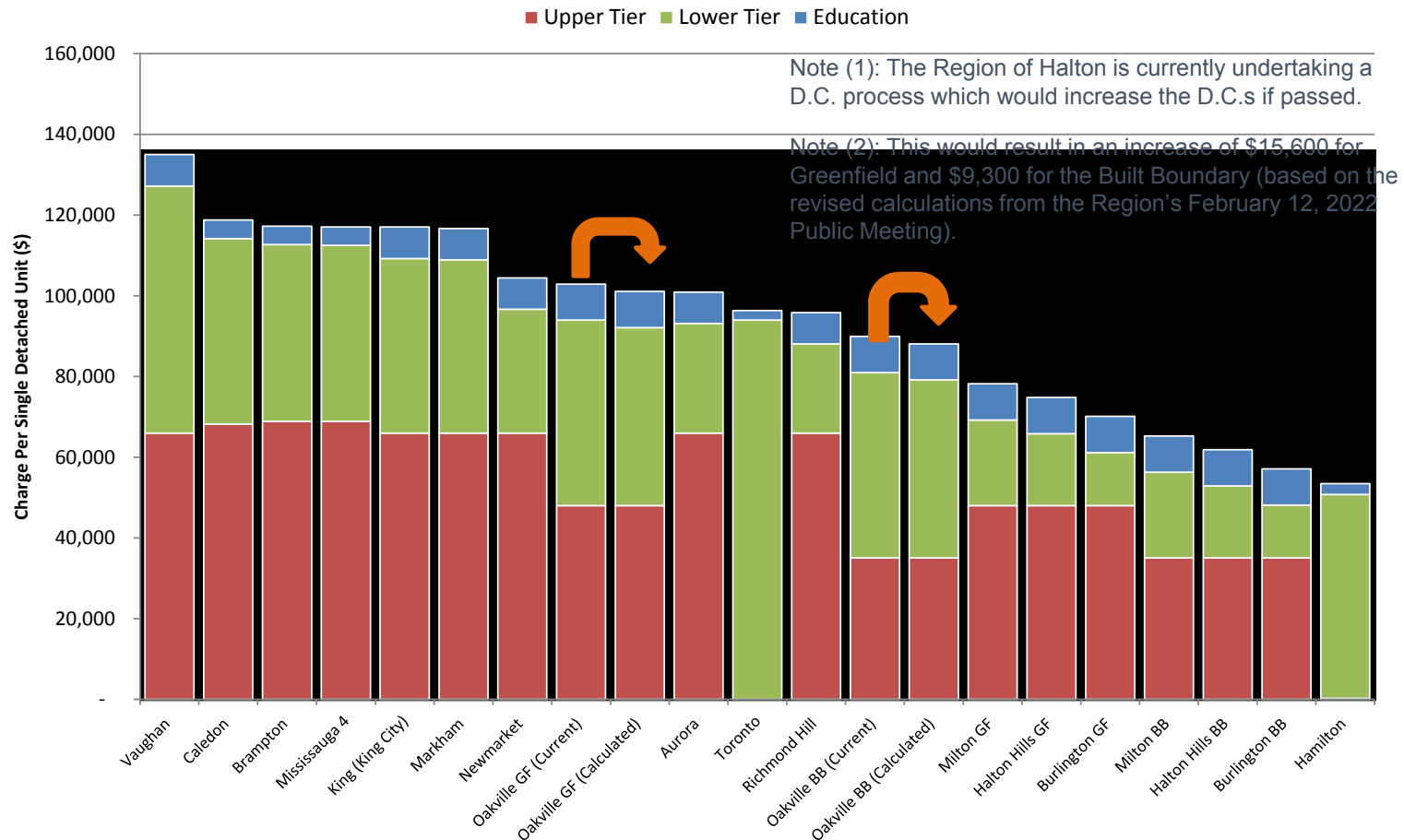


- Seasonal patios:
 - The addition of a roof covering, or higher walls, to temporarily enclose the patio and extend the use of the patio during cooler months is currently chargeable if it requires a building permit, unless it fits the seasonal structure definition.
 - In 2021, interest was expressed in a change to the by-law definitions so that only a permanent enclosure would be chargeable.
- Region industrial Definition:
 - Expansions of existing industrial buildings are exempt from payment of DCs, up to 50% of the original GFA.
 - Region proposed change: as part of this 50% exemption, an exemption of up to 3,000 sq.ft. of a separate accessory industrial building.



Rate Survey – Single Detached Dwellings As of April 1, 2022

Development Charge Rates for GTA Municipalities Residential Per Single Detached Unit (As of April 2022)

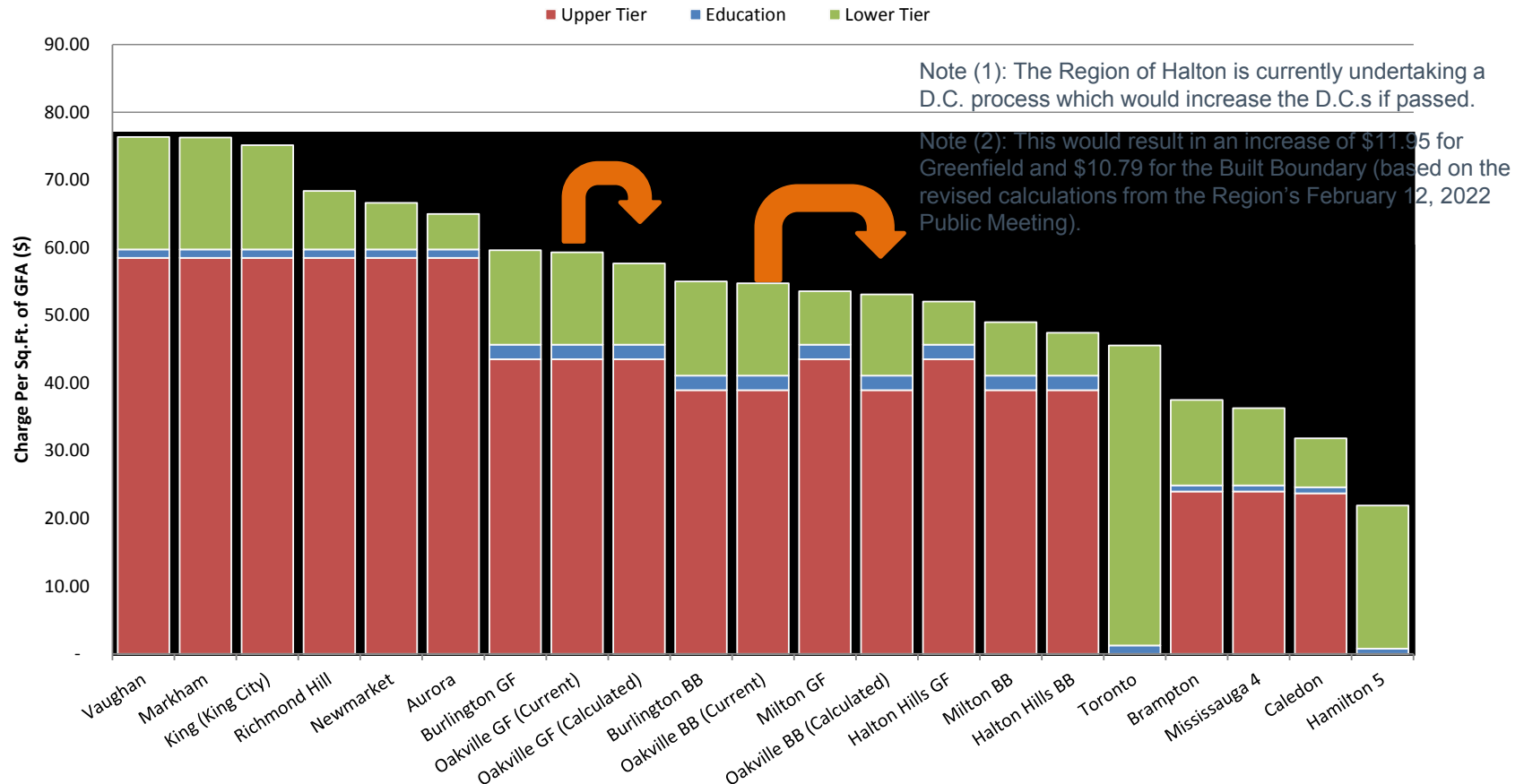


- (1) All Charges are based on Municipal-Wide and does not include Area Specifics
- (2) GF - Greenfield and includes the Non-Recovery Area
- (3) BB - Built Boundary
- (4) Includes a Stormwater Charge based on area - assuming 12 homes per Acre
- (5) Upper Tier information includes Go Transit Charge if applicable



Rate Survey – Commercial (per sq.ft.) As of April 1, 2022

Development Charge Rates for GTA Municipalities
Commercial Per Square Foot of GFA
(As of April, 2022)



- (1) All Charges are based on Municipal-Wide and does not include Area Specifics
- (2) GF - Greenfield
- (3) BB - Built Boundary
- (4) Includes a Stormwater Charge based on area - assuming 33% lot coverage
- (5) Based on GFA of over 10,000. First 5,000sq.ft. is \$10.50/sq.ft., Second 5,000sq.ft. is \$15.75/sq.ft.

Rate Survey – Industrial (per sq.ft.)

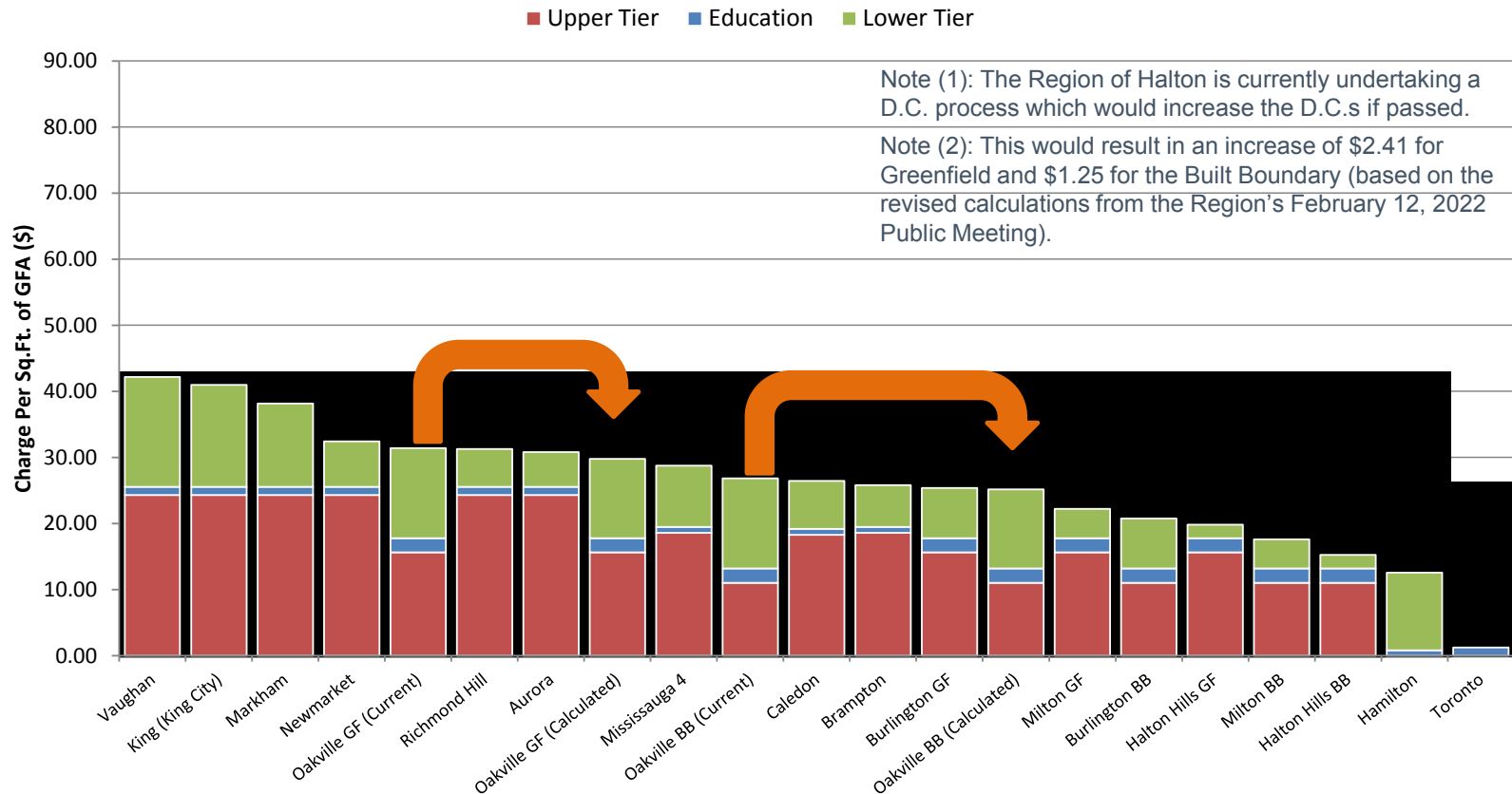
As of April 1, 2022



Development Charge Rates for GTA Municipalities

Industrial Per Square Foot of GFA

(As of April, 2022)



- (1) All Charges are based on Municipal-Wide and does not include Area Specifics
- (2) GF - Greenfield
- (3) BB - Built Boundary
- (4) Includes a Stormwater Charge based on area - assuming 33% lot coverage
- (5) For new Industrial development under 10,000 sq.ft., the rate is \$9.12/sq.ft



Community Benefits Charges

Town of Oakville 2022 C.B.C.

Methodology for Determining Preliminary Funding Envelope



Community Benefits Charges will only apply to developments that are 5 storeys or more **and** have a minimum 10 residential units. As such the following must be assessed to determine the potential funding envelope available to the Town:

1. Determine the amount of anticipated development and redevelopment that will be eligible to have a C.B.C. imposed on it by reviewing the D.C. growth forecast, applications in the development process, etc.
2. Estimate the land values of the eligible developments/redevelopments in consultation with Town staff based on a review of available recent appraisals of land, real estate information, assessment data plus an escalation factor, etc.
3. Determine the potential funding envelope based on 4% of the land values.
4. Estimate the increase in need for services and the share of the capital costs required because of the development/redevelopment.
5. Determine how much of the capital costs relate to the eligible development & redevelopment.

C.B.C. Eligible Growth



Based on 2022 D.C.

Timing	Singles & Semi-Detached	Multiples	Apartments	Total Residential Units
2022-2031	4,202	3,952	8,168	16,321

C.B.C. Ineligible (Does not meet Criteria)	C.B.C. Ineligible (Assumed Accessory Units)	Excluded from C.B.C. as s37 Bonusing in place	Net C.B.C. Eligible Development
623	360	1,586	5,599

- The 2022 D.C. study is forecasting 8,168 apartment units to 2031.
- Based on the information provided by the Town, the apartment units were adjusted to recognize ineligible units, as well as those developments that have entered into a Section 37 Agreement with the Town.
- Therefore, it is assumed that the C.B.C. eligible portion of the D.C. forecast for Apartments is 5,599 units (69%).



C.B.C. Units in the Development Process

- The following provides a summary of the C.B.C. eligible growth in the Town's Development Process

Site	Land Area (Acres) Net of S.37	CBC units (excluding S.37)
377 Dundas St E	2.99	697
Minto Communities (335 wheat boom)	1.32	436
1005 Dundas St E	2.70	380
Trafalgar Rd	2.03	378
Saw Whet Blvd	2.15	364
Saw Whet Blvd	1.98	335
2418 Khalsa Gate Development Corp - 2418 Khalsa Gate	1.26	289
Trafalgar Rd	3.01	243
1226 White Oaks Blvd	1.27	203
58 Shepherd Rd	1.36	201
2432 Lakeshore Rd W	1.29	188
3279 Carding Mill Trail	1.69	148
1105 McCraney Street East - 10 storey residential	3.52	219
2477 Old Bronte Developments Inc. - 2467 and 2477 Old Bronte Road	0.81	123
1415 Dundas St E	5.04	329
42 Lakeshore Road West - Hirsch Development Group	0.54	41
Fernbrook Homes (Mayfield Butler) Construction Ltd. - 103 Dundas Street West	1.28	179
157 Cross Avenue - Can China Real Capital inc.	0.91	252
3380 Sixth Line - Part of Lot 16, Con. 1	3.09	360
160 Burnhamthorpe Rd W	1.69	128
Total	39.92	5,493

Note: Excludes development with Section 37 Agreements

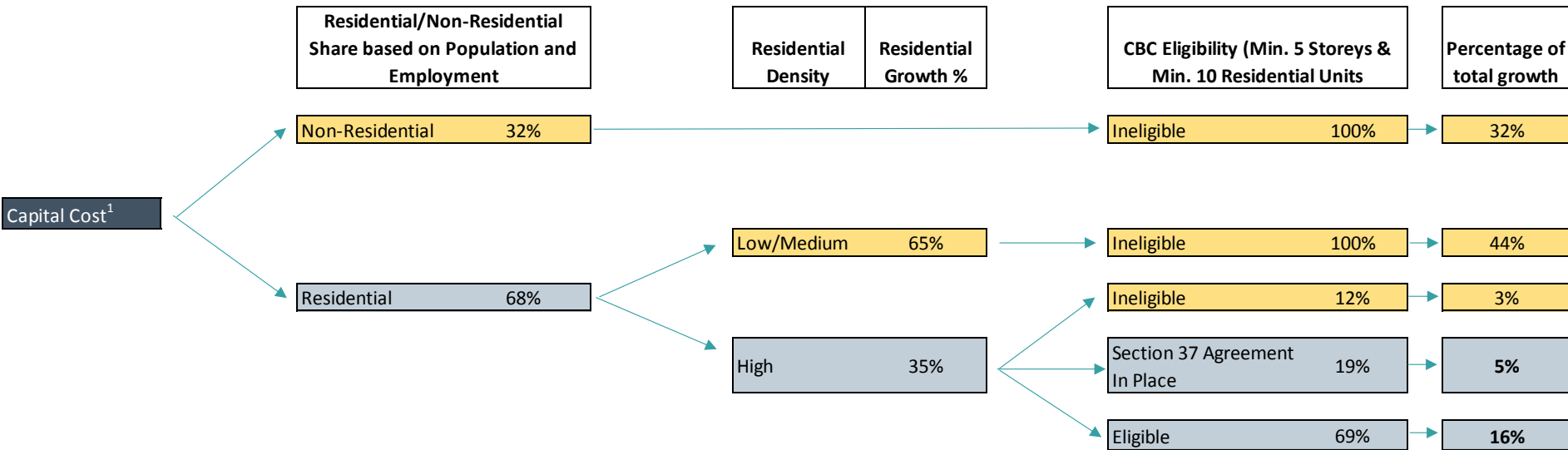
Appraised Land Values



- Appraisal information for High Density development was provided by Robson.

Area	Average Land Value Per Acre
Kerr Village	\$ 12,000,000
Midtown	\$ 12,000,000
Uptown Core	\$ 9,000,000
Bronte Village	\$ 11,000,000
Palermo Village	\$ 8,000,000
Downtown	\$ 28,310,000
North Oakville	\$ 5,750,000

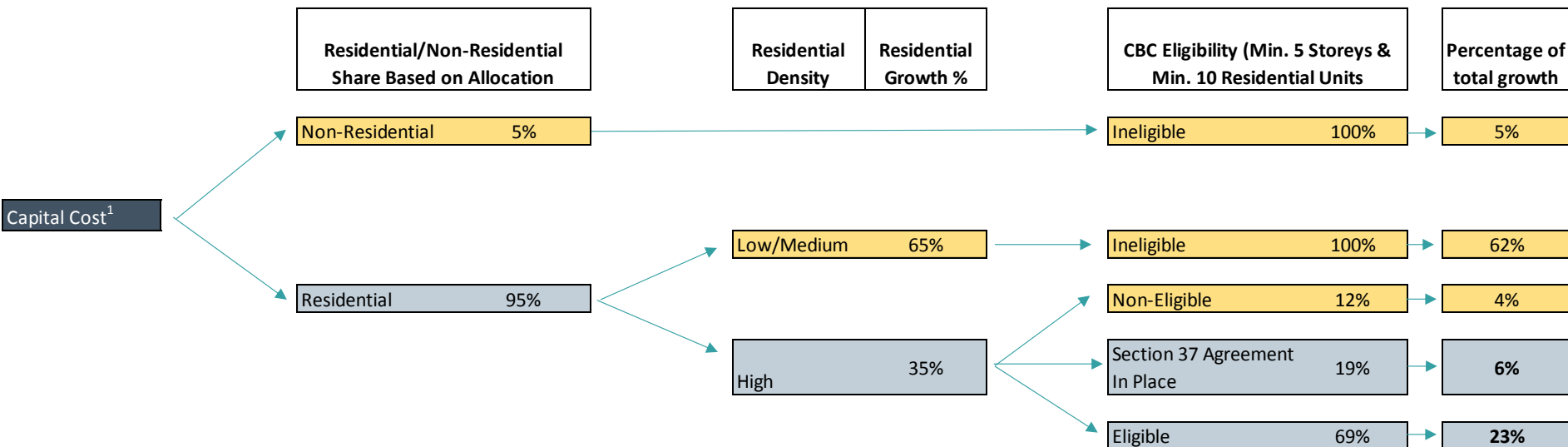
Potential Funding Envelope – Town-Wide Services



¹ Capital Cost is net of deductions for Benefit to existing, excess capacity, grants, subsidies, and other contributions, etc.

- Allocation between residential and non-residential growth is based on the incremental growth in population and employment as provided in the 2022 D.C. Growth Forecast to 2031.
- Approx. 16% of Town-wide C.B.C. eligible cost could be recovered (e.g., parking services, expansions to administration facility, public art, etc.)

Potential Funding Envelope – Parks, Recreation & Cultural Services



¹ Gross Cost is net of deductions for Benefit to existing, excess capacity, grants, subsidies, and other contributions, etc.

- Allocation between residential and non-residential growth is based on the same allocation made for parks, recreation and library services as provided in the 2022 D.C. Growth Forecast to 2031.
- Approx. 23% of Town-wide C.B.C. eligible cost could be recovered (e.g. museum, art centre, parkland acquisition not recovered through parkland dedication/C-I-L, former services recovered under Section 37 of the Planning Act, etc.)

Potential Funding Envelope – Draft



Area	Total C.B.C. Eligible Units	% of Total Units	Average Land Value Per Acre	Weighted Value Per Acre by Area	Estimated Total Acres	Estimated Units Per Acre	Estimated Land Value	C.B.C. %	Potential C.B.C. Revenue
Kerr Village	246	4.4%	\$ 12,000,000	\$ 527,200	1.94	127			
Midtown	256	4.6%	\$ 12,000,000	\$ 548,700	0.93	276			
Uptown Core	430	7.7%	\$ 9,000,000	\$ 691,200	4.89	88			
Bronte Village	191	3.4%	\$ 11,000,000	\$ 375,200	1.31	146			
Palermo Village	1,129	20.2%	\$ 8,000,000	\$ 1,613,100	6.31	179			
Downtown	15	0.3%	\$ 28,310,000	\$ 75,800	0.17	90			
North Oakville	3,332	59.5%	\$ 5,750,000	\$ 3,421,900	25.24	132			
Total	5,599	100%		\$ 7,253,100	40.78		\$ 295,748,637	4%	\$ 11,829,945

Pop/Employment CBC Recovery from High Density Development - Gross Cost Required for Projects	16%	\$ 72,807,581
Parks/Rec/Culture CBC Recovery from High Density Development - Gross Cost Required for Projects	23%	\$ 52,114,900

Note: These gross costs represent the maximum required project costs required to recover the 4% value of the land for each respective category

- Based on the draft calculations, the Town's potential C.B.C. revenue is \$11.8 million.
- In addition to the above, the Town has several agreements with developments under the current Section 37 Bonusing Agreements.
- These agreements, along with the existing reserve fund balance, will provide the Town with \$5.5 million by the end of 2022.

Potential Capital Costs



- A C.B.C. Strategy must estimate the increase in need for services and the share of the capital costs required for the eligible development/redevelopment.
- The types of growth-related capital that the Town is considering include the following:
 - Downtown Cultural Hub / Performing Arts Theatre
 - Amphitheatre
 - Public Art
 - Garden Plots
 - Town Square Rehabilitation
 - Parking
 - Town Hall



Bill 197 Transition Period Impacts

- As part of the transition period set out in Bill 197, the Town will no longer be able to impose a D.C. for parking services as of September 18, 2022.
- The Town has a deficit in the D.C. Municipal Parking reserve fund of \$1,394,000. This amount could be included in the C.B.C. recovery.



Next Steps

Town of Oakville
2022 D.C. Background Study



Next Steps

- Finalize capital cost to be included in the C.B.C.
- Release the C.B.C. Strategy
- Undertake Public Consultation
 - Need to consider how the Town will engage “*with such persons and public bodies as the municipality considers appropriate*”
- By-law Passage

Questions



Questions