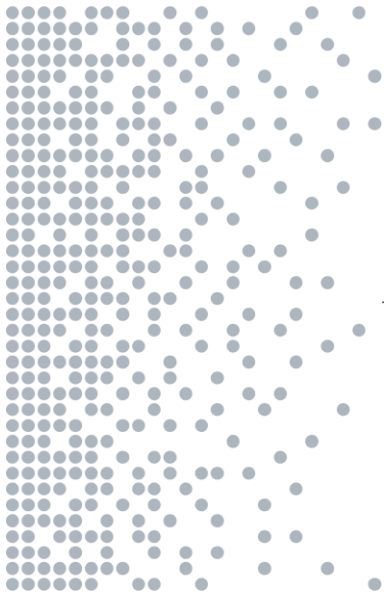


Agenda

1. Introduction
2. D.C. Methodology and Key Legislative Changes
3. Development Charges (D.C.) Growth Forecast
4. Next Steps





Introduction

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Introduction



- Development Charges (D.C.) are imposed by municipalities on development and re-development to recover growth-related capital costs arising from the increase in needs for service of residential and non-residential development
- City of Burlington's D.C. By-Law 46-2014 came into effect on July 1, 2014
- Under the requirements of the Development Charges Act (D.C.A.), a D.C. by-law expires 5 years after the date it came into effect
- The City has retained Watson & Associates Economists Ltd. to prepare the D.C. Background Study and assist with the statutory D.C. by-law process
- The intent of today's meeting is to update the Committee on the legislative requirements, growth forecast assumptions and timing for completion of the 2019 D.C. Background Study and D.C. By-Law

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Development Charges Act Amendment



- On December 3, 2015, the Province passed Bill 73 which amended the Development Charges Act
- Subsequently, on December 18, 2015, Ontario Regulation 428/15 was published which amended Ontario Regulation 82/98 (i.e. the DCA Regulation) and provided additional directives for the amended Act
- The key legislative changes arising from the amendment impacted:
 - Transit Services
 - Ineligible Services, i.e. Solid Waste Management Services
 - Background Study Requirements, i.e. Transit, Asset Management Plans, Area Specific Charges
 - Public Process Requirements
 - Implementation and Reporting Requirements

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Transit Services Discussion



- The estimate for the increase in the need for a Transit Services cannot exceed the planned level of service over the 10-year period immediately following the preparation of the background study
- The planned level of service for transit must not include a portion of the service that is intended to benefit anticipated development after the 10-year period immediately following the preparation of the background study or excess capacity at the end of the 10-year period immediately following the preparation of the background study

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Transit Services Discussion



- Background Study must include:
 - an assessment of ridership forecasts for all modes of transit services proposed to be funded by the D.C. (ridership must be distinguished between that from existing or planned development);
 - an assessment of the ridership capacity over the 10-year period immediately following the preparation of the background study; and
 - an asset management plan, including:
 - State of local infrastructure
 - Proposed level of service
 - Asset management strategy; and
 - Financial strategy

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Ineligible Services



- Ineligible Services – move the definition of Ineligible Services from the D.C.A. to the Regulations – allows for easier adjustments to add or reduce ineligible services
- Solid waste was formerly an ineligible service – Section 2.1(5) and (6) identify that only landfill and incineration are ineligible thus allowing for alternative waste disposal methods to be allowed for (e.g. recycle, reuse, composting, etc.)

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Area Specific Charges



- New section 10(c.1) requires that municipalities must examine the use of area-rating
- While there are no specific “prescribed” services, this section identifies that the background study must consider this to reflect the different needs for different areas
- While the background study must consider the option of area rating, it is not mandatory to pass area specific charge
- Minister maintains right to prescribe services or municipalities which must be area rated

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Asset Management



- Background Study must include an asset management plan related to new infrastructure
- For all services except transit, the background study shall deal with all assets proposed in the study and demonstrate that these assets are financially sustainability over their full life cycle
- For transit services, a more prescriptive set of requirements has been included in the Regulations
- Act identifies that further information or the manner in which these are provided may be prescribed however only transit services are prescribed at this time

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Public Process Requirements



- Council shall ensure that the D.C. Background study is made available to the public 60 days prior to the passing of the D.C. by-law
- Report must be available on the website for 60 days prior to passage and be available as long as the by-law is in effect

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Payment Timing for Multiple Building Permits



- When multiple building permits are issued in respect of a single building, the D.C. is payable when the first building permit is issued
- Requires that the development charge is calculated and payable when the first permit is issued (e.g. foundation permit)
- However, if the development has two or more phases that are not constructed concurrently, each phase is deemed a separate development

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No Additional Levies



- New section 59.1(1) and (2) of the Act - prohibits municipalities from imposing additional payments or requiring construction of a service not authorized under the D.C.A. or other legislation
- Does not affect a charges imposed and agreements prior to January 1, 2016
- Minister may at any time investigate a municipality for compliance - note that the powers provided to the Minister to investigate are extensive

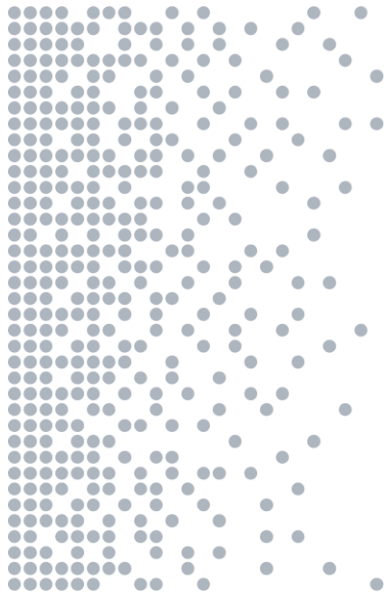
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Annual Report of the Treasurer



- Annual report must include opening/closing balances, all transaction in the fund, statements identifying all assets funded by D.C.'s and how the portions not funded by D.C.'s were funded
- Include a statement as to the municipality's compliance in not imposing, directly or indirectly, a charge related to a development or a requirement to construct a service related to development, except as permitted by this Act
- Submit the report to the MMAH only when requested by the Minister

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Growth Projections

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City of Burlington 2019 D.C. Background Study Key Growth Assumptions – Residential



- Long-term household forecast is consistent with 2011 Halton Best Planning Estimates (BPE) allocation to the City of Burlington
- Long-term population forecast is higher by approximately 7,200 persons, when updated for 2016 Census. This is due to a higher overall person per unit (PPU) forecast by 2031 relative to the 2011 BPE and 2014 D.C. Background Study for the City of Burlington
- By 2031, the forecast PPU for the City of Burlington is 2.40. Comparably, the previous 2031 PPU forecast for the City of Burlington was 2.31

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City of Burlington 2019 D.C. Background Study
Key Growth Assumptions – Non-Residential



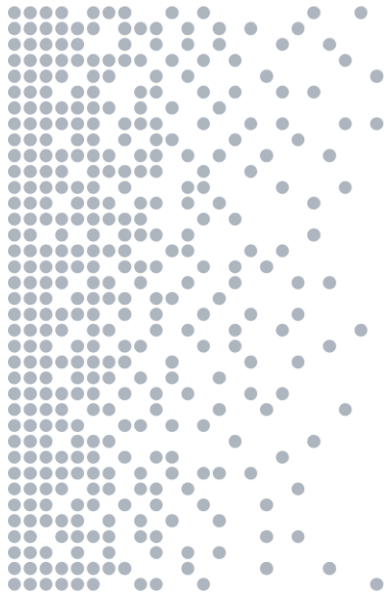
- Long-term employment forecast is higher than the 2011 Halton Best Planning Estimates (BPE) allocation to the City of Burlington, by approximately 4,300 jobs
- The City's 2016 institutional base has already exceeded the 2014 D.C. Background Study 2031 forecast. As a result, institutional employment forecast is approximately 2,630 higher than the 2014 DC Background Study
- The 2016 no fixed place of work (NFPOW) base has already exceeded the 2014 D.C. Background Study 2031 forecast, resulting in NFPOW employment to be approximately 1,150 higher than the previous 2014 DC growth forecast

Growth Forecast Comparison



Time Horizon	Residential		Non-residential	
	Population ^A	Housing Units ^B	Employment (excl. NFPOW)	G.F.A. (sq. ft.)
Early 2019	185,911	76,636	81,411	
Early 2029	192,429	82,632	88,894	
Mid 2031	193,401	83,630	90,412	
Incremental Change				
Early 2019 – Early 2029	6,518	5,996	7,483	3,666,200
Early 2019 – Mid 2031	7,490	6,994	9,001	4,410,900

^A: Excluding Census undercount; Including Institutional Population
^B: Including Equivalent Institutional Households



Next Steps

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2019 D.C. Study Process



- The following summarizes the statutory D.C. Background Study and By-law process
 - Public release of the proposed D.C. Background Study and By-law – March 28, 2019
 - Notice of Public Meeting of Council – April 22, 2019
 - Statutory Public Meeting - Committee of the Whole - May 13, 2019
 - Council D.C. By-law approval (with by-law in force date of July 1, 2019) – May 27, 2019
 - Notice of D.C. By-law adoption – June 14, 2019
 - Final day for filing an appeal – July 8, 2019

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