



## **PUBLIC MEETING DEVELOPMENT CHARGES UPDATE MINUTES**

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**Tuesday, September 14<sup>th</sup>, 2021  
5:30 p.m.  
GoToMeeting**

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### **ATTENDANCE:**

**Members Present:** Chair, Deputy Reeve Barrie Crampton  
Councillor Fred Dobbie  
Councillor RoxAnne Darling  
Councillor Gene Richardson  
Councillor Rob Rainer  
Councillor Mick Wicklum  
Councillor Beverley Phillips

**Staff Present:** Amanda Mabo, Acting Chief Administrative Officer/Clerk  
Janie Laidlaw, Deputy Clerk  
Noelle Reeve, Planner  
Richard Bennett, Acting Treasurer  
Sean Ervin, Public Works Manager

**Public Present:** Karen Pyrtula  
Michael Poulin  
Richard Mosley  
Shannon Celeste  
Susan Stewart  
Frank Johnson  
Jim Stevens  
John Lang  
Andrew Kendrick  
Gordon Hill  
Joan Davies  
Kenneth Klein  
Martin  
Monica Poulin  
Alex Bushell  
Fred Barrett  
Patrick  
Vi Mason

## **1. CALL TO ORDER**

The public meeting was called to order at 5:30 p.m.

The Deputy Reeve overviewed the Video Conference Participation Etiquette that was outlined in the Agenda.

The Deputy Reeve reminded everyone that this is a public meeting to hear feedback on a proposed update to the Development Charges By-Law due to recent changes to the Development Charges Act. Council will not be discussing the item or making a decision tonight. Council will have a discussion at the October 5<sup>th</sup> Committee of the Whole Meeting.

## **2. DEVELOPMENT CHARGES UPDATE**

Andrew Grunda and Matt Bouroukis, Watson & Associates Economists Ltd.

A. Grunda and M. Bouroukis gave a PowerPoint Presentation – *attached, page 9.*

The Planner and Acting Treasurer gave a PowerPoint Presentation – *attached, page 17.*

## **3. COMMENTS AND QUESTIONS**

Councillor Darling asked for clarification purposes, understands that the development charge for Maberly Pines is needed now because of the increase in development, but other subdivisions are built out, not all of those developments signed road access agreements, so how did they get to build? Maberly Pines cannot be built on without a Road Access Agreement or now the proposed Development Charges.

The Planner explained that most of those lots were built on under the former Township of South Sherbrooke, but after amalgamation the lots could not be built on until in the early 2000's the Township Planner's at the time implemented, with Council's approval implemented Section 3.4 in the Zoning By-Law and upon recommendation of the insurer and solicitor the road access agreements were drafted.

Councillor Darling asked if most of the other subdivisions are built as cottages and not houses? The Planner explained that most are zoned seasonal residential and over the years some have converted the cottage to a house and rezoned.

Councillor Rainier spoke about the consultant mentioning that the Development Charges update is assuming the same growth projections as was determined in 2019 which was before COVID and since then there has been a surge in development. The projection in 2019 was for 298 new dwellings between 2019 and 2033, this year the Township will likely have approximately 45-55 new dwellings in just one year, and the

trend may continue, should the projections be revisited? And how would that affect the Development Charges?

A. Grunda explained that could be done if the Township wanted to adjust the forecasted projections, but it is hard to know what the impact on development charges would be, the increase in growth would need to increase the capital needs, that is why the development charges are updated every 5 years, the fact that the actual growth is different than the projection does not necessarily mean an increase in capital costs, it is not uncommon for the projections to vary overtime.

Councillor Rainer asked about the \$32,000 in revenue from the sale of the three lots that the Township has recently sold and where that revenue was put.

The Acting Treasurer assumes the revenue went to general revenue and ended up in the contingency reserve.

Councillor Rainer asked if the scenario has \$4,000 repaying the cost to upgrade the road in 12 years would \$2,000 repay the cost in 24 years? The Acting Treasurer explained that it would not double the years as the projection also included cost of living increases and the tax rate also increasing, to determine that would require some calculations.

Councillor Wicklum spoke about the slide that said Why is Council considering a specific area development charge now? To be clear to the residents, Council is not or was not considering that until this presentation, Council had not even broached the subject. Council was given this information at the same time as the public was. Staff went ahead on their own and asked the Consultant to add it to their report. Councillor Wicklum expressed that he is upset and frustrated that Council was not asked first. With so many other things going on, the Working Group just starting to meet and with so much uncertainty in the area regarding the hydrogeological study and the road access issues. He would likely not be in favour on the Development Charge for this area, mostly because Council did not ask for it, it just came up and was presented. Would want to wait for more information.

The Acting CAO/Clerk explained that the five-year update was conducted in 2019 and the contract for the Development Charges at that time included a second part of the project for when the changes to the Development Charges Act were enacted with the anticipation that the second part would occur this year, it was in place that the Consultant would come back for a review mid-way through the 5 years and Council decided not to tackle the separate charge for Maberly Pines Subdivision until this review was taking place, also during each budget the topic of surface treatment and bringing Private Unassumed Roads up to standard has been on the table, they have not been acted on but the item was always on the table, this item happens to coincide with the Planner working on the hydrogeological review and these two projects have overlapped, now is the appropriate time with the development pressures. Staff agrees

to wait on approving the specific area development charge until the hydrogeological review is done.

Councillor Wicklum feels the Working Group was tasked with addressing the issue of the unassumed roads and they should be allowed to do their work, will have to agree to disagree.

Karen Prytula, resident in the Maberly Pines Subdivision asked about the map in the presentation, it shows lot 55 as vacant but it has been developed.

The Planner explained that that map may have been revised since, knows that lot is not vacant, and there is one near the bottom that is not vacant as it has no road access within the subdivision, but comes off of Bolingbroke Road and will not be included.

Frank Johnson provided the following comments:

- The up-front cost of development was suggested to be \$392,000. Further costs of \$130,000 at year 8 and \$260,000 at year 18 bring the total Cost of Development to \$772,000. If the: Yearly Operation costs are also included, then the total cost rises to \$1,149,983.
- In the Scenario most of the return was from "Additional Municipal Tax" - \$1,217,398 over 24 years; the anticipated revenue from Special Area DC was only \$275,412 over 24 years.
- An increase in land value of 100% was assumed in the Scenario. Real estate values of \$80K to \$90K were mentioned at the meeting, so the total value increase for 48 vacant lots may be over \$4,000,000 or 400% of the current MPAC figure, So the "Additional Municipal Tax" could be as high as \$3M over 24 years.
- On this basis the revenue from any DC is almost negligible.
- The condition of the road base was suggested to be good, although a detailed survey is needed to assess the cost of LCB. In addition, a Hydro service is required to realise the full development potential of the subdivision. The cost of this should be assessed

The Public Works Manager explained that the roads are in okay shape, but do not meet the municipal standards for assumption, so they need to be upgraded.

F. Johnson said many roads need upgrading, which is why there is a Working Group to look at all the roads.

The Acting Treasurer agreed that assessment increase and the current values are low, and the lots are listing in the \$90,000 - \$100,000 range. Making assumptions to determine if it is even feasible for Council to consider the improvements to the road

and make the 48 lots available for development and produce future taxes for the Township. Have assumed the values will double but they may triple or more.

The Chair asked everyone who was presenting to send in their comments so that they could be recorded in the minutes and answers provided if they were not answered during the meeting.

Kenneth Klein

- is disappointed with Council, when he purchased a lot he emailed staff with what he wanted to do which was a tiny home, now hearing that 48 lots will be developed in 24 years, this is based on assumptions of 2 homes a year, but has anyone asked the vacant lot owners if they plan to build? He has talked with some and to speculate that 2 lots over 24 years will be built on is putting the carrot before the cart.
- first the public is told the roads are in excellent shape, but the Public Works Manager said they are only okay
- Council needs to be accountable to Maberly Pines and to the Township, feels it has been a botched job since day 1
- the Public was told that this development charge by-law would allow the roads to be upgraded and assumed so that the Township does not have lemon lots on the market, this is not about the money, but the principle
- Maberly Pines wanted to be left alone and have their privacy. As a landowner, he pays insurance on a road that maybe two people have used. Does not feel the costs will be recaptured over 24 years, did not survey the landowners, just speculating, need accurate information. He has no intention of building a \$250,000 home, cannot afford that, the properties are listing for \$90-\$100,000 but that does not mean that is the value of the land, he has put down gravel on the road for a camping lot and will not be able to build for a year because of this, the roads will not cost \$300,000 to upgrade, it will cost double that
- asking Council to stop and leave it as it is

Alex Bushell

- has a lot on Maple Lane, supports the new Development Charge changes for the entire Township
- concerned with the special area rate for Maberly Pines, is non-traditional housing what people have in mind?
- the Development Charge for one lot would cover the entire cost to upgrade Maple Lane because it is short and is in good shape, can see how it is discouraging for those not looking to build a large house, but build a tiny home, they would be spending \$12,000 in development charges for a house that costs the same

amount, the lots being listed for \$90-\$100,000 does not mean that is what they are selling for or are worth that

- asked if it would be possible to exclude Maple Lane as it is unique and to come up with a plan for the non-traditional house to not pay \$12,000 in development charges

#### Andrew Kendrick

- is a resident on Silvery Lane, very much agrees with Councillor Wicklum and some of the other speakers
- it is not appropriate to move ahead with Maberly Pines at this time, the method being used and trying to add area specific charge to the bylaw
- read the report on the area specific bylaw what is actually happening is an amendment and it does not address the new area rate and the map
- read previous report from 2019 the roads internal to a subdivision are excluded from Development Charges; it needs extensive changes, has read the Acts that apply and they appear to provide a framework to do this, but if you are just amending the bylaw, it could be challenged
- the scenario provided by staff may not be a way to approach to Development Charges, this approach is not provided for in the current form or as amended
- Development Charges are based on capital cost and no provision for the hybrid approach for development charges and taxes, need an area specific bylaw
- Council should only consider a simple amendment to the By-Law and remove any mention of Mabley Pines
- Maberly Pines can be considered by the Working Group, was surprised by the presentation by staff as it was not part of the agenda, and saying it has to be dealt with right now when there are better ways to deal with it

A. Grunda explained that the area specific charge was in the study for the update. It is called an area specific charge and is not being added to Township wide charge, if this was a new subdivision they would be subject to the Township wide charge and not an area specific one as the subdivision would already include the roads in the development, it does meet the Development Charges Act for the cost of development and charges can be added into the By-Law, it could be a separate bylaw or a schedule in the current one, which is what is being suggested. The financial plan for upgrading of the roads using the Development Charges and taxes, is not uncommon in that the Development Charges fund the portion of capital costs that are eligible for development charges and some of the costs are not Development Charge recoverable, Council has to determine how to fund those costs and the tax revenue is one of them, it does not change the requirement for the Development Charge.

#### Andrew Kendrick

The approach being taken in the By-Law is to cover capital cost out of a development charge and now as an alternative is to say we will get more money in taxes than Development Charges why is that not being applied to the Township as a whole?

Gordon Hill asked the Planner, if the roads are in good shape then why are they not assumed? The Planner explained that she said the base was in good condition not saying they can be assumed today, the Public Works Manager assesses the road, it is important that the road has a good base and has drainage and ditching, the base is

good and the Public Works Manager said the roads are okay but not to municipal standards for assumption.

Gordon Hill stated that if the base of roads was put in 40 years ago, at that time they must have been close to standards. The Planner explained that the former Township of South Sherbrooke wanted them paved before they would assume them, the developer did not account for that and could not afford to pave them and the Council of that day did not assume them, if the Township brings them up to standard they will be surface treated not paved.

Gordon Hill asked if the subdivision agreement provided for paved roads, the Planner would need to look up the agreement.

Gordon Hill gave a scenario that if he was buying 5 acres somewhere else on a paved road to sever and build a home, he would need to pay for severance fees, a survey, fees to the Township for the building permit and a septic permit and possibly the Conservation Authority if it was near water and the development charges, does not understand why if the road was already paved why have to pay that, when the road is in good condition. The main concern are two parties, the developer who did not do what they were suppose to and the Township has been lax and negligent to vet these developers for the ability to develop the land and their financial ability and neglected to do so in every case, there was no security provided for in the development agreements, it is standard to have securities in the agreements then, if they had been included there would have been the funds to pay for the things the developer did not and would not be needing to ask future purchasers to pay for that, feels this is unethical.

The Acting CAO/Clerk explained that in general these subdivisions are old and the planning requirements were different than today, it was not common to take securities or if they did it was in lot value, over the years there has been changes to the way they are dealt with now. These subdivisions are products of former townships; in all instances the developer has either passed away or is not in business, and there is no one to go after. This is the current situation, and the Township is trying to figure out a solution to private unassumed roads, this is not unique to Tay Valley other municipalities are watching to see what Tay Valley does with Maberly Pines and as the private unassumed roads discussion unfolds because to date no one has found a solution.

Gordon Hill said when he worked in real estate it was routine to take securities, when the Township took over the liabilities, they did not know what they were doing, now innocent purchases have to bear the cost of the Township and developers mistakes, he is ashamed of the Township.

Andrew Kendrick expressed that this meeting was to be about the Development Charges By-Law and now is the topic of Private Unassumed Roads which is evidence of the concerns everyone has, the fact is that money will be spent and not recovered in the short term; there are lots of residents on roads that are not receiving services and now are concerned about the liability, making it difficult to upkeep the roads, why is the

Township spending money on roads where no one lives.

Frank Johnson agrees with the Acting CAO/Clerk that the whole issue with Unassumed Roads is difficult, and everyone is watching what we do and if we impose a solution, it may set a presence on going forward.

Gordon Hill feels the value of lots will increase with the road improvement, but they need hydro to them, they will not sell without hydro, should be considering approaching hydro and what they expect for putting service in the subdivision.

Kenneth Klein feels like a guinea pig with the world watching us, it could spiral into lots of money and could be a failure, still has the question if the 48 lots were polled, he does not feel 2 lots will be built on each year.

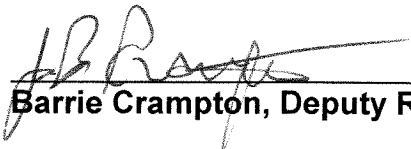
#### **4. NEXT STEPS**

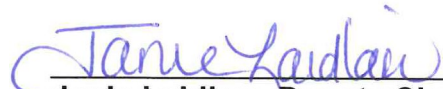
Acting Treasurer, Richard Bennett

- Suggest the passing of the DC By-Law be delayed until more information is obtained from the hydrogeological study.
- October 5<sup>th</sup> - Committee of the Whole Meeting – Discussion by Council on the Development Charge By-Law other than the Special Area Development Charge
- November - "Special" Committee of the Whole Meeting – Discussion by Council of the Special Area Development Charge
- Council Meeting to adopt the By-Law – T.B.D.
- Notice of Passing – T.B.D.
- End of 40-day Appeal Period – T.B.D.
- Effective Date – Date of By-Law Adoption

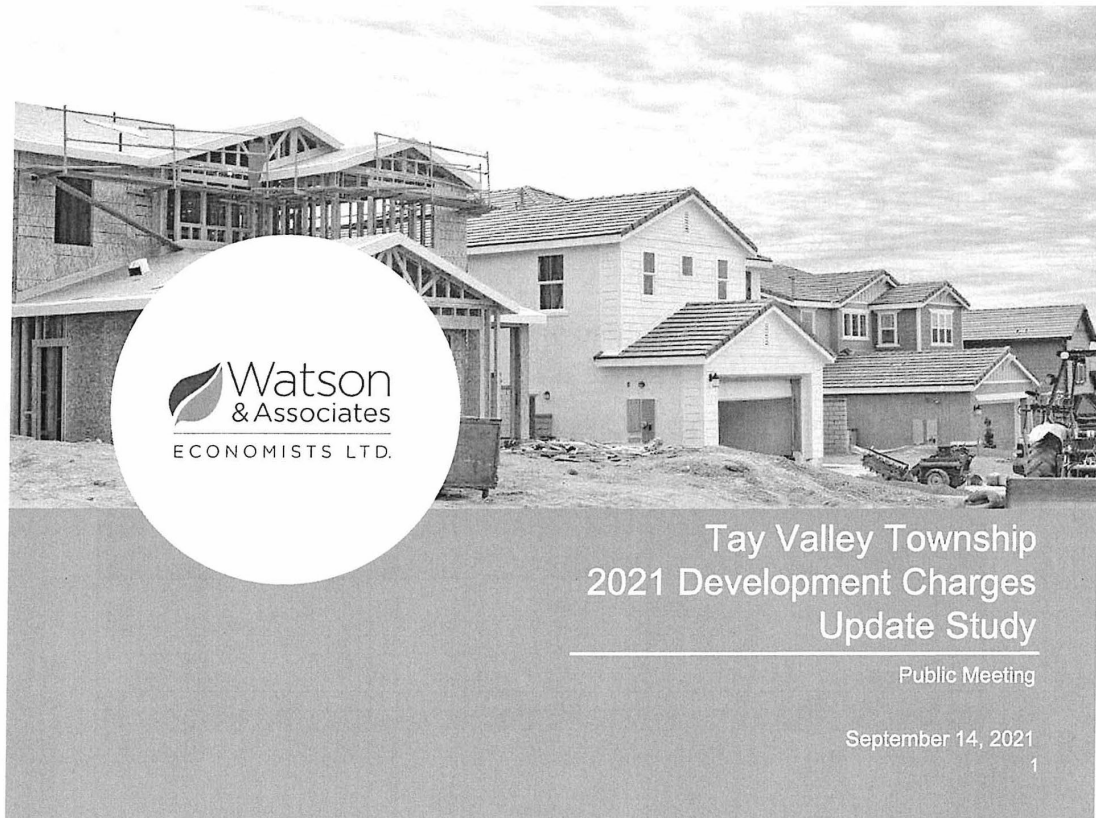
#### **5. ADJOURNMENT**

The Public Meeting adjourned at 7:16 p.m.

  
Barrie Crampton, Deputy Reeve

  
Janie Laidlaw, Deputy Clerk





## Introduction

### Public Meeting Purpose



- This meeting is a mandatory requirement under the *Development Charges Act, 1997*, as amended (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 of 2 weeks prior to a public meeting and provided on the municipality's website 60 days prior to by-law passage
- Purpose of the public meeting is to provide an overview of the proposed amendment and to receive public input on the matter

## Introduction

### Development Charges



- Purpose of Development Charges (D.C.) is to recover the capital costs associated with the increase in need for services arising from residential and non-residential growth within a municipality
- Municipalities are empowered to impose D.C. via the Development Charges Act, 1997 (D.C.A.)
- The Tay Valley Township D.C. By-law 2019-045 came into effect on December 2, 2019

Service	RESIDENTIAL				NON-RESIDENTIAL	GREEN ENERGY
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per sq.ft. of Gross Floor Area)	(per 500 kW generating capacity)
<b>Municipal Wide Services:</b>						
Roads & Related	\$ 2,359	\$ 1,501	\$ 1,415	\$ 1,893	\$ 1.16	\$ 2,359
Fire Protection	\$ 501	\$ 319	\$ 301	\$ 402	\$ 0.24	\$ 502
Parks & Recreation	\$ 742	\$ 472	\$ 445	\$ 595	\$ 0.22	-
Library	\$ 60	\$ 38	\$ 36	\$ 48	\$ 0.02	-
Waste Diversion	\$ 33	\$ 21	\$ 20	\$ 26	\$ 0.01	-
Growth-Related Studies	\$ 232	\$ 148	\$ 139	\$ 186	\$ 0.10	\$ 232
<b>Total Municipal Wide Services</b>	<b>\$ 3,927</b>	<b>\$ 2,499</b>	<b>\$ 2,366</b>	<b>\$ 3,150</b>	<b>\$ 1.76</b>	<b>\$ 3,093</b>

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## Introduction

### Development Charges Update Study and By-law Amendment



- D.C. Update Study prepared to amend the Township's 2019 D.C. Background Study and By-law 2019-045
- Purpose of the proposed D.C. by-law amendment is to:
  - Reflect recent amendments to the D.C.A. made through the *More Homes, More Choice Act*, and *COVID-19 Economic Recovery Act*, including:
    - Changes to the D.C. recoverable costs (i.e. removal of the 10% statutory deduction, updates to capital cost estimates and reallocation of service specific growth-related studies);
    - Introduce area-specific D.C.s for the Maberly Pines Area to recover costs to develop local service roads internal to an existing plan of subdivision; and
    - Statutory changes to by-law rules, i.e. timing of calculation, collection of D.C., and statutory exemptions

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## Development Charges Update Study

### Growth Forecast Assumptions



- Township-wide growth forecast assumptions maintained from 2019 D.C. Background Study
- Area-specific D.C. for Maberly Pines Area would be applicable only within the key map area identified below, and imposed on the remaining 48 dwelling units to be developed in the future



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## 2021 D.C. Update Study

### Changes to D.C. Eligible Costs



- Removal of the 10% statutory deduction from the calculation of the charge
- Updates to capital cost estimates and inclusion of additional projects
- Introduction of area-specific D.C. for Maberly Pines Area

Service/Class	D.C.-eligible Costs		
	2019 D.C. Background Study	2021 Update Study	Change (\$)
<b>Municipal-wide Services</b>			
Roads & Related	695,700	1,246,968	551,267
Fire Protection	147,737	118,387	(29,350)
Parks & Recreation	211,510	169,654	(41,856)
Library	17,007	19,891	2,884
Waste Diversion	9,541	10,601	1,060
Growth-Related Studies	68,408	105,308	36,900
<b>Total Municipal-wide Services</b>	<b>1,149,903</b>	<b>1,670,809</b>	<b>520,906</b>
<b>Area-specific Services</b>			
Roads & Related (Maberly Pines)	-	307,653	307,653
<b>Total Area-specific Services</b>	<b>-</b>	<b>307,653</b>	<b>307,653</b>
<b>TOTAL</b>	<b>1,149,903</b>	<b>1,978,461</b>	<b>828,558</b>

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## 2021 D.C. Amendment

Comparison of current and calculated rates (indexed to 2021)

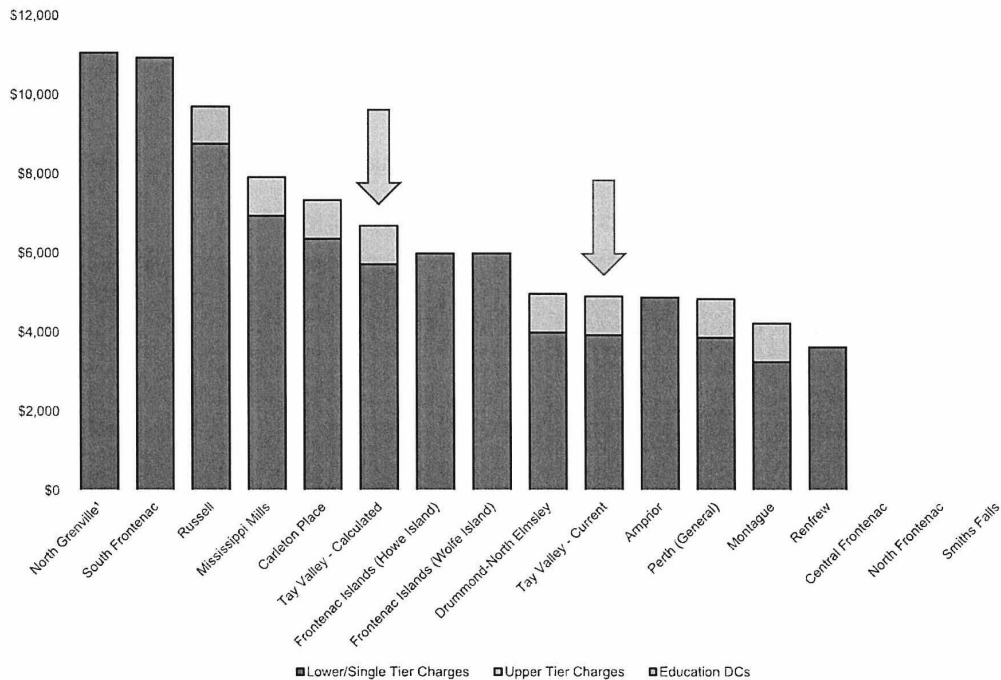


Service	Residential (Single Detached)		Non-Residential (per sq.ft. GFA)		Solar/Wind (per 500 kW generating capacity)	
	Current	Calculated	Current	Calculated	Current	Calculated
<b>Municipal Wide Services:</b>						
Roads & Related	\$ 2,359	\$ 4,250	\$ 1.16	\$ 2.07	\$ 2,359	\$ 4,250
Fire Protection	\$ 501	\$ 403	\$ 0.24	\$ 0.20	\$ 501	\$ 403
Parks & Recreation	\$ 742	\$ 597	\$ 0.22	\$ 0.18	\$ -	\$ -
Library	\$ 60	\$ 70	\$ 0.02	\$ 0.02	\$ -	\$ -
Waste Diversion	\$ 33	\$ 36	\$ 0.01	\$ 0.02	\$ -	\$ -
Growth-Related Studies	\$ 232	\$ 360	\$ 0.10	\$ 0.16	\$ 232	\$ 360
<b>Total Municipal Wide Services</b>	<b>\$ 3,927</b>	<b>\$ 5,716</b>	<b>\$ 1.75</b>	<b>\$ 2.65</b>	<b>\$ 3,092</b>	<b>\$ 5,013</b>
<b>Area-Specific - Maberly Pines</b>						
Roads & Related		\$ 7,019				
<b>Total Area-Specific - Maberly Pines</b>	<b>\$ -</b>	<b>\$ 7,019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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## Municipal D.C. Comparison

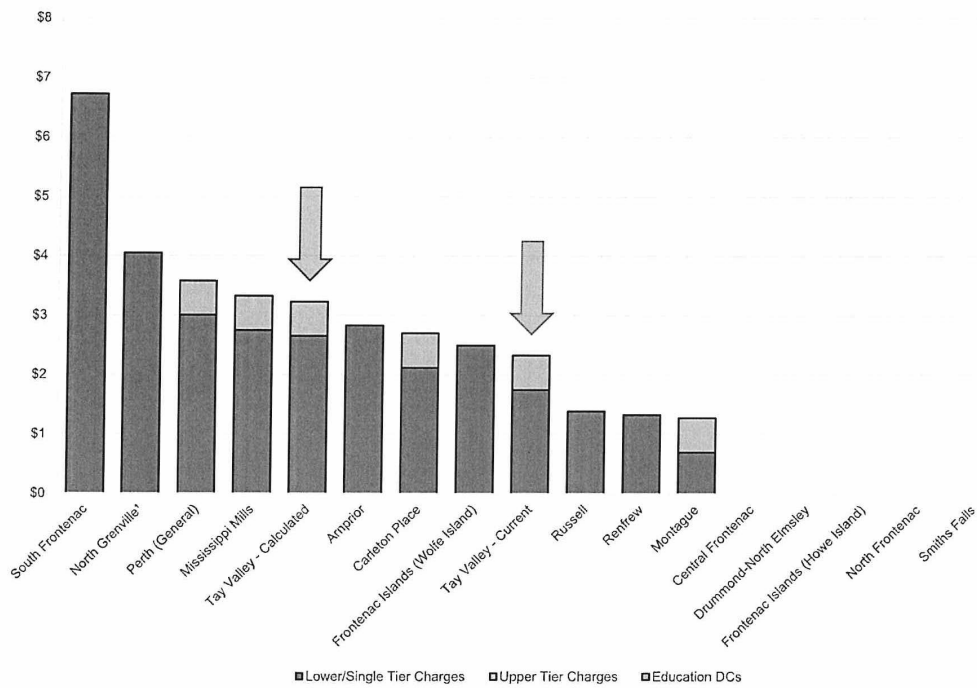
Residential Development Charges excl. Water & Wastewater Charges  
(per Fully Serviced Single Detached Dwelling)



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## Municipal D.C. Comparison

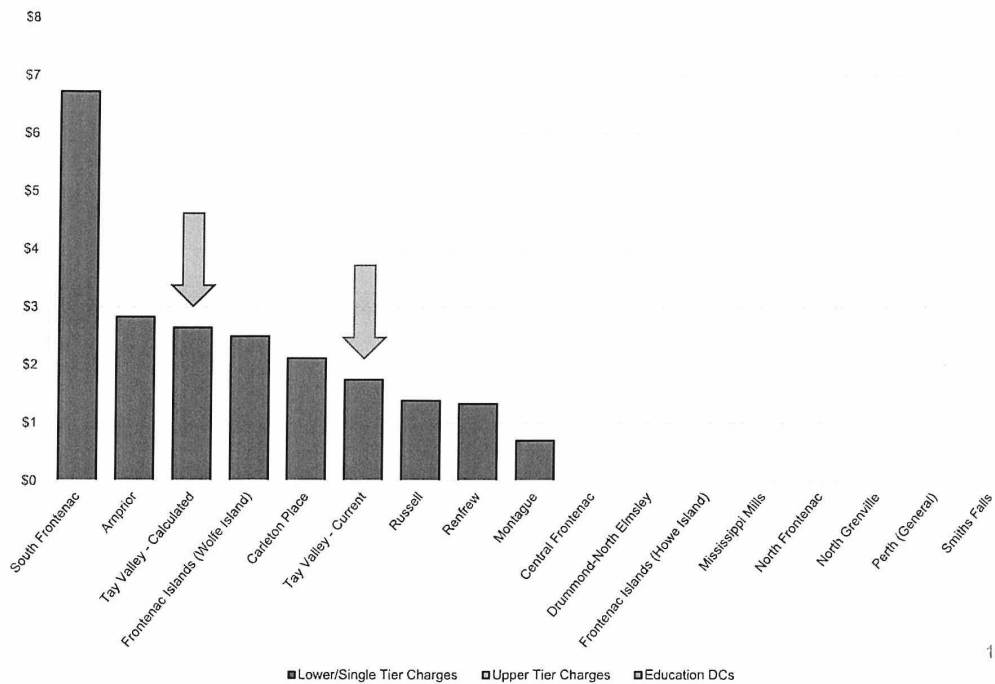
Commercial Development Charges (per sq.ft. of GFA)



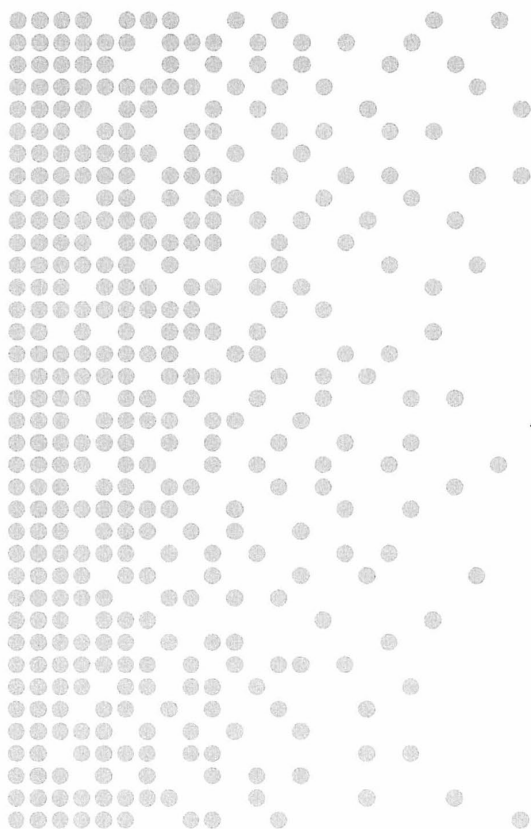
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## Municipal D.C. Comparison

Industrial Development Charges (per sq.ft. of GFA)



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## D.C. By-law Policies

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### D.C. By-Law Policies



- **Except for the following revisions, policies contained within By-law 2019-045, remain unchanged**
- Rental housing and institutional developments will pay D.C.s in 6 equal annual payments, commencing from the date of occupancy
- Non-profit housing will pay D.C.s in 21 equal annual payments, commencing from the date of occupancy
- D.C. for developments proceeding through Site Plan or Zoning By-law Amendment will be determined based on the charges in effect on the day the application is made
  - Charges to be frozen for a maximum period of 2 years after planning application approval
- Interest on installment payments and charges calculated at Site Plan or Zoning By-Law Amendment application will be imposed at the Bank of Canada prime lending rate plus 2%

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## D.C. By-Law Policies

### Statutory Exemptions



- Residential intensification (within existing residential buildings or structures ancillary to existing residential buildings):
  - May add up to two apartments for a single detached home as long as size of home doesn't double
  - Add one additional unit in medium & high density buildings
- The creation of a second dwelling unit in prescribed classes of new residential buildings, including structures ancillary to dwellings
- A University that receives regular and ongoing operating funds from the government for the purposes of post-secondary education.

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Next Steps

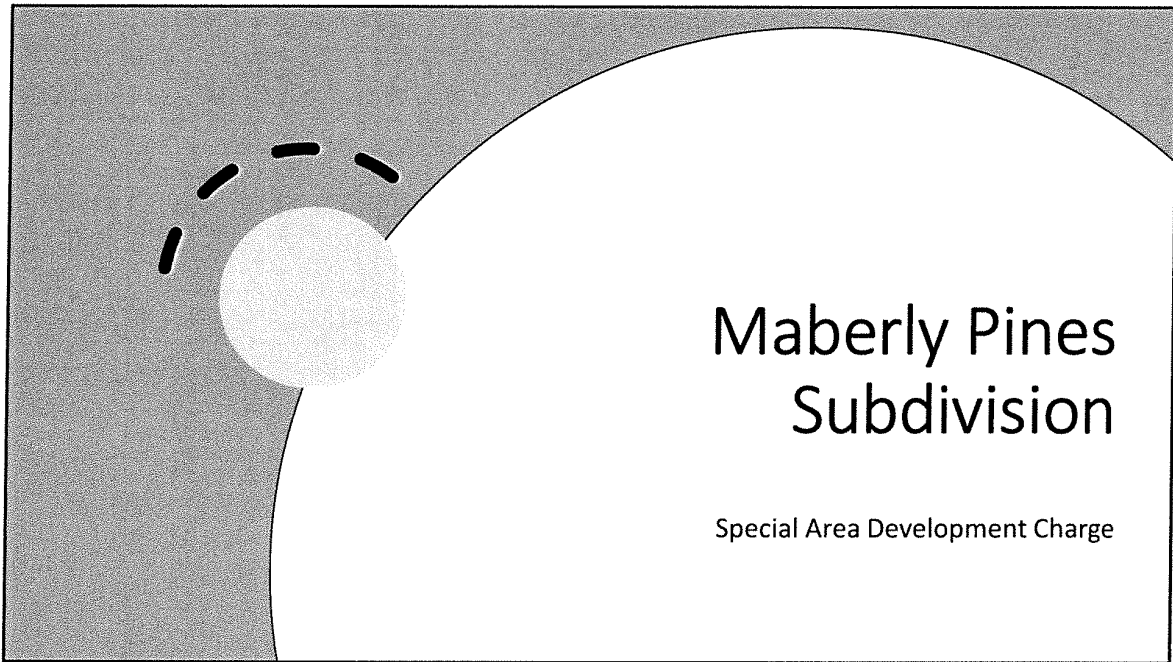
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## Next Steps



- Council will receive input from the public on the matter
- Council to consider if any revisions are required to the D.C. Update Study and draft amending D.C. By-law
- Council to approve D.C. Update Study and consider adoption of amending D.C. By-law





1

A presentation slide with a grey background on the left and a white background on the right. A large grey circle is partially visible on the left. The text "Development Prohibited in Old Subdivisions :" is written in a black, sans-serif font. To the right, there is a bulleted list. In the bottom right corner, there is a dashed black arc.


Development Prohibited in Old Subdivisions :

- Development of lots in subdivisions created before December 10, 2002 was not permitted by TVT's Zoning By-Law for a decade following amalgamation
- In April 2009, Section 3.4. was amended to allow such development through a Road Access Agreement

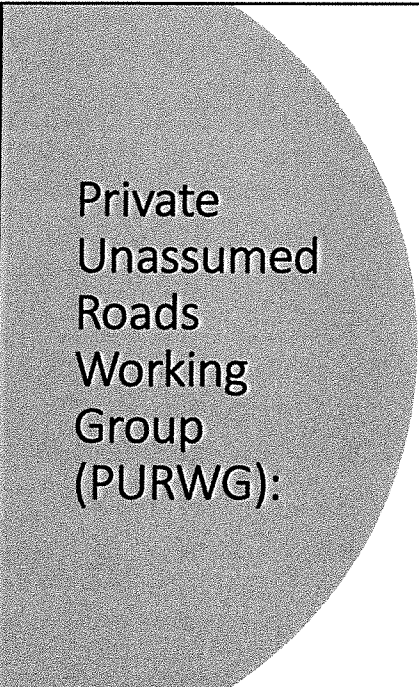
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## Development Through Road Access Agreements:

- Very limited development in old subdivisions has occurred since April 2009
  - Road access agreements have had a dampening effect on development as they are an extra step in the approval process and require commercial liability insurance
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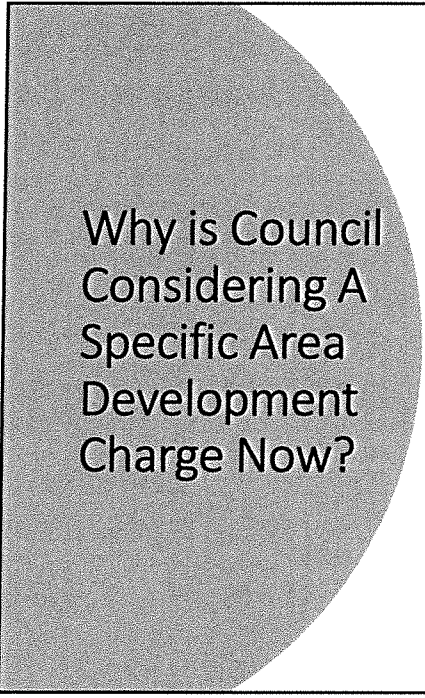
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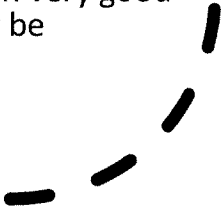
## Private Unassumed Roads Working Group (PURWG):

- This Working Group was set up to address the issue of road access agreements and development of old subdivisions
  - There are 24 private unassumed roads in TVT
  - All of the roads represent unique circumstances (e.g. road condition, number of lots per road, demand for development, etc.)
- 

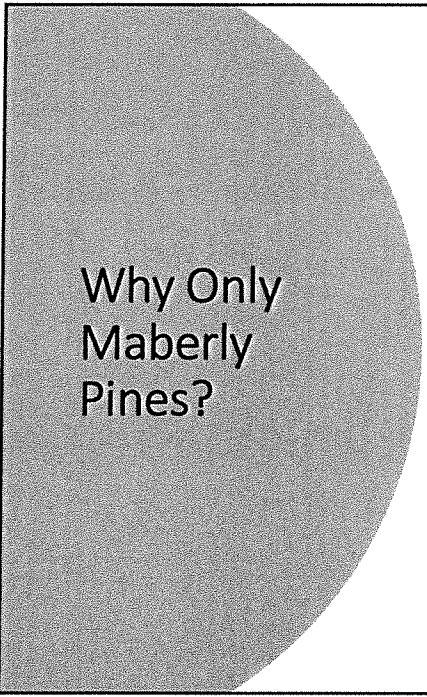
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## Why is Council Considering A Specific Area Development Charge Now?

- Development applications have occurred in Maberly Pines for the first time in decades
  - A holding zone was placed on Maberly Pines pending results of a Hydrogeological study
  - The results will be known by November and a viable plan for development will be determined
  - The road base and ditches are in very good shape so the roads could easily be assumed by the Township
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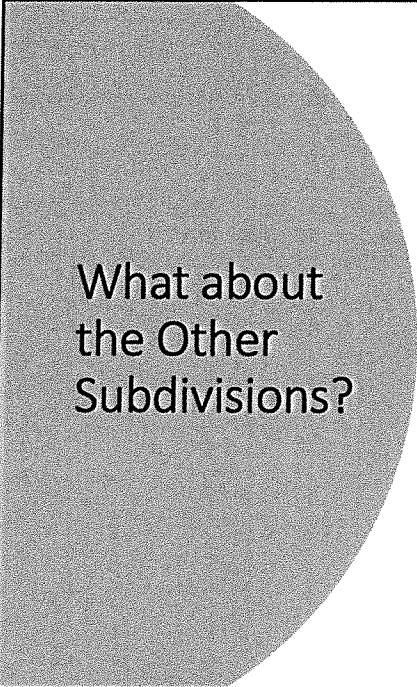
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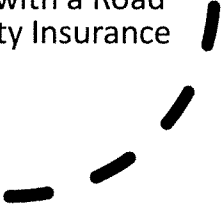
## Why Only Maberly Pines?

- Development Cost Charges can only be levied on vacant lots at the time a Building Permit application is made
  - Maberly Pines has 48 vacant lots and the road base is in good shape
  - Other old subdivisions are built-out (or only have 1 or 2 lots vacant) and their roads are in worse shape
- 

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## What about the Other Subdivisions?

- Options will be examined by the Private Unassumed Roads Working Group. There will be different solutions matching the different characteristics of the roads.
  - Some may be able to use Local Improvement Charges
  - Some may become condominium roads
  - Some may remain private roads with a Road Association and Directors' Liability Insurance
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## Scenario:

- If the Township institutes a special area development charge for the cost of the roads and the hydrogeological study and the Township proceeds with hard surfacing and assuming the roads within the subdivision in the same or a subsequent year, the following outlines the Township's return on investment.
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## Assumptions:

- 1 The value of land doubles with the completion of the roads and the water issues resolved, resulting in an automatic increase in revenue due to taxation.  
(average vacant lot size is 2.59 acres, average assessment on vacant lots is \$29,925)
- 2 Two new homes are built each year with a value of \$250,000 (and 2% inflation factor) added to assessment.
- 3 Municipal Tax Rate increases by 1.5% per year.

Note: These estimates are conservative.

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## Costs of Development:

- Estimate for the roads \$372,000
- Estimate for hydrogeological study \$20,000
- Split between the 48 vacant lots would amount to \$8,167 per lot.

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## Suggestion:

- Set a Special Area Development Charge (on top of the normal Township DC) of \$4,000 (consultant's calculated amount is \$7,019). This reduced charge is partially covered by the \$32,000 that the Township received from the sale of the lots transferred from the Developer.
- This Special DC should increase each year (same as normal DC charge), estimate 3% per year.
- If two homes are built each year it would be 24 years before all lots contribute to this Special DC charge.

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## Revenues derived from increase in property values and Special Area DC's.


	Land Value Increase	Building Value Increase	Additional Assessment	Municipal Tax Rate	Additional Municipal Tax	Special Area DC Revenue	Capital Spending	Total Revenue
Year 1	1,550,000	500,000	2,050,000	0.00455772	9,343	8,000		17,343
Year 2		510,000	2,560,000	0.00462609	11,843	8,240		20,083
Year 3		520,200	3,080,200	0.00469548	14,463	8,487		22,950
Year 4		530,604	3,610,804	0.00476591	17,209	8,742		25,951
Year 5		541,216	4,152,020	0.00483740	20,085	9,004		29,089
Year 6		552,040	4,704,060	0.00490996	23,097	9,274		32,371
Year 7		563,081	5,267,142	0.00498361	26,249	9,552		35,802
Year 8		574,343	5,841,485	0.00505836	29,548	9,839	(130,000)	(90,613)
Year 9		585,830	6,427,314	0.00513424	32,999	10,134		43,134
Year 10		597,546	7,024,860	0.00521125	36,608	10,438		47,046
Year 11		609,497	7,634,358	0.00528942	40,381	10,751		51,133
Year 12		621,687	8,256,045	0.00536876	44,325	11,074		55,399
Year 13		634,121	8,890,166	0.00544929	48,445	11,406		59,851
Year 14		646,803	9,536,969	0.00553103	52,749	11,748		64,498
Year 15		659,739	10,196,708	0.00561400	57,244	12,101		69,345
Year 16		672,934	10,869,643	0.00569821	61,937	12,464		74,401
Year 17		686,393	11,556,035	0.00578368	66,836	12,838		79,674
Year 18		700,121	12,256,156	0.00587044	71,949	13,223	(260,000)	(174,828)
Year 19		714,123	12,970,279	0.00595849	77,283	13,619		90,903
Year 20		728,406	13,698,685	0.00604787	82,848	14,028		96,876
Year 21		742,974	14,441,659	0.00613859	88,651	14,449		103,100
Year 22		757,833	15,199,492	0.00623067	94,703	14,882		109,585
Year 23		772,990	15,972,482	0.00632413	101,012	15,329		116,341
Year 24		788,450	16,760,931	0.00641899	107,588	15,789		123,377
					1,217,398	275,412		1,102,810

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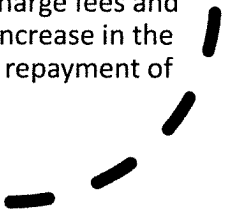
## Notes:

1. At year 8, the roads would require a micro-surface treatment estimated at \$130,000 and at year 18 they would require a pavement preservation treatment estimated at \$260,000.
  2. At year 12 the Township's upfront costs of \$392,000 are paid back.
  3. This chart does not include the current taxes that are being collected from the vacant lots and the Township is currently not expending any funds to maintain the private unassumed roads within this subdivision.
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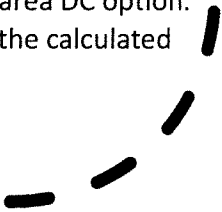
## Funding:

- The assumption is that Tay Valley Township would advance the funds to pay for the costs of the roads and the hydrogeological study and those costs would be repaid by the property owners in the Maberly Pines Subdivision through the special area DC.
  - These costs would not be included in the tax levied to the rest of the township.
  - All of the Special Area Development Charge fees and the municipal taxes derived from the increase in the property values would go towards the repayment of the funds advanced for this project.
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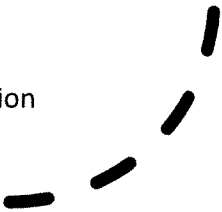
## Options:

1. Consultants calculated amount of \$7,019 (This amount does not consider the proceeds derived from the sale of the 3 lots transferred to the Township by the developer).
  2. The amount of \$4,000 which was suggested for discussion and for the calculation of the return on investment.
  3. No special area DC. The Private Unassumed Roads Working Group could consider the other options (Local Improvement Charges, Condominium Roads, remain private, etc.). With the current update to the Development Charge By-Law now is the only opportunity to consider the special area DC option.
  4. Some amount in between zero and the calculated amount of \$7,019.
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## Next Steps:

- Suggest the passing of the DC By-Law be delayed until more information is obtained from the hydrogeological study.
  - October 5<sup>th</sup> - Committee of the Whole Meeting – Discussion by Council of the Development Charge By-Law other than the Special Area DC.
  - November - “Special” Committee of the Whole Meeting – Discussion by Council of the Special Area DC
  - Council Meeting to adopt the By-Law – T.B.D.
  - Notice of Passing – T.B.D.
  - End of 40-day Appeal Period – T.B.D.
  - Effective Date – Date of By-Law Adoption
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