



City of Burlington Development Charge Background Study

Statutory Public Meeting

May 14, 2024

Introduction



- Development Charges (D.C.) follows an established practice in Ontario of development paying for the costs of the increase in need for service associated with growth
- The Development Charges Act (D.C.A.) allows municipalities to pass a by-law to recover the capital costs associated with residential and non-residential development within a municipality
- The City's current D.C. By-Law expires on June 1, 2024
- In accordance with the D.C.A., the City retained Watson & Associates Economists Ltd (Watson), in association with Dillon Consulting Limited (Dillon), to undertake the 2024 Development Charges (D.C.) Background Study

Introduction



- This meeting is a mandatory requirement under the D.C.A.
- Prior to Council's consideration of a new D.C. by-law, the D.C. background study must be made available to the public a minimum of 2 weeks prior to a public meeting and provided on the municipality'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

D.C. Process



- The following summarizes the D.C. process undertaken
 - March 22, 2024 - Release of the 2024 D.C. Background Study and draft by-laws to the public
 - March 8, 2024, April 8, 2024 & April 15, 2024 – Consultation Committee Meetings
 - May 9, 2024 - Addendum to the 2024 D.C. Background Study;
 - May 14, 2024 - Public Meeting of Council;
 - May 21, 2024 - Passage of D.C. by-laws; and
 - June 1, 2024 - D.C. in force date
- The D.C.s being proposed at this public meeting reflect the recommendations of the May 9, 2024 addendum

Anticipated Development



- Discussions with City Planning and Project Team agreed to proceed with Integrated Growth Management Strategy, 2051 growth projections (265,160 population), as the Housing Pledge encompasses this overall forecast although much quicker (261,715 population by 2031)
- D.C. methodology and growth forecast assumptions were presented to Council (September 2023) and approved for use in the D.C. Background Study
- All services forecast over a 10-year horizon (2024-2033), except for Services Related to a Highway and Storm Drainage Services, forecast over the 2024-2051 period

Summary of the Anticipated Development in the D.C. Background Study



Year	Population (including undercount)	Population (excluding undercount)	Employment (with WAH & NFPOW)	Employment (excluding WAH & NFPOW)	Non-Res. GFA (sq.m)
Early 2024	194,100	188,372	100,913	82,406	
Early 2034	217,400	210,989	107,580	87,725	
Mid 2051	265,160	257,334	124,390	101,301	
<u>Net Increase</u>					
2024-2034	23,300	22,617	6,667	5,319	193,906
2024-2051	71,060	68,962	23,477	18,895	695,661

Anticipated Increase in Need for Service

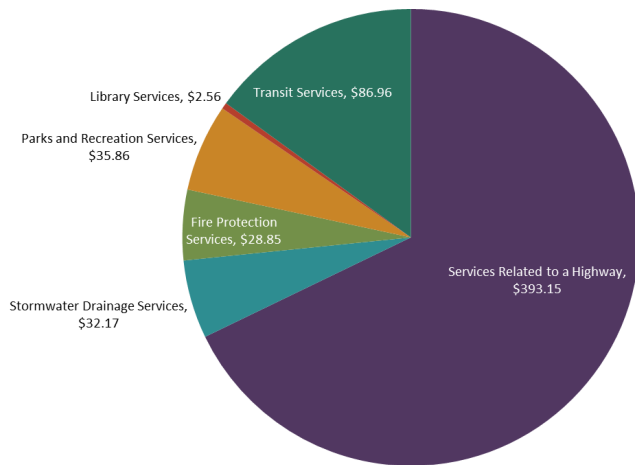


- Watson and Dillon have reviewed the relevant expressions of Council to determine the increase in need for services attributable to development, including
 - 2019 D.C. Background Study and 2021 D.C. Update Study
 - 2024 Capital Budget and Forecast and MYCIP
 - 2023 Integrated Mobility Plan and 2021 Cycling Plan
 - 2022 Fire Master Plan
 - 2020-2024 Transit 5-Year Business Plan
 - 2023 Parks Provisioning Master Plan and 2022 Roads, Parks & Forestry/Transit Campus Master Plan

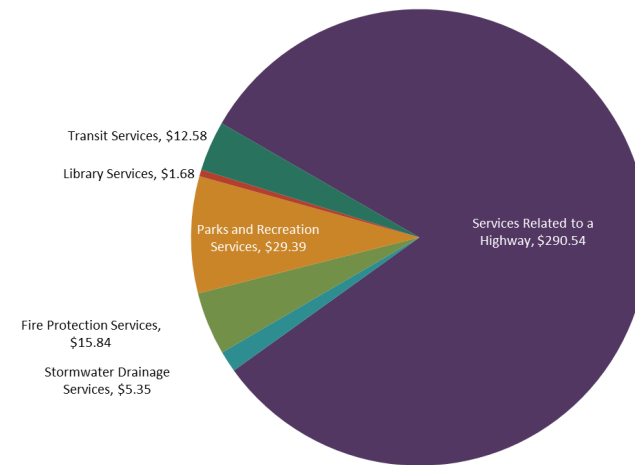
Anticipated Increase in Need for Service



**Gross Cost by Service
(in \$millions)**



**Net D.C. Recoverable Cost by Service
(in \$millions)**



- D.C. capital program includes \$579.6 million of which \$355.4 million (61%) is included in the D.C. calculations

Proposed Schedule of Development Charges and Comparison to Current Charge



Service/Class of Service	RESIDENTIAL (\$ per Dwelling Unit)						NON-RESIDENTIAL (\$/sq.m of GFA)	
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments Bachelor and 1 Bedroom	Multiples - 3 or more Bedrooms	Multiples - 1 or 2 Bedrooms	Special Care/Special Dwelling Units	Retail	Non-Retail
<u>Municipal Wide Services:</u>								
Services Related to a Highway	\$12,027	\$6,409	\$4,846	\$9,542	\$6,872	\$3,916	\$99.57	\$99.57
Stormwater Drainage Services	\$175	\$93	\$71	\$139	\$100	\$57	\$3.01	\$3.01
Fire Protection Services	\$2,038	\$1,086	\$821	\$1,617	\$1,164	\$664	\$16.47	\$16.47
Transit Services	\$1,617	\$862	\$651	\$1,283	\$924	\$527	\$13.13	\$13.13
Parks and Recreation Services	\$4,482	\$2,388	\$1,806	\$3,556	\$2,561	\$1,460	\$8.18	\$8.18
Library Services	\$256	\$136	\$103	\$203	\$146	\$83	\$0.43	\$0.43
TOTAL	\$20,595	\$10,974	\$8,298	\$16,340	\$11,767	\$6,707	\$140.79	\$140.79

Comparison with Current Charges

Proposed D.C. - Year 1 (80% of charge)	\$16,476	\$8,779	\$6,638	\$13,072	\$9,414	\$5,366	\$112.63	\$112.63
Current D.C. (as of April 1, 2024)	\$20,285	\$10,316	\$7,600	\$14,604	\$11,563	\$6,523	\$182.04	\$103.18
Difference (\$)	-\$3,809	-\$1,537	-\$962	-\$1,532	-\$2,149	-\$1,157	-\$69.40	\$9.45

Survey of Development Charges – Large Apartments (2 bedroom and larger, \$/unit)



Municipality	Upper Tier Charges	Lower Tier Charges	Education DC's	Total DC	Rank
Vaughan, City of	\$47,178	\$44,897	\$8,427	\$100,502	1
Markham, City of	\$47,178	\$37,241	\$8,427	\$92,846	2
Brampton, City of	\$53,555	\$32,347	\$4,572	\$90,474	3
Mississauga, City of	\$53,555	\$31,398	\$4,572	\$89,525	4
Richmond Hill, City of	\$47,178	\$19,854	\$8,427	\$75,459	5
Oshawa, City of	\$38,503	\$22,398	\$12,540	\$73,441	6
Whitby, Town of	\$38,503	\$20,678	\$12,540	\$71,721	7
Ajax, Town of	\$38,503	\$19,301	\$12,540	\$70,344	8
Pickering, City of	\$38,503	\$17,708	\$12,540	\$68,751	9
Oakville, Town of (GF)	\$31,768	\$22,163	\$10,161	\$64,092	10
Toronto, City of	n/a	\$56,804	\$3,293	\$60,097	11
Halton Hills, Town of (GF)	\$31,768	\$15,934	\$10,161	\$57,863	12
Milton, Town of (GF)	\$31,768	\$12,691	\$10,161	\$54,620	13
Oakville, Town of (BB)	\$20,662	\$22,163	\$10,161	\$52,985	14
Burlington, City of - Current (GF)	\$31,768	\$10,316	\$10,161	\$52,245	15
Burlington, City of - Calculated (GF)	\$31,768	\$8,779	\$10,161	\$50,708	16
Halton Hills, Town of (BB)	\$20,662	\$15,934	\$10,161	\$46,757	17
Milton, Town of (BB)	\$20,662	\$12,691	\$10,161	\$43,514	18
Hamilton, City of - Separated Sewer System Area	n/a	\$39,217	\$3,274	\$42,491	19
Burlington, City of - Current (BB)	\$20,662	\$10,316	\$10,161	\$41,139	20
Burlington, City of - Calculated (BB)	\$20,662	\$8,779	\$10,161	\$39,602	21
Hamilton, City of - Combined Sewer System Area	n/a	\$34,042	\$3,274	\$37,316	22

Survey of Development Charges – Retail Development (\$/sq.ft. of GFA)



Municipality	Upper Tier Charges	Lower Tier Charges	Education DC's	Total DC	Rank
Markham, City of	\$57.87	\$23.36	\$1.37	\$82.60	1
Vaughan, City of	\$57.87	\$21.09	\$1.37	\$80.33	2
Burlington, City of - Current (GF)	\$53.96	\$16.91	\$2.55	\$73.42	3
Richmond Hill, City of	\$57.87	\$11.72	\$1.37	\$70.96	4
Oakville, Town of (GF)	\$53.96	\$12.16	\$2.55	\$68.67	5
Burlington, City of - Current (BB)	\$48.36	\$16.91	\$2.55	\$67.82	6
Burlington, City of - Calculated (GF)	\$53.96	\$10.46	\$2.55	\$66.97	7
Milton, Town of (GF)	\$53.96	\$10.11	\$2.55	\$66.62	8
Halton Hills, Town of (GF)	\$53.96	\$8.63	\$2.55	\$65.14	9
Whitby, Town of	\$34.14	\$28.50	\$2.14	\$64.78	10
Oakville, Town of (BB)	\$48.36	\$12.16	\$2.55	\$63.07	11
Burlington, City of - Calculated (BB)	\$48.36	\$10.46	\$2.55	\$61.37	12
Milton, Town of (BB)	\$48.36	\$10.11	\$2.55	\$61.02	13
Halton Hills, Town of (BB)	\$48.36	\$8.63	\$2.55	\$59.54	14
Oshawa, City of	\$34.14	\$16.96	\$2.14	\$53.24	15
Toronto, City of	n/a	\$51.69	\$1.47	\$53.16	16
Ajax, Town of	\$34.14	\$9.89	\$2.14	\$46.17	17
Brampton, City of	\$27.23	\$15.15	\$0.90	\$43.28	18
Pickering, City of	\$34.14	\$6.78	\$2.14	\$43.06	19
Mississauga, City of	\$27.23	\$14.08	\$0.90	\$42.21	20
Hamilton, City of - Separated Sewer System Area	n/a	\$28.01	\$1.05	\$29.06	21
Hamilton, City of - Combined Sewer System Area	n/a	\$25.08	\$1.05	\$26.13	22

Survey of Development Charges – Industrial Development (\$/sq.ft. of GFA)



Municipality	Upper Tier Charges	Lower Tier Charges	Education DC's	Total DC	Rank
Toronto, City of	n/a	\$51.69	\$1.47	\$53.16	1
Vaughan, City of	\$23.33	\$21.09	\$1.37	\$45.79	2
Markham, City of	\$23.33	\$18.74	\$1.37	\$43.44	3
Brampton, City of	\$20.90	\$15.15	\$0.90	\$36.95	4
Mississauga, City of	\$20.90	\$14.08	\$0.90	\$35.88	5
Oshawa, City of	\$16.56	\$16.96	\$2.14	\$35.66	6
Richmond Hill, City of	\$23.33	\$8.56	\$1.37	\$33.26	7
Oakville, Town of (GF)	\$17.54	\$12.16	\$2.55	\$32.25	8
Burlington, City of - Calculated (GF)	\$17.54	\$10.46	\$2.55	\$30.56	9
Burlington, City of - Current (GF)	\$17.54	\$9.59	\$2.55	\$29.68	10
Hamilton, City of - Separated Sewer System Area	n/a	\$28.01	\$1.05	\$29.06	11
Ajax, Town of	\$16.56	\$9.89	\$2.14	\$28.59	12
Oakville, Town of (BB)	\$11.94	\$12.16	\$2.55	\$26.65	13
Whitby, Town of	\$16.56	\$7.74	\$2.14	\$26.44	14
Hamilton, City of - Combined Sewer System Area	n/a	\$25.08	\$1.05	\$26.13	15
Milton, Town of (GF)	\$17.54	\$5.73	\$2.55	\$25.82	16
Pickering, City of	\$16.56	\$6.78	\$2.14	\$25.48	17
Burlington, City of - Calculated (BB)	\$11.94	\$10.46	\$2.55	\$24.96	18
Burlington, City of - Current (BB)	\$11.94	\$9.59	\$2.55	\$24.08	19
Halton Hills, Town of (GF)	\$17.54	\$3.10	\$2.55	\$23.19	20
Milton, Town of (BB)	\$11.94	\$5.73	\$2.55	\$20.22	21
Halton Hills, Town of (BB)	\$11.94	\$3.10	\$2.55	\$17.59	22



D.C. By-Law Policies

- D.C. By-Law policies largely recommended to remain unchanged, including:
 - Municipal-wide uniform charges (note, maintaining one comprehensive D.C. by-law)
 - Imposition of the charge at the time of building permit issuance
 - Mandatory indexing of the charge on April 1st each year
 - Redevelopment credits for demolition or conversion of occupied structures, within 5-year of building permit issuance
- Proposed change for uniform non-residential development charges



D.C. By-Law Policies - Statutory Exemptions and Reductions

Exemptions

- Industrial Building Expansion (one time up to 50%)
- Residential Additions
- School Boards
- Additional Residential Units (up to 2 units within/ancillary to existing and new developments)
- Affordable Residential Units (effective June 1, 2024)
- Attainable Units Residential Units (require regulations)
- Non-Profit Housing
- Universities receiving ongoing funding from Province

Reductions

- Phase-in D.C.s over 5 years starting at 80% (Bill 185, potential removal)
- Rental Housing Discount (based on number of bedrooms: 15% to 25%)
- Rate Freeze at Site Plan/Rezoning Application for 2 years after approval (Bill 185, potential revision)
- Instalment Payments for Rental and Institutional Developments



D.C. By-Law Policy Changes – Non-Statutory Exemptions

- In addition to statutory deductions under the D.C.A., non-statutory deductions within the City’s existing by-law include:
 - A hospital, excluding any portion of the lands, buildings, or structures occupied by a tenant of the hospital;
 - A place of worship;
 - A conservation authority, unless such buildings or structures are used primarily for or in connection with (i) recreation purposes for which the conservation authority charges admission and/or fees, or (ii) any retail purposes;
 - Seasonal structures (including mobile homes unable to be occupied year-round);



D.C. By-Law Policy Changes – Non-Statutory Exemptions (cont'd)

- Agricultural uses (definition refined to exclude marijuana production and facilities for the breeding and grooming of household pets);
- Temporary venues;
- Hospices;
- Facilities providing health and wellness services to senior citizens through programs administered by the Region of Halton or its affiliates; and
- A memorial home, clubhouse or athletic grounds of an Ontario branch of the Royal Canadian Legion, pursuant to paragraph 3 of section 3 of the Assessment Act, R.S.O. 1990, c. A.31

Next Steps



- Council will receive input from the public and consider any amendments to the D.C. Background Study and D.C. By-law
- Council to determine if further public meetings are required on the matter
- Council anticipated to approve a new D.C. By-law – May 21, 2024
- By-law Effective Date – June 1, 2024



Questions?