



2017 Development Charges Bylaw Review

**Industry Stakeholder
Consultation Meeting #2**

July 10, 2017

Today we will discuss

1. Meeting 1 Stakeholder Comments - Staff
2. Draft Service Levels – Hemson
3. Next Steps – Staff
 - July 21 – Transit and Roads & Related
 - July 25 – Water, Wastewater and Storm

Stakeholder Engagement Objectives

1. To create an atmosphere of communication that actively involves project stakeholders in a timely manner
2. To provide an opportunity for stakeholders to express concerns and opinions and ensure this information is taken into consideration when making project decisions
3. To disseminate project information and to ensure regular, transparent, and appropriate consultation
4. To improve and facilitate decision making in completing DC Background Study calculations and formulating DC bylaw policies

Meeting #1 Stakeholder Comments

| Category | Stakeholder Comments | City Response |
|----------------------|--|--|
| Consultation Process | DC Study and bylaw update process should allow for sufficient /additional time for stakeholder input | City plans to engage industry stakeholders early and throughout the DC review process. Additional consultation time to be provided, as appropriate. |
| Consultation Process | Establish a technical subgroup to review Study calculations | City will facilitate a technical subgroup. Meetings are open to all key industry stakeholder representatives. Data to be shared in advance of the meetings. |
| Consultation Process | Share draft DC Study calculations as completed | City will share draft DC Study calculations with key industry stakeholders, as portions are completed. Draft calculations will also be posted on the City's website. |

Meeting #1 Stakeholder Comments

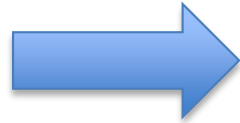
| Category | Stakeholder Comments | City Response |
|----------|---|---|
| Policy | Payment timing should be moved to the date of issuance of first permit , in accordance with the updated DCA | Comment on payment timing is acknowledged and is being considered. |
| Policy | Tier 2 Toronto Green Standard DC refund program is an important program | Comment on the refund program is acknowledged and is being considered. |
| Policy | Preference for city-wide charges, with possible area-specific charges in the Port Lands. | The City has generally supported city-wide charges. The pros and cons of area-specific versus city-wide charges are being considered. Area-specific charges, if any, generally relate to engineered services (e.g. water, sewer, storm water, roads). |

Policy Review

- Bylaw definitions
 - Multiple vs apt units
 - University residences
- Rate Structure
 - GFA vs # of bedrooms & occupancy
- Secondary suites
- Exemptions for non-res, industrial, affordable housing
- Redevelopment credits
- Treatment of charities, rental housing
- Local service guidelines
- Area-specific charges
- Payment timing
- DC credit policy / internal procedure
- Other suggestions?

DC Study Requirements

Topic of today's discussion



Development Forecast

Anticipated amount, type and location of development must be estimated

Calculate 10-Year Historical Service Levels

Increase in need may not exceed average level of service immediately preceding background study

Identify Growth-related Capital Needs

Increase in the need for service attributable to the anticipated development must be estimated

Reduce capital costs by legislated deductions

Grants/Other Contributions

Required Service Discount

Replacement/Benefit to Existing

Available DC Reserves

Post-Period Benefit

Allocation of eligible costs by type of development

Costs Eligible for DC Recovery

Operating & Replacement Cost Analysis (incl. AMP)

Residential Sector (per unit)

Non-Residential Sector (per m² of GFA)

Draft Service Levels

- Draft service level inventories provided for:
 - Childcare
 - Fire
 - Health
 - Housing
 - Library
 - Paramedic Services (EMS)
 - Parks and Recreation (Partial)
 - Police
 - Roads and Related

Historical Service Level Calculation

- Calculate 10-year historical average service level (for each service)
- Average service level sets cap on eligible DC funding – “maximum allowable funding envelope”
- Quantity and quality of service must be considered

DC Inventory Example – Library Buildings

| BUILDINGS Branch Name | # of Square Feet | | | | | | | | | | UNIT COST (\$/sq. ft.) | |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------------|-------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | | |
| 281 Front Street | 54,643 | 54,643 | 54,643 | 54,643 | 54,643 | 54,643 | 54,643 | 54,643 | 54,643 | 54,643 | - | \$524 |
| 1076 Ellesmere | 20,400 | 20,400 | 20,400 | 20,400 | 20,400 | 20,400 | 20,400 | 20,400 | 20,400 | 66,934 | 66,934 | \$524 |
| Martin Ross Building | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | \$524 |
| Agincourt | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,690 | \$524 |
| Albert Campbell | 26,100 | 26,100 | 26,100 | 26,100 | 26,100 | 26,100 | 26,100 | 26,100 | 26,100 | 26,100 | 26,100 | \$524 |
| Albion | 32,279 | 32,279 | 32,279 | 32,279 | 32,279 | 32,279 | 32,279 | 32,279 | 32,279 | 32,279 | 32,279 | \$524 |
| Alderwood | 7,341 | 7,341 | 7,341 | 7,341 | 7,341 | 7,341 | 7,341 | 7,341 | 7,341 | 7,341 | 7,341 | \$524 |
| Amesbury Park | 6,320 | 6,320 | 6,320 | 6,320 | 6,320 | 6,320 | 6,320 | 6,320 | 6,320 | 6,320 | 6,320 | \$524 |
| Annette Street | 7,806 | 7,806 | 7,806 | 7,806 | 7,806 | 7,806 | 7,806 | 7,806 | 7,806 | 7,806 | 7,806 | \$524 |
| Armour Heights | 2,988 | 2,988 | 2,988 | 2,988 | 2,988 | 2,988 | 2,988 | 2,988 | 2,988 | 2,988 | 2,988 | \$524 |
| Barbara Frum | 39,233 | 39,233 | 39,233 | 39,233 | 44,319 | 44,319 | 44,319 | 44,319 | 44,319 | 44,319 | 44,319 | \$524 |
| Bayview | 6,333 | 6,333 | 6,333 | 6,333 | 6,333 | 6,333 | 6,333 | 6,333 | 6,333 | 6,333 | 6,333 | \$524 |
| Beaches | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | \$524 |
| Bendale | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | \$524 |
| | | | | | | | | | | | | |
| Total (sq.ft.) | 1,926,792 | 1,931,090 | 1,946,489 | 1,963,594 | 1,968,680 | 1,961,390 | 1,961,390 | 1,979,653 | 2,049,816 | 1,995,863 | | |
| Total (\$000) | \$1,056,040.6 | \$1,058,292.7 | \$1,066,361.8 | \$1,076,428.9 | \$1,079,094.0 | \$1,073,835.1 | \$1,073,835.1 | \$1,083,404.9 | \$1,121,037.1 | \$1,092,765.7 | | |

Note: total reflects all library buildings – inventory includes additional buildings GFA not shown in sample above

DC Inventory Example – Library Land

| LAND Branch Name | # of Hectares | | | | | | | | | | UNIT COST (\$/ha) | |
|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|--------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | | |
| 281 Front Street | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.00 | \$88,450,000 |
| 1076 Ellesmere | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | \$5,040,000 |
| 120 Martin Ross | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | 0.54 | \$5,040,000 |
| Agincourt | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | \$22,030,000 |
| Albert Campbell | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | \$22,030,000 |
| Albion | 0.74 | 0.74 | 0.74 | 0.74 | 0.74 | 0.74 | 0.74 | 0.74 | 0.74 | 0.74 | 0.74 | \$22,030,000 |
| Alderwood | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | \$22,030,000 |
| Amesbury Park | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | \$22,030,000 |
| Annette Street | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | \$22,030,000 |
| Armour Heights | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | \$22,030,000 |
| Barbara Frum | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 | \$22,030,000 |
| Bayview | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | \$22,030,000 |
| Beaches | 0.12 | 0.12 | 0.12 | 0.12 | 0.12 | 0.12 | 0.12 | 0.12 | 0.12 | 0.12 | 0.12 | \$22,030,000 |
| Bendale | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | \$22,030,000 |
| Total (ha) | 23.53 | 23.55 | 23.69 | 23.69 | 23.71 | 23.58 | 23.58 | 23.75 | 23.92 | 22.97 | | |
| Total (\$000) | \$643,652 | \$644,092 | \$647,177 | \$647,177 | \$647,617 | \$636,119 | \$636,119 | \$650,491 | \$654,236 | \$570,474 | | |

Note: total reflects all library lands – inventory includes additional buildings land area not shown in sample above

DC Inventory Example – Library Materials and Vehicles

| MATERIALS Type of Collection | # of Collection Materials | | | | | | | | | | UNIT COST (\$/item) |
|---------------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | |
| Materials at all branches | 13,530,928 | 13,565,784 | 13,640,130 | 13,788,409 | 13,873,534 | 13,622,702 | 13,756,450 | 13,509,662 | 13,489,572 | 13,490,091 | \$41 |
| Total (#) | 13,530,928 | 13,565,784 | 13,640,130 | 13,788,409 | 13,873,534 | 13,622,702 | 13,756,450 | 13,509,662 | 13,489,572 | 13,490,091 | |
| Total (\$000) | \$496,585.1 | \$497,864.3 | \$500,592.8 | \$506,034.6 | \$509,158.7 | \$499,953.2 | \$504,861.7 | \$495,804.6 | \$495,067.3 | \$495,086.3 | |

| VEHICLES Type of Collection | # of Vehicles | | | | | | | | | | UNIT COST (\$/item) |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | |
| Cube Van | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | \$90,548 |
| Bookmobile | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | \$356,189 |
| Van | 27 | 27 | 27 | 27 | 26 | 24 | 26 | 26 | 26 | 26 | \$34,758 |
| Van (raise roof) / Sprinter Van | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | \$85,975 |
| Pick Up | - | - | - | - | 1 | 1 | - | - | - | - | \$44,900 |
| Total (#) | 44 | 44 | 44 | 44 | 44 | 43 | 44 | 44 | 44 | 44 | |
| Total (\$000) | \$3,004.5 | \$3,004.5 | \$3,004.5 | \$3,004.5 | \$3,014.6 | \$3,031.1 | \$3,055.7 | \$3,055.7 | \$3,055.7 | \$3,055.7 | |

DC Inventory Example – Library IT Assets

| IT Asset Inventory | # of Units | | | | | | | | | | UNIT COST (\$/unit) |
|---|-------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | |
| Multifunction Devices for public use only | - | - | - | - | 40 | 42 | 56 | 72 | 90 | 124 | \$5,200 |
| Receipt Printers | 459 | 459 | 499 | 498 | 647 | 610 | 590 | 567 | 502 | 476 | \$400 |
| Barcode Scanners | 705 | 705 | 743 | 752 | 736 | 736 | 821 | 947 | 1,100 | 1,252 | \$100 |
| RFID antenna/coupler | 26 | 64 | 69 | 209 | 251 | 549 | 615 | 700 | 706 | 743 | \$2,700 |
| RFID receipt printer / card reader | 7 | 13 | 13 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | \$3,100 |
| RFID touch screen | 7 | 29 | 31 | 92 | 134 | 133 | 162 | 188 | 190 | 254 | \$1,500 |
| RFID security gates | 5 | 10 | 11 | 45 | 53 | 41 | 56 | 57 | 58 | 58 | \$12,000 |
| RFID (Tech Logic) (software only) | 26 | 64 | 69 | 209 | 251 | 549 | 615 | 700 | 706 | 743 | \$2,000 |
| Web Crossing | 9 | 9 | 9 | 7 | 5 | 1 | 1 | 1 | 1 | 1 | \$3,300 |
| Web site Gateway interfaces | 18 | 20 | 21 | 21 | 21 | 19 | 19 | 19 | 19 | 19 | \$241,500 |
| Sorters (Branch units) | - | - | - | 1 | 1 | 5 | 7 | 13 | 13 | 13 | \$564,800 |
| Sorter (Ellesmere) | - | - | - | - | - | - | 1 | 1 | 1 | 1 | \$1,800,000 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Software Asset Inventory | \$ Value of Units | | | | | | | | | | |
| ITC | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 | 1 |
| Programs & events software (E*vents) | \$0 | \$23,000 | \$23,000 | \$28,000 | \$28,000 | \$28,000 | \$28,000 | \$28,000 | \$28,000 | \$28,000 | 1 |
| Endeca | \$0 | \$0 | \$290,000 | \$351,000 | \$351,000 | \$351,000 | \$351,000 | \$351,000 | \$351,000 | \$351,000 | 1 |
| Website | \$1,063,000 | \$1,063,000 | \$1,063,000 | \$1,063,000 | \$1,985,000 | \$1,985,000 | \$1,985,000 | \$1,985,000 | \$1,985,000 | \$1,985,000 | 1 |
| CLASS room booking & Salon software | \$135,870 | \$141,270 | \$145,270 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | 1 |
| PC Booking (Telus) | \$169,000 | \$169,000 | \$169,000 | \$169,000 | \$169,000 | \$169,000 | \$169,000 | \$169,000 | \$169,000 | \$169,000 | 1 |
| Voice based (Talkingtech) | \$322,825 | \$322,825 | \$333,825 | \$333,825 | \$333,825 | \$333,825 | \$333,825 | \$333,825 | \$333,825 | \$333,825 | 1 |
| Content Management sw (digital assets) (Stellent) | \$325,080 | \$325,080 | \$385,780 | \$385,780 | \$385,780 | \$385,780 | \$385,780 | \$385,780 | \$385,780 | \$385,780 | 1 |
| Oracle DB | \$220,000 | \$220,000 | \$220,000 | \$220,000 | \$220,000 | \$400,000 | \$400,000 | \$400,000 | \$400,000 | \$400,000 | 1 |
| Integrated Library System | \$3,500,000 | \$1,199,000 | \$1,199,000 | \$1,199,000 | \$1,225,000 | \$1,225,000 | \$1,225,000 | \$1,225,000 | \$1,225,000 | \$1,225,000 | 1 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Total (\$000) | \$10,642.1 | \$9,142.7 | \$9,808.2 | \$11,404.3 | \$13,136.5 | \$16,329.8 | \$19,866.4 | \$23,792.3 | \$23,918.4 | \$24,369.9 | |

Source of Replacement Cost

- Regulation supports not using depreciated asset values
- Replacement costs have been informed by:
 - Recent tenders
 - Appraisal reports
 - Indexing
- Land costs:
 - Land has been escalating in price over the recent years
 - Estimates included in the DC Study have been informed through land sales data

| Land Type | Average \$/Acre | Average \$/Ha |
|--------------------------------|-----------------|---------------|
| Suburban Industrial/Commercial | \$2,040,000 | \$5,040,000 |
| Corridor | \$8,920,000 | \$22,030,000 |
| Downtown | \$35,810,000 | \$88,450,000 |

Next Steps

1. Comments on Draft Inventories

2. Next Meeting

1. July 21 – Transit and Roads & Related

2. July 25 – Water, Wastewater and Storm

Questions and Comments?

Thank you