

## Council Information Session

# 2025 Development Charges Background Study



TOWN OF GEORGINA

Wednesday April 16<sup>th</sup>, 2025



# Today We Will Discuss...

- Background and legislative changes
- Background study
  - Development forecast
  - DC capital program
- Draft Calculated DC rates
- Rate comparison
- Next steps

# What are Development Charges?

- Imposed on development to pay for “growth-related” capital costs
- Pays for new infrastructure and facilities to maintain service levels
  - Region
  - Area municipal
  - Education
- Principle is “growth pays for growth”



# DCs in Georgina

- Council passed DC By-law No. 2021-0041 on May 19<sup>th</sup>, 2021 that imposed rates for:
  - Library Services
  - Fire Protection Services
  - Parks and Recreation
  - Development-Related Studies
  - Services Related to a Highway
  - Stormwater Management
  - Water
  - Sewer
- Prior to passing a by-law, the Town must:
  - Undertake a background study
  - Hold at least one public meeting



# Bill 23: Changes to the *Development Charges Act*



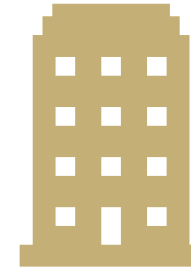
## New Exemptions

Additional units in existing rental housing

Residential intensification in existing and new units

Non-profit housing (defined by legislation)

Inclusionary zoning (must be affordable and if applicable)



## New Discounts

Rental housing development (4+ units)  
based on number of bedrooms (3+  
bedrooms = 25%, 2 bedrooms = 20%, 1  
bedroom or less = 15%)

# Bill 185: *Cutting Red Tape to Build More Homes Act*

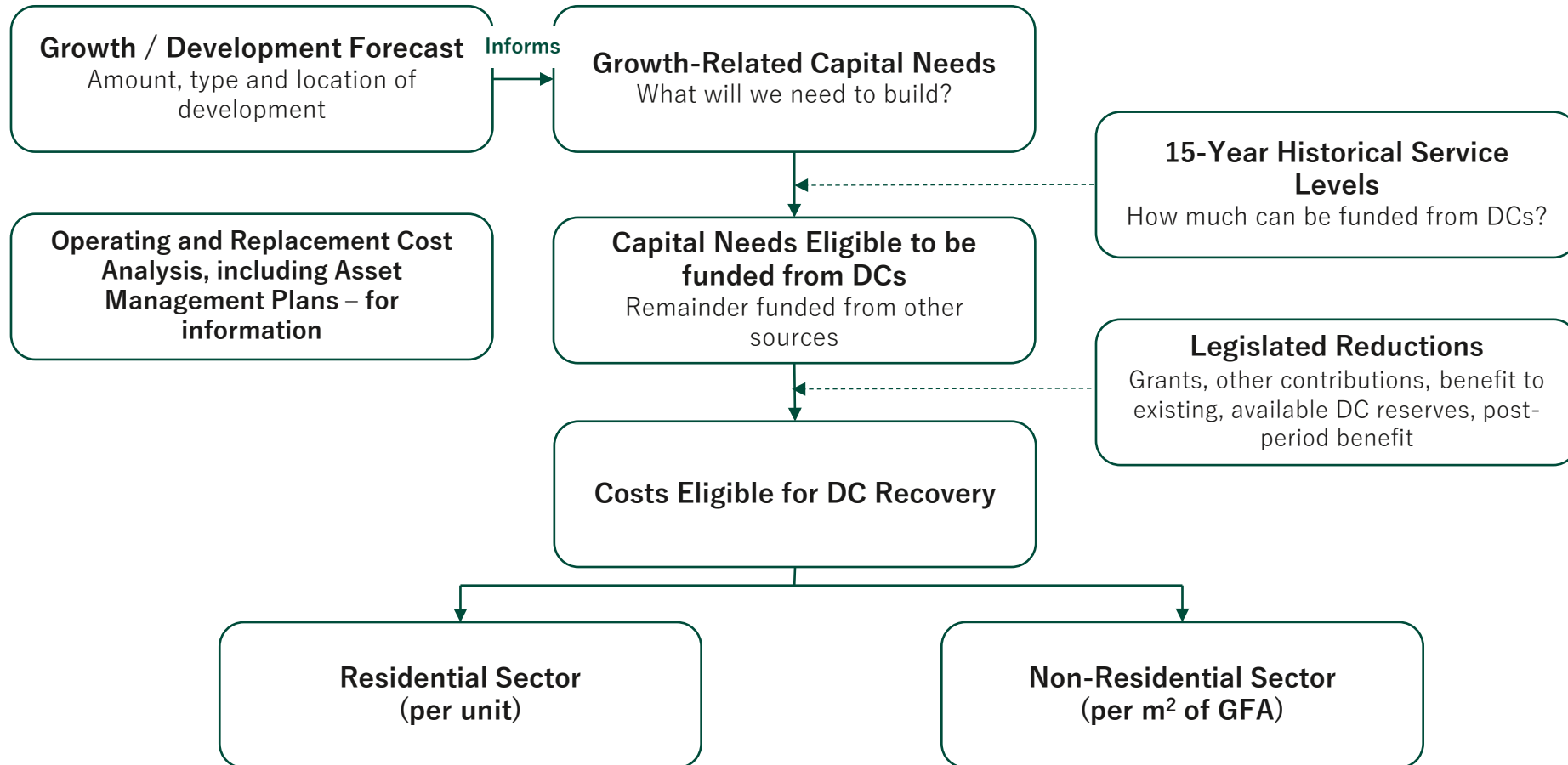
## DC provisions

- Removed mandatory 5-year phase-in
- “Growth-related studies” reintroduced as DC-eligible costs
- Reduced frozen DC rate period (2 years to 18 months from approval)
- New notice requirements (allows digital options where local newspapers unavailable)

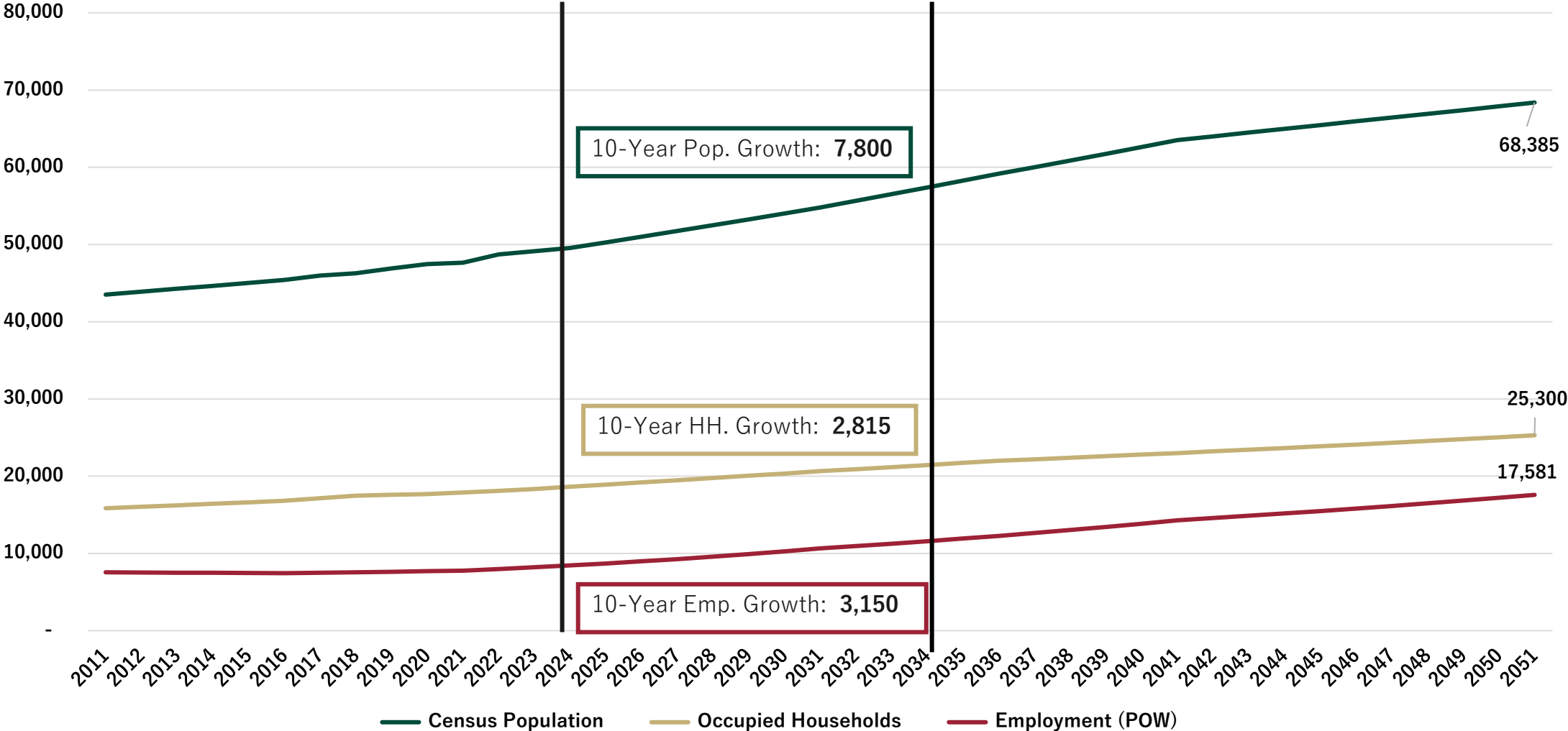
## DC exemptions for affordable and attainable housing

- Affordable exemptions effective June 1, 2024
- No mention of attainable exemption

# Development Charges Study Process



# Development Forecast – Town-Wide





# Growth-Related Capital Program

- Has been informed by:
  - 2025 Capital Budget and forecast documents
  - Previous 2021 DC Background Study
  - Discussions with staff
  - Servicing Plans and Master Plans
- DC eligible costs adjusted for:
  - Grants, subsidies and other contributions
  - “Benefit to existing” or replacement elements
  - Available DC reserve funds
  - “Post Period” benefits

*Note: the rates in the Staff Report differ slightly to the rates in this presentation, as it reflects a correction to the classification of Hadden Rd. project from Keswick Service Area to the Town-Wide Roads service*

# Summary of Town-Wide Capital Program (\$000)

Service	Gross Cost	Grants, Subsidies, Recoveries	Benefit to Existing	DC Recoverable Cost		
				Available Reserves	In-Period	Other Dev. Related
2025-2034						
Library Services <sup>(1)</sup>	\$4,456	\$0	\$0	\$2,418	\$2,038	\$0
Fire and Rescue Services	\$60,291	\$7,240	\$22,737	\$3,114	\$11,828	\$15,372
Parks & Recreation <sup>(1)</sup>	\$105,470	\$814	\$16,532	\$15,324	\$57,301	\$15,500
Public Works	\$7,285	\$0	\$0	\$0	\$4,400	\$2,885
Development-Related Studies	\$2,580	\$475	\$113	\$214	\$1,778	\$0
2025-2051						
Town-Wide Roads & Related	\$8,669	\$0	\$213	\$854	\$7,602	\$0
Town-Wide Stormwater	\$1,182	\$0	\$0	\$56	\$1,126	\$0
TOTAL	\$189,933	\$8,529	\$39,594	\$21,980	\$86,073	\$33,757

<sup>9</sup> Note 1: Capital costs captured in this table includes the principal payments associated with the MURC and Julia Munro Park. Interest payments are captured separately as a financing cost in the cash flow analysis to calculate the DC.

# Summary of Area-Specific Capital Program 2025-2051 (\$000)

Service	Gross Cost	Grants, Subsidies, Recoveries	Benefit to Existing	DC Recoverable Cost		
				Available Reserves	In-Period	Other Dev. Related
Keswick Service Area	\$32,539	\$3,259	\$5,581	\$771	\$22,927	\$0
Sutton Service Area	\$8,392	\$0	\$3,742	\$1,457	\$3,193	\$0
Sutton High Street Sewer	\$1,286	\$0	\$0	\$1,157	\$129	\$0
Queensway East and West	\$9,304	\$2,990	\$2,901	\$0	\$3,410	\$0

*Numbers may not add precisely due to rounding.*

# Overview of Key Capital Projects (Town-Wide)

Key Projects Overview	DC Eligible Costs <sup>1</sup>
<b>Costs to 2034:</b>	
Recovery of Debt – MURC (Library & Indoor Recreation)	\$25.0 million
Park and Trail Development (non-waterfront) (Simcoe Landing, Terry Fox, Greystone, etc.)	\$20.5 million
Waterfront Park Development <sup>2</sup>	\$24.5 million
New Fire Station (South Keswick) Design & Construction	\$10.9 million
Public Works Additional Space (Aggregate Dome and provision for maintenance garage)	\$2.0 million
New Fire Vehicles/Equipment (Rescue Pumper, Equipment for Pumper, & Support Vehicles)	\$1.9 million
Public Works Fleet (Highway Plows, Light Duties, Service Truck, Excavator, Skid Steer, etc.)	\$1.9 million
Development-Related Studies	\$1.4 million
<b>Costs to 2051:</b>	
Roads & Related Projects (ATMP, Road works projects, TMP)	\$8.5 million
Stormwater Projects (Sewer Flusher/VAC Truck, Stormwater Masterplan)	\$1.2 million

Note<sup>1</sup>: Represents the in-period DC Eligible Costs: excludes Post-Period costs and non-DC Eligible expenses.

Note<sup>2</sup>: Waterfront parks include Willow Beach Park, Young's Harbour Park, Jackson's Point Harbour, Bonnie Park, Malone Wharf, Adeline Park, De La Salle Park, North Gwillimbury and Holmes Point Park.

# Overview of Key Capital Projects (Area-Specific to 2051)

Key Projects Overview	DC Eligible Costs <sup>1</sup>
<b>Keswick Service Area</b>	
New watermain	\$7.2 million
Queensway North Urbanization	\$5.9 million
Streetlights on the East & West side of Woodbine from Ravenshoe to Woodbine	\$3.5 million
Queensway South Sewer	\$650,000
<b>Sutton Service Area</b>	
Black River Sidewalk/MUP	\$2.0 million
High Street Redevelopment	\$1.0 million
Dalton Road Sewer	\$500,000
North Street Sewer	\$540,000

Note<sup>1</sup>: Represents the in-period DC Eligible Costs: excludes Post-Period costs and non-DC Eligible expenses.

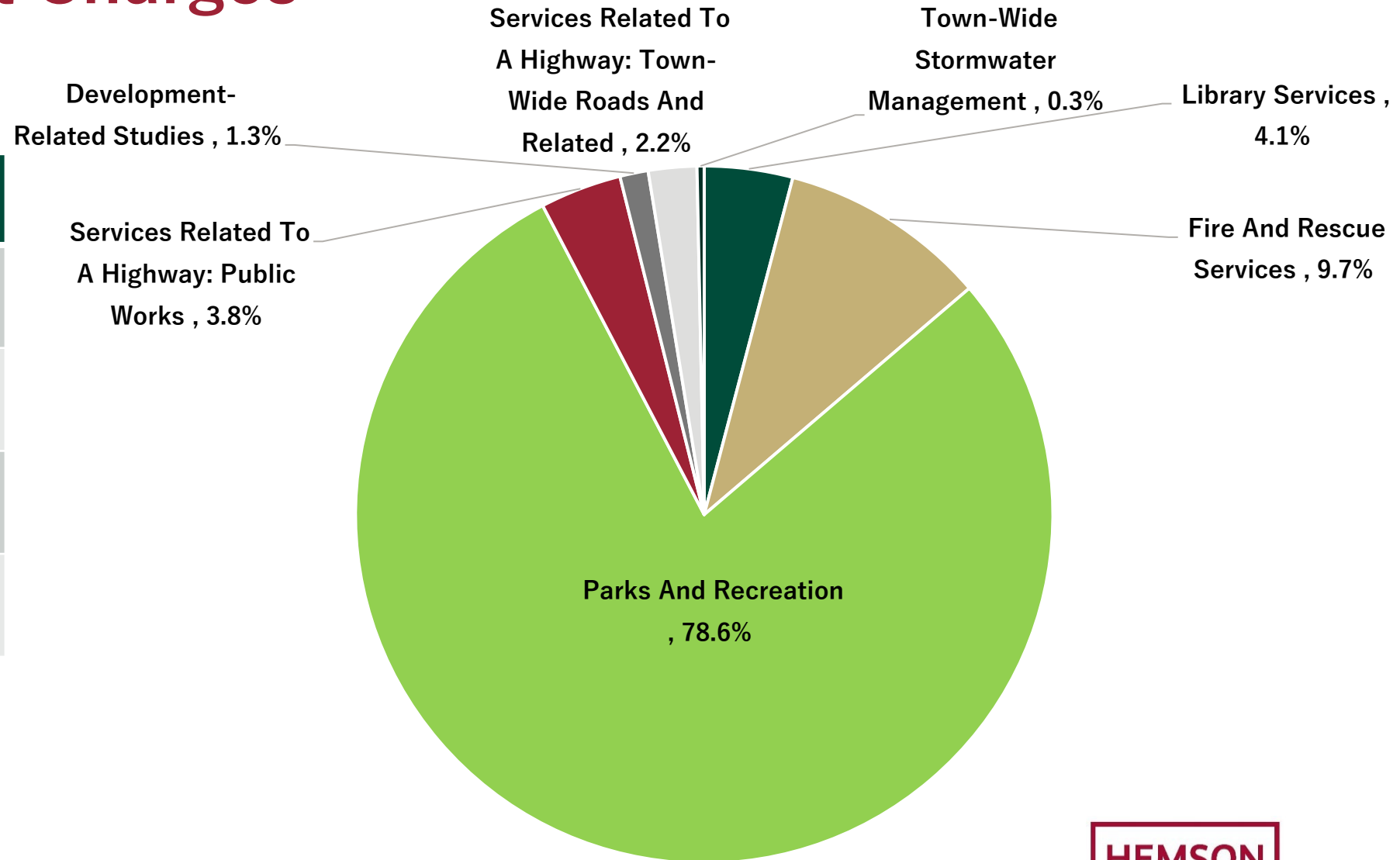
# Town-Wide Development Charges Calculation

- Draft DCs have been calculated based on historical inventories, maximum funding envelopes and draft capital programs
- Residential rates are based on the following unit types:
  - Single and Semi-Detached
  - Rows & Other Multiples
  - Apartments ( $\geq 650$  sq.ft)
  - Apartments ( $< 650$  sq.ft)
- Non-Residential rates have been calculated on a uniform rate (\$/m<sup>2</sup>)



# Draft Calculated Town-Wide Residential Development Charges

\$/Unit
Single/Detached \$36,230
Rows & Multiples \$34,673
Apartments ≥650 sq.ft. \$25,362
Apartments <650 sq.ft. \$17,511



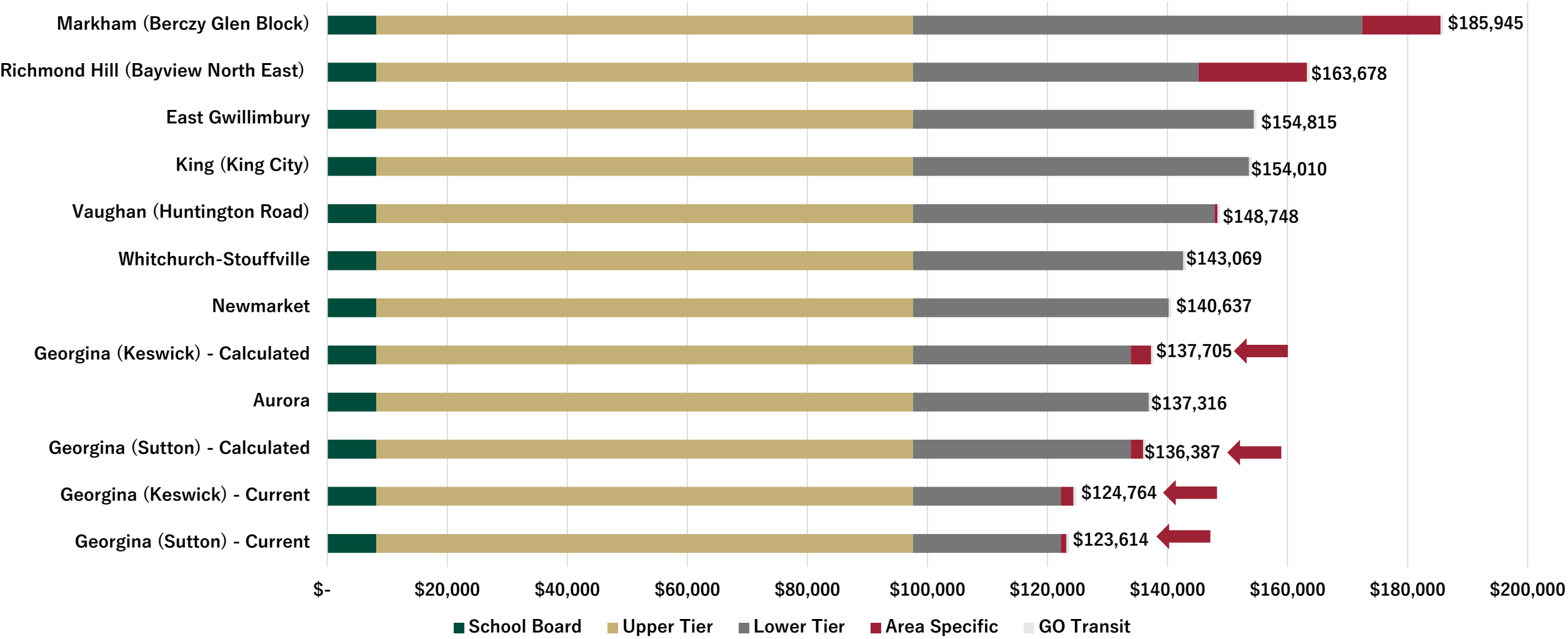
# Draft Calculated Area-Specific Development Charges

Service	Residential Charge by Unit Type				Non-Residential Charge (\$/sq.m)
	Single & Semi-Detached	Rows & Other Multiples	Apartments		
			≥650 sq.ft.	<650 sq.ft.	
Keswick Service Area	\$3,423	\$3,276	\$2,396	\$1,654	\$18.36
Sutton Service Area	\$2,105	\$2,015	\$1,474	\$1,017	\$11.26
Sutton High Street Sewer	\$239	\$229	\$168	\$116	N/A
Queenway East and West	\$3,764	\$3,602	\$2,635	\$1,819	\$31.37

# Comparison of Current vs. Draft Calculated Residential Rates (per SDU)

Service	Current Residential Charge / SDU	Calculated Residential Charge / SDU	Difference in Charge
Library Services	\$1,783	\$1,484	(\$299)
Fire And Rescue Services	\$1,939	\$3,498	\$1,559
Parks And Recreation	\$19,351	\$28,471	\$9,120
Services Related To A Highway: Public Works	\$752	\$1,369	\$617
Development-Related Studies	\$566	\$475	(\$91)
<b>Total General Services</b>	<b>\$24,391</b>	<b>\$35,297</b>	<b>\$10,906</b>
Services Related To A Highway: Town-Wide Roads And Related	\$158	\$813	\$655
Town-Wide Stormwater Management	\$34	\$120	\$86
<b>TOTAL TOWN-WIDE CHARGE BY UNIT TYPE</b>	<b>\$24,583</b>	<b>\$36,230</b>	<b>\$11,647</b>

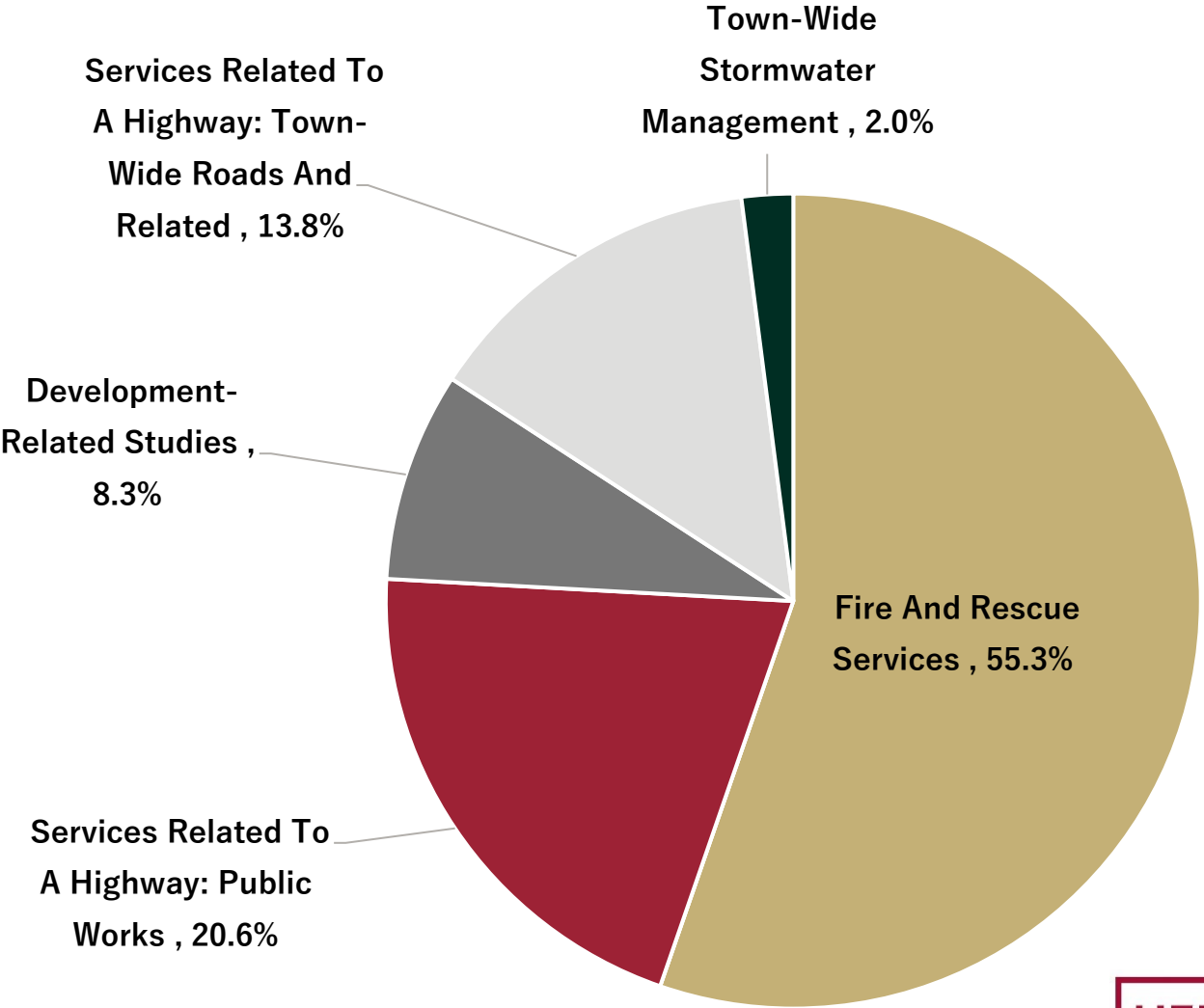
# Residential Rate Comparison (per Single Detached Unit)



Note: The Vaughan DC Rate (City-Wide) illustrated reflects the reduced rate as recently approved by Council.

# Draft Calculated Town-Wide Non-Residential Development Charge

\$/Sq.M.
Uniform \$34.72

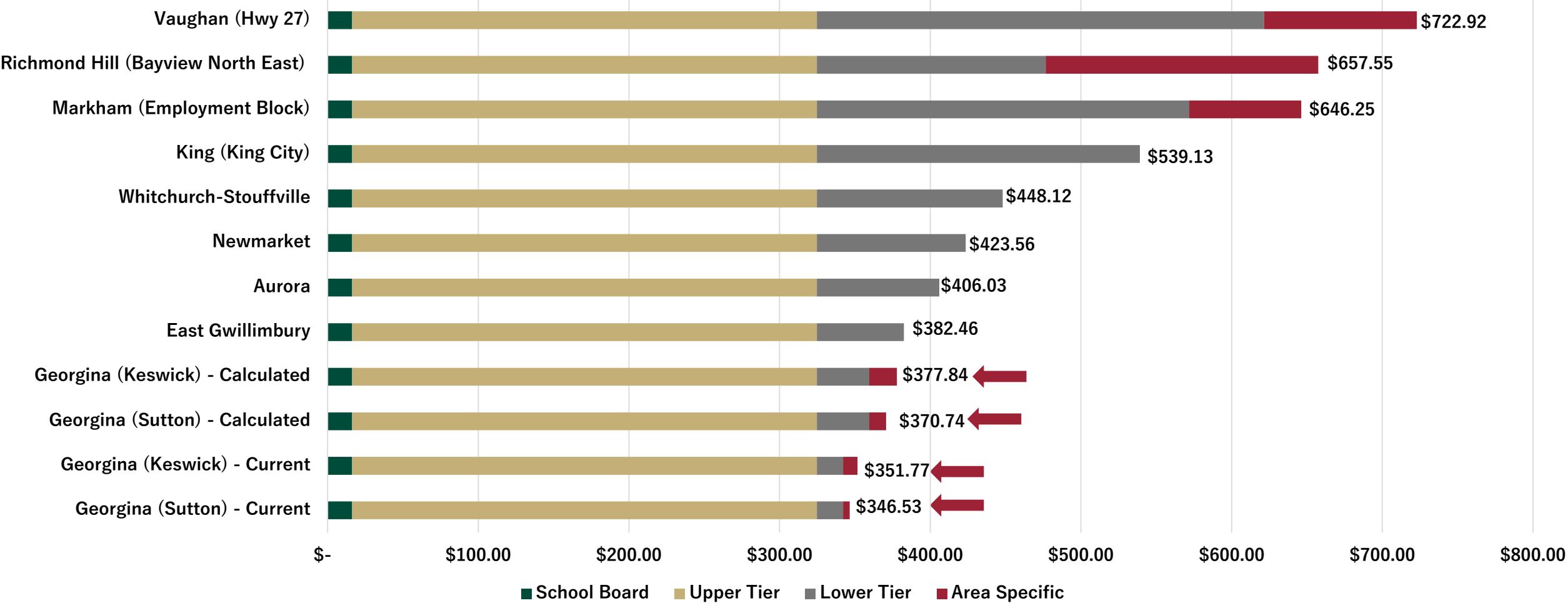


# Comparison of Current vs. Draft Calculated Non-Residential Rates

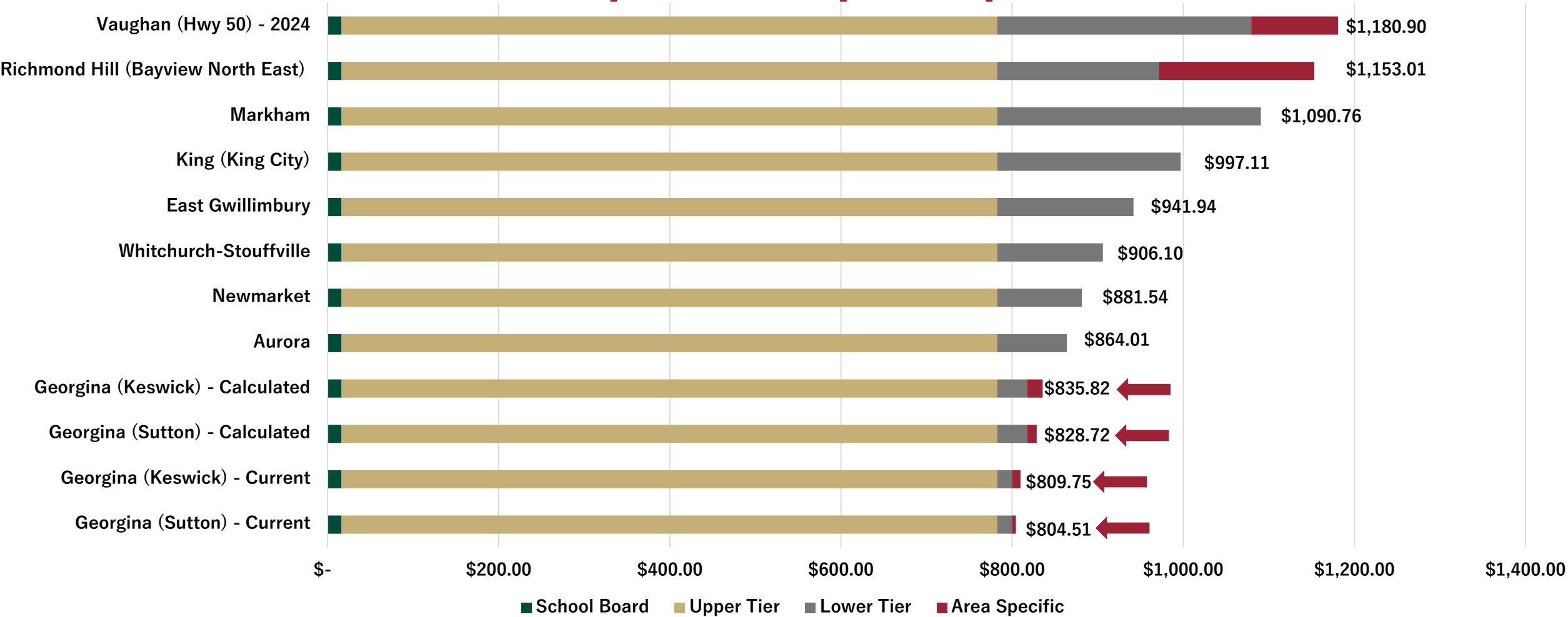
Service	Current Non-Residential Charge / SQ.M	Calculated Non-Residential Charge / SQ.M	Difference in Charge
Library Services	\$0.00	\$0.00	\$0.00
Fire And Rescue Services	\$9.80	\$19.44	\$9.64
Parks And Recreation	\$0.00	\$0.00	\$0.00
Services Related To A Highway: Public Works	\$3.80	\$7.59	\$3.79
Development-Related Studies	\$2.88	\$2.63	(\$0.25)
<b>Total General Services</b>	<b>\$16.48</b>	<b>\$29.67</b>	<b>\$13.19</b>
Services Related To A Highway: Town-Wide Roads And Related	\$0.72	\$4.40	\$3.68
Town-Wide Stormwater Management	\$0.15	\$0.65	\$0.50
<b>TOTAL TOWN-WIDE CHARGE PER SQ.M.</b>	<b>\$17.35</b>	<b>\$34.72</b>	<b>\$17.37</b>



# Non-Residential: Industrial Rate Comparison (per sq.m.)



# Non-Residential: Commercial Rate Comparison (per sq.m.)



# Key Decision Points for Council Moving Forward

- Consider and approve development-related capital program
- Town-wide & ASDC approach
- Consider whether to hold another public meeting
- Implementation options
  - Full or partial rates
  - Phase-ins or delayed effective dates
  - Exemptions (in addition to those imposed under DCA)

# DC By-law Update

- 2025 DC By-law to be updated with new legislative requirements
- Review and update current non-statutory exemptions
- Explore incentives to increase Housing Affordability
- Other Policy objectives?

# DC Options to Improve Affordability

## DC Interest Rate Relief

- Removes Interest charged on “frozen” DCs, as permitted under the DCA

## DC Deferral

- Consideration to defer DC Payments to occupancy for all residential development

## Discounted DC

- Council has the authority to reduce DCs imposed
- Less revenue collected with no guarantee the savings are passed onto new home buyers (require funding from non-DC sources)
- DC Discounts could be targeted to specific development

- ✓ Options are being explored by the municipal sector.
- ✓ Municipalities would benefit from Provincial and Federal government aid to address financial gaps to provide housing incentives.

# Proposed DC Study Timeline – Key Dates

Item	Date /Comments
Prepare Draft Development Forecast	Complete
Complete Historical Service Levels and Interview Staff	Complete
Developer Workshop	February 25 <sup>th</sup> , 2025 – Complete
Prepare DC Capital Program	Complete
Draft Rates to Steering Committee	Complete
Draft Rates to Council	April 16 <sup>th</sup> , 2025 – Today
Prepare Draft DC Background Study	On or before June 4 <sup>th</sup> , 2025 (60 days before DC By-law passage)
Statutory Public Meeting	June 18 <sup>th</sup> , 2025
<b>DC By-law Passage</b>	<b>August 13<sup>th</sup>, 2025</b>
Appeal Period	40 days after DC By-law passage

Additional Developer stakeholder consultation will occur through to by-law passage.

Next steps