



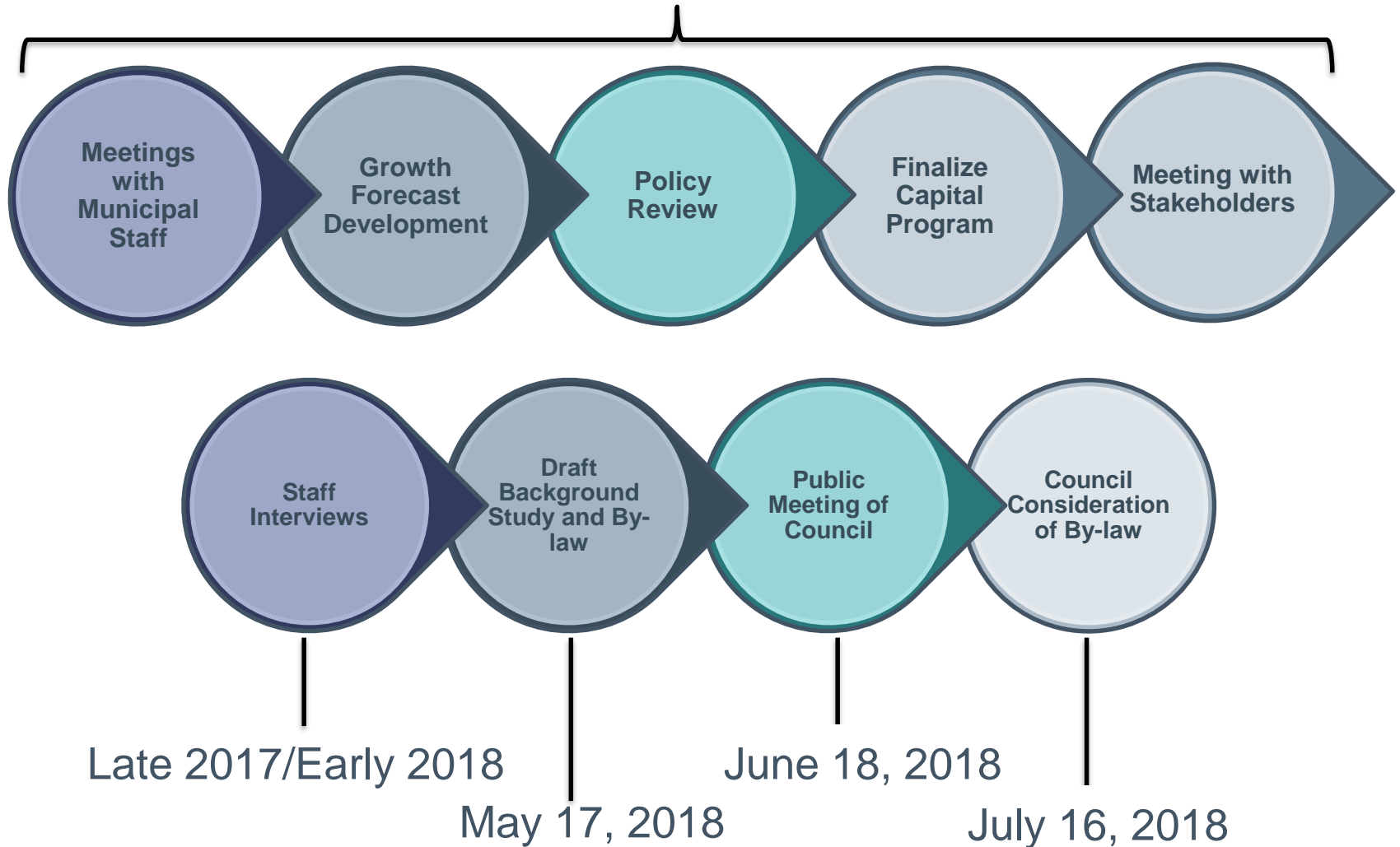
Lincoln 2018 DC

Development Charge Public Meeting
June 18, 2018

Study Process & Timelines



Summer 2017 to Spring 2018



Public Meeting Purpose



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

Format for Public Meeting



- D.C.A. Public Meeting
 - Opening remarks
 - Presentation of the proposed policies and charges
 - Presentations by the Public
 - Questions from Council
 - Conclude Public Meeting

D.C.A. Overview



Purpose:

- To recover the capital costs associated with residential and non-residential growth within the Town
- The capital costs are in addition to the costs which would normally be constructed as part of a subdivision (i.e. internal roads, sewers, watermains, roads, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the Development Charges Act (D.C.A.)

Limitations on Services



- Some forms of capital and some services can not be included in the D.C.A. For example:
 - Headquarters for the General Administration of the Municipality
 - Arts, Culture, Museums and Entertainment Facilities
 - Tourism Facilities
 - Provision of a Hospital
 - Parkland Acquisition
 - Vehicles & Equipment with an average life of <7years

Calculation of D.C.A. (Simplified Steps)



1. Identify amount, type and location of growth
2. Identify servicing needs to accommodate growth
3. Identify capital costs to provide services to meet the needs
4. Deduct:
 - Grants, subsidies and other contributions
 - Benefit to existing development
 - Statutory 10% deduction (soft services)
 - Amounts in excess of 10 year historical service calculation
 - D.C. Reserve funds (where applicable)
5. Net costs then allocated between residential and non-residential benefit
6. Net costs divided by growth to provide the D.C. charge



Impacts of Bill 73 (Smart Growth for Our Communities Act) to the D.C.A.

Effective January 1, 2016, D.C.A. changes that impact Lincoln include:

- Ineligible Service definition to be moved from Act to regulations
- D.C. Background Studies to examine area rating – also to provide asset management plan for new capital
- Annual Report of the Treasurer – increased reporting requirements
- No Additional Levies
- Minister to have power to impose area specific charges
- Housekeeping changes to the Act

Exemptions



- Mandatory exemptions
 - for industrial building expansions (may expand by 50% with no D.C.)
 - May add up to 2 apartments for a single as long as size of home doesn't double
 - Add one additional unit in medium & high density buildings
 - Upper/Lower Tier Governments and School Boards
- Discretionary exemptions
 - Reduce in part or whole D.C. for types of development or classes of development (e.g. industrial or churches)
 - May phase-in over time
 - Redevelopment credits to recognize what is being replaced on site (not specific in the Act but provided by case law)



Overview of Lincoln's Existing Discretionary Exemptions

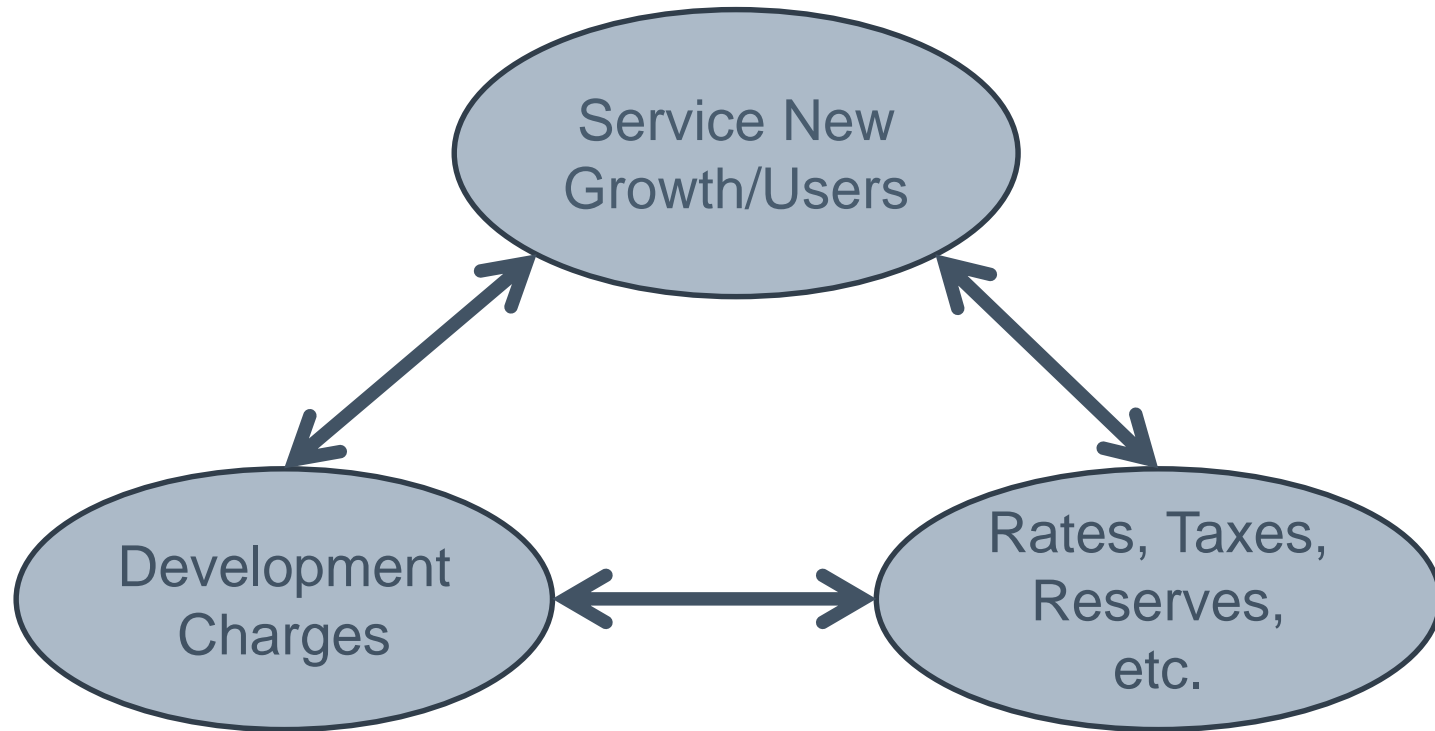
- place of worship, a cemetery or burial ground;
- non-residential farm buildings constructed for bona fide farming uses; and
- a farm helphouse.

Local Service Policies

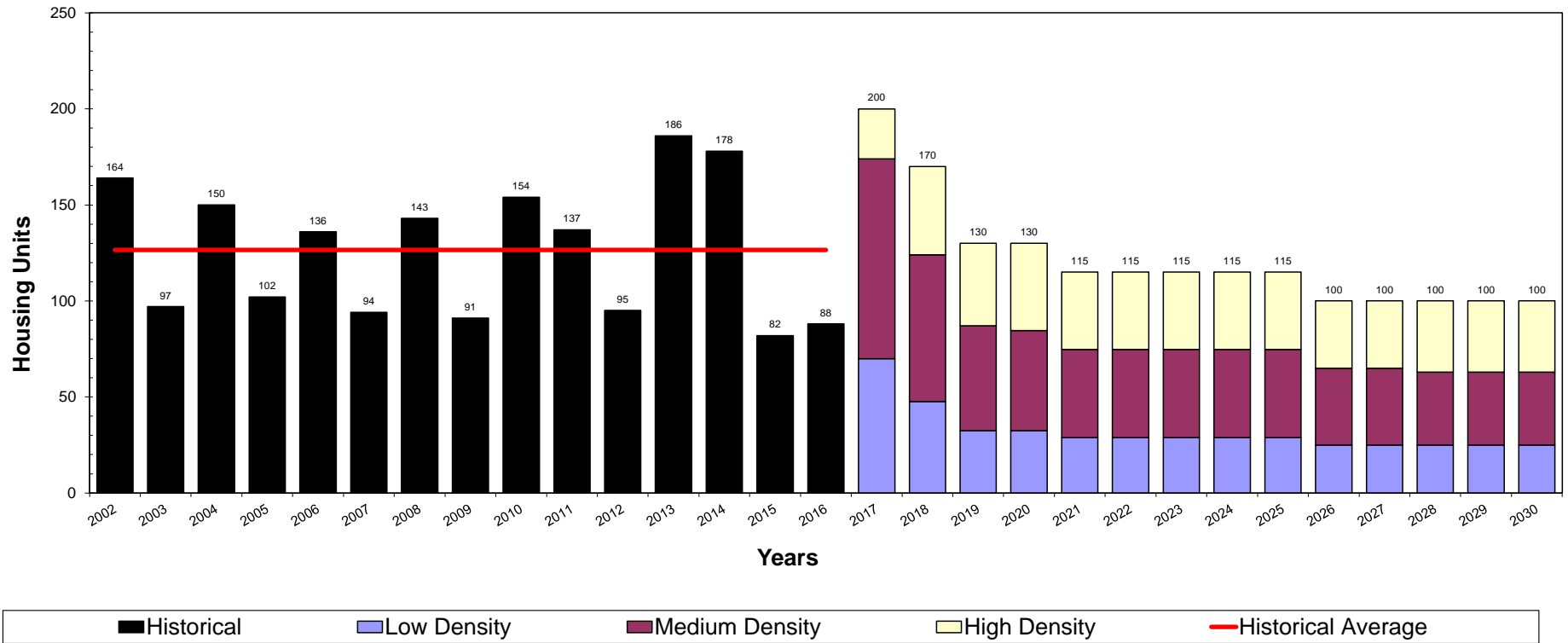


- As part of the D.C. process, need to define what is included in the D.C. and what is a developer responsibility
- Generally, a developer is responsible for:
 - Storm Water Management Quality and Quantity Works, including Downstream or adjacent Erosion Works
 - Water and Wastewater connections to trunk mains and pumping stations to service specific areas
 - Internal roads, sidewalks, streetlights, pedestrian traffic signals
 - Parkland – land accepted based on certain quality level (i.e. rough grading, fencing, topsoil, seeding, etc.)

Relationship Between Needs to Service Growth vs. Funding



Growth Forecast



Growth Forecast Summary



Measure	10 Year 2018-2027	20 Year 2018-2037	Urban Build Out 2018-Urban Buildout
(Net) Population Increase	2,934	5,531	5,737
Residential Unit Increase	1,323	2,712	2,839
Non-Residential Gross Floor Area Increase (ft ²)	694,500	1,332,800	1,778,800

Source: Watson & Associates Economists Ltd. Forecast 2018

Current Development Charges



Service	Residential				Non-Residential
	Single & Semi Detached	Multiples	Apartments with ≥ 2 Bedrooms	Apartments with < 2 Bedrooms	per sq.ft.
Services Related to a Highway	6,436	4,672	4,183	2,824	4.19
Parking Spaces	46	33	29	19	0.03
Fire Protection Services	686	499	447	301	0.45
Outdoor Recreation Services	538	391	350	237	0.05
Indoor Recreation Services	1,734	1,259	1,127	761	0.16
Library Services	329	240	214	144	0.03
Administration	616	448	400	270	0.41
Subtotal (Municipal-Wide)	10,385	7,542	6,750	4,556	5.32
Stormwater Drainage	2,525	1,833	1,641	1,109	1.52
Wastewater Services	1,123	816	730	494	0.68
Water Services	1,252	910	815	551	0.75
Subtotal (Area Specific - Urban)	4,900	3,559	3,186	2,154	2.95
Total (Municipal & Urban Specific)	15,285	11,101	9,936	6,710	8.27
<u>Area Specific (Campden)</u>					
Stormwater Drainage	10,440	7,582	6,788	4,583	-
Total (Municipal & Campden)	20,825	15,124	13,538	9,139	5.32



Summary of Services Under Consideration

Municipal-Wide Services:

- Services Related to a Highway;
- Fire Protection Services;
- Outdoor Recreation;
- Indoor Recreation;
- Library Services; and
- Administration (Studies).

Urban Services:

- Stormwater Drainage;
- Wastewater Services; and
- Water Services.

Campden Area-Specific Services:

- Stormwater Drainage.

Non-Residential Calculations



- The Town has requested that the Non-Residential charge reflect the same categories as the Region of Niagara (i.e. individual charges for commercial, industrial, and institutional).
- Similar to the Region's approach to calculate the charge, the non-residential costs have been divided by the employment forecast to derive a cost per employee. This cost per employee is then divided by the average sq.ft. of building space generated per employee for commercial (500 sq.ft.), industrial (1,200 sq.ft.), and institutional (700 sq.ft.).



Changes from the May 17, 2018 D.C. Background Study

- Since the release of the D.C. background study on May 17, 2018, staff have identified the removal of one of the projects from the Services Related to a Highway capital:
 - Project 29 - North Service Road Sidewalk & Streetscaping (Urban Boundary to Victoria Avenue) (Town Share) - \$994,500 – deemed a local service.
- This amendment will reduce the following for Services Related to a Highway:

Category		May 17, 2018 Calculation	Amended Calculation
Residential	Single and Semi Detached	\$9,077	\$8,742
	Multiples	\$7,335	\$7,064
	Apartments 2+ Bedroom	\$6,112	\$5,887
	Apartment – Bachelor and 1 Bedroom	\$3,729	\$3,591
	Special Care/Special Dwelling	\$3,056	\$2,943
Non-Residential	Commercial	\$6.66	\$6.43
	Industrial	\$2.79	\$2.68
	Institutional	\$4.77	\$4.59

Summary of (Amended) Calculated Development Charges



Service	RESIDENTIAL					NON-RESIDENTIAL (per sq.ft. of Gross Floor Area)		
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	Special Care/Special Dwelling Units	Commercial	Industrial	Institutional
Municipal Wide Services:								
Services Related to a Highway	8,742	5,887	3,591	7,064	2,943	6.43	2.68	4.59
Municipal parking spaces	71	48	29	57	24	0.05	0.02	0.04
Fire Protection Services	1,324	892	544	1,070	446	0.97	0.41	0.69
Outdoor Recreation Services	2,982	2,008	1,225	2,410	1,004	0.27	0.11	0.19
Indoor Recreation Services	3,122	2,102	1,282	2,523	1,051	0.28	0.12	0.20
Library Services	536	361	220	433	180	0.05	0.03	0.04
Administration	1,753	1,180	720	1,417	590	1.23	0.52	0.88
Total Municipal Wide Services	18,530	12,478	7,611	14,974	6,238	9.28	3.89	6.63
Urban Services								
Stormwater Drainage	1,761	1,186	723	1,423	593	3.14	1.29	2.22
Wastewater Services	2,917	1,964	1,198	2,357	982	2.24	0.92	1.59
Water Services	1,653	1,113	679	1,336	557	1.27	0.52	0.90
Total Urban Services	6,331	4,263	2,600	5,116	2,132	6.65	2.73	4.71
Campden Area-Specific								
Stormwater Drainage	12,903	8,689	5,300	10,427	4,344	0.00	0.00	0.00
GRAND TOTAL MUNICIPAL WIDE	18,530	12,478	7,611	14,974	6,238	9.28	3.89	6.63
GRAND TOTAL MUNICIPAL + URBAN	24,861	16,741	10,211	20,090	8,370	15.93	6.62	11.34
GRAND TOTAL MUNICIPAL + CAMPDEN	31,433	21,167	12,911	25,401	10,582	9.28	3.89	6.63

Cost Drivers



Capital costs have increased from the prior D.C. Study based on the following:

- Cost of construction has increased to reflect recent tender prices;
- Increased land values;
- Added interest cost associated with debt issuance; and
- Identification of additional projects through the Town's Secondary Plans (i.e. Prudhommes) and other required works identified by staff.

Comparison of Municipal-Wide Residential Development Charges



Residential (Single Detached) Comparison

Service	Current	Calculated May 17, 2018	Amended Calculations
Municipal Wide Services:			
Services Related to a Highway	6,436	9,077	8,742
Parking Spaces	46	71	71
Fire Protection Services	686	1,324	1,324
Outdoor Recreation Services	538	2,982	2,982
Indoor Recreation Services	1,734	3,122	3,122
Library Services	329	536	536
Administration	616	1,753	1,753
Total Municipal Wide Services	10,385	18,865	18,530
Area Specific Services:			
Stormwater Drainage	2,525	1,761	1,761
Wastewater Services	1,123	2,917	2,917
Water Services	1,252	1,653	1,653
Total Area Specific Services	4,900	6,331	6,331
Grand Total - Urban Area	15,285	25,196	24,861
Campden Area Specific Services:			
Stormwater Drainage	10,440	12,903	12,903
Grand Total - Campden Area Specific	20,825	31,768	31,433

*Amended calculations to be addressed by an addendum report to be released by June 29, 2018.

Comparison of Municipal-Wide Non-Residential Development Charges



Non-Residential (per sq.ft.) Comparison

Service	Current	Calculated May 17, 2018			Amended Calculations		
		Commercial	Industrial	Institutional	Commercial	Industrial	Institutional
Municipal Wide Services:							
Services Related to a Highway	4.19	6.66	2.79	4.77	6.43	2.68	4.59
Parking Spaces	0.03	0.05	0.02	0.04	0.05	0.02	0.04
Fire Protection Services	0.45	0.97	0.41	0.69	0.97	0.41	0.69
Outdoor Recreation Services	0.05	0.27	0.11	0.19	0.27	0.11	0.19
Indoor Recreation Services	0.16	0.28	0.12	0.20	0.28	0.12	0.20
Library Services	0.03	0.05	0.03	0.04	0.05	0.03	0.04
Administration	0.41	1.23	0.52	0.88	1.23	0.52	0.88
Total Municipal Wide Services	5.32	9.51	4.00	6.81	9.28	3.89	6.63
Area Specific Services:							
Stormwater Drainage	1.52	3.14	1.29	2.22	3.14	1.29	2.22
Wastewater Services	0.68	2.24	0.92	1.59	2.24	0.92	1.59
Water Services	0.75	1.27	0.52	0.90	1.27	0.52	0.90
Total Area Specific Services	2.95	6.65	2.73	4.71	6.65	2.73	4.71
Grand Total - Urban Area	8.27	16.16	6.73	11.52	15.93	6.62	11.34
Campden Area Specific Services:							
Stormwater Drainage	-	-	-	-	-	-	-
Grand Total - Campden Area Specific	5.32	9.51	4.00	6.81	9.28	3.89	6.63

*Amended calculations to be addressed by an addendum report to be released by June 29, 2018.

Residential Development Charges Comparison



Municipality	Single & Semi Detached Dwelling				
	Lower Tier Charges	Upper Tier Charges	Education DC's	Total Development Charges	Ranking
Lincoln - Campden (Calculated - Amended)	31,433	16,011	186	47,630	1
Lincoln (Calculated - Amended)	24,861	16,011	186	41,058	2
Lincoln - Campden (Current)	20,825	16,011	186	37,022	3
Thorold-Rolling Meadows*	19,633	16,011	172	35,816	4
Pelham - Fenwick & Fonthill (Calculated)	16,624	16,011	172	32,807	5
Grimsby	16,288	16,011	186	32,485	6
Lincoln (Current)	15,285	16,011	186	31,482	7
Pelham - Fenwick & Fonthill (Current)	14,071	16,011	172	30,254	8
Thorold*	12,872	16,011	172	29,055	9
Niagara-on-the-Lake - Village of St. David's (Current)	12,097	16,011	186	28,294	10
Niagara Falls	12,110	16,011	172	28,293	11
Fort Erie	11,965	16,011	172	28,148	12
Niagara-on-the-Lake (Calculated)	10,503	16,011	186	26,700	13
Niagara-on-the-Lake (Current)	10,435	16,011	186	26,632	14
Welland - St. Andrews Terrace Area 2	9,364	16,011	172	25,547	15
West Lincoln*	8,271	16,011	186	24,468	16
Welland	8,009	16,011	172	24,192	17
Welland - St. Andrews Terrace Area 1	6,313	16,011	172	22,496	18
St. Catharines	-	16,011	186	16,197	19
Port Colborne (Waived until September 2018)	-	16,011	172	16,183	20
Wainfleet	6,478	8,235	172	14,885	21
Wainfleet (charges for lots of record as of August 2, 2016)	3,240	8,235	172	11,647	22

Based on Urban Area where applicable

*Indexed to 2018 rates

^Non-urban services

Non-Residential – Commercial Development Charges Comparison



Municipality	Commercial - per ft ²				
	Lower Tier Charges	Upper Tier Charges	Education DC's	Total Development Charges	Ranking
Lincoln (Calculated - Amended)	15.93	10.95	-	26.88	1
Lincoln - Campden (Calculated - Amended)	9.28	10.95	-	20.23	2
Pelham - Fenwick & Fonthill (Calculated)	8.70	10.95	-	19.65	3
Lincoln (Current)	8.27	10.95	-	19.22	4
Niagara-on-the-Lake - Village of St. David's (Current)	7.97	10.95	-	18.92	5
Grimsby	7.70	10.95	-	18.65	6
Niagara-on-the-Lake (Current)	7.05	10.95	-	18.00	7
Pelham - Fenwick & Fonthill (Current)	6.64	10.95	-	17.59	8
Welland	6.13	10.95	-	17.08	9
Thorold*	5.86	10.95	-	16.81	10
Fort Erie	5.58	10.95	-	16.53	11
Lincoln - Campden (Current)	5.32	10.95	-	16.27	12
Niagara-on-the-Lake (Calculated)	4.51	10.95	-	15.46	13
Niagara Falls - Outside Tourist Area	3.78	10.95	-	14.73	14
West Lincoln	3.08	10.95	-	14.03	15
Port Colborne (Waived until September 2018)	-	10.95	-	10.95	16
St. Catharines	-	10.95	-	10.95	16
Wainfleet	3.21	5.35	-	8.56	18
Wainfleet (charges for lots of record as of August 2, 2016)	1.63	5.35	-	6.98	19

*Indexed to 2018 rates

^Non-urban services

Non-Residential – Industrial Development Charges Comparison



Municipality	Industrial - per ft ²				
	Lower Tier Charges	Upper Tier Charges	Education DC's	Total Development Charges	Ranking
Pelham - Fenwick & Fonthill (Calculated)	8.70	4.56	-	13.26	1
Lincoln (Current)	8.27	4.56	-	12.83	2
Niagara-on-the-Lake - Village of St. David's (Current)	7.97	4.56	-	12.53	3
Niagara-on-the-Lake (Current)	7.05	4.56	-	11.61	4
Pelham - Fenwick & Fonthill (Current)	6.64	4.56	-	11.20	5
Lincoln (Calculated - Amended)	6.62	4.56	-	11.18	6
Lincoln - Campden (Current)	5.32	4.56	-	9.88	7
Niagara-on-the-Lake (Calculated)	4.51	4.56	-	9.07	8
Lincoln - Campden (Calculated - Amended)	3.89	4.56	-	8.45	9
Grimsby	3.43	4.56	-	7.99	10
West Lincoln	3.08	4.56	-	7.64	11
Thorold*	1.94	4.56	-	6.50	12
Wainfleet	3.21	2.23	-	5.44	13
Port Colborne (Waived until September 2018)	-	4.56	-	4.56	14
Fort Erie	-	4.56	-	4.56	14
St. Catharines	-	4.56	-	4.56	14
Welland	-	4.56	-	4.56	14
Niagara Falls	-	4.56	-	4.56	14
Wainfleet (charges for lots of record as of August 2, 2016)	1.63	2.23	-	3.86	19

*Indexed to 2018 rates

^Non-urban services



Municipalities with Upcoming D.C. Updates

The following list provides the municipalities in Niagara Region that will update their D.C. By-law over the next 2 years:

- West Lincoln;
- Welland;
- Grimsby;
- Niagara Falls;
- Fort Erie;
- Port Colborne;
- Thorold; and
- Wainfleet.

Options for D.C. Implementation



As noted in the previous slides, the calculated D.C. provides a significant increase from the current D.C. rates. The Town does have the following options if a transition is required:

- Phasing-in the charge;
- Discounting the charge;
- Reduction of projects (may lead to a lower level of service); and
- Delay the new by-law in-force date (to May 2019).

Note: any reduction or discount of the D.C. must be made up with Town funds (i.e. taxes, rates, reserves, etc.).

Next Steps

