



The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Commissioner of Finance
Report: #2019-F-23
Date: June 11, 2019

Subject:

Final Recommendations Regarding Seaton Water Supply and Sanitary Sewerage Area Specific Development Charges

Recommendations:

That the Finance and Administration Committee recommends to Regional Council:

- A) That pursuant to Section 10(1) of the Development Charges Act, 1997, the Seaton Water Supply and Sanitary Sewerage Area Specific Development Charges Background Study dated April 9, 2019 be adopted (with the amended pages provided in Appendix #1), including the forecasts of anticipated development, the underlying capital forecasts, the development charges calculations and policies contained in the Background Study, and further, that the approval of the capital forecasts in the Background Study indicate Regional Council's intention to ensure that such an increase in need for services will be met as required under paragraph 3 of Section 5(1) of the Development Charges Act, 1997 and Section 3 of Ontario Regulation 82/98;
- B) That the Seaton Residential Development Charges for Water Supply and Sanitary Sewerage as indicated in Table 1 below be imposed, effective July 1, 2019:

Table 1

Region of Durham Recommended Seaton Residential Development Charges \$ Per Dwelling Unit			
Service Category	Single Detached & Semi-Detached	Medium Density Multiples	Apartments
Sanitary Sewerage	\$	\$	\$
(i) Seaton Landowners Constructed Works	5,125	4,049	2,358
(ii) Regional Constructed Works	1,863	1,472	857
(iii) Regional Attribution	2,751	2,174	1,266
Subtotal – Sanitary Sewerage	9,739	7,695	4,481
Water Supply			
(i) Seaton Landowners Constructed Works	2,452	1,937	1,128
(ii) Regional Constructed Works	5,752	4,544	2,646
(iii) Regional Attribution	4,064	3,210	1,869
Subtotal – Water Supply	12,268	9,691	5,643
Total Development Charges	<u>\$22,007</u>	<u>\$17,386</u>	<u>\$10,124</u>

- C) That the Seaton Institutional Development Charges as indicated in Table 2 below be imposed, effective July 1, 2019:

Table 2

Region of Durham Recommended Seaton Institutional Development Charges \$ Per Square Foot Of Gross Floor Area	
Service Category	\$
Sanitary Sewerage	
(i) Seaton Landowners Constructed Works	0.52
(ii) Regional Constructed Works	0.19
(iii) Regional Attribution	0.63
Subtotal – Sanitary Sewerage	1.34
Water Supply	
(i) Seaton Landowners Constructed Works	0.09
(ii) Regional Constructed Works	0.20
(iii) Regional Attribution	0.44
Subtotal – Water Supply	0.73
Total Development Charges	<u>\$2.07</u>

- D) That the Seaton Non-Institutional Development Charges for each service as indicated in Table 3 below be imposed, effective July 1, 2019:

Table 3
Region of Durham
Recommended Seaton Non-Institutional Development Charges
\$ Per Square Foot Of Gross Floor Area

Service Category	\$
Sanitary Sewerage	
(i) Seaton Landowners Constructed Works	1.49
(ii) Regional Constructed Works	0.55
(iii) Regional Attribution	1.84
Subtotal – Sanitary Sewerage	3.88
Water Supply	
(i) Seaton Landowners Constructed Works	0.25
(ii) Regional Constructed Works	0.57
(iii) Regional Attribution	1.26
Subtotal – Water Supply	2.08
Total Development Charges	<u>\$5.96</u>

- E) That the Seaton Prestige Employment Land Area Development Charges as indicated in Table 4 below be imposed, effective July 1, 2019:

Table 4
Region of Durham
Recommended Seaton Prestige Employment Land Area
Development Charges
\$ Per Net Hectare

Service Category	\$
Sanitary Sewerage	
(i) Seaton Landowners Constructed Works	72,380
(ii) Regional Constructed Works	26,489
(iii) Regional Attribution	87,796
Subtotal – Sanitary Sewerage	186,665
Water Supply	
(i) Seaton Landowners Constructed Works	12,114
(ii) Regional Constructed Works	27,474
(iii) Regional Attribution	60,559
Subtotal – Water Supply	100,147
Total Development Charges	<u>\$286,812</u>

- F) That the Development Charge policies for the Seaton Water Supply and Sanitary Sewerage Area Specific Development Charges as contained in the proposed By-law (Appendix #4), including those related to collection policy, indexing, the broadening of exemptions for secondary units and industrial expansions be approved;
- G) That the Seaton Well Interference Policy as provided in Appendix #2 be adopted effective July 1, 2019;
- H) That any complete submission for the preparation of a subdivision agreement received by the Development Approvals Division of the Regional Works Department on or by June 30, 2019 be given the option of being processed under the policies and rates of the current Seaton Area Specific Development Charges By-Law #19-2013 or the proposed replacement by-law, where a complete submission requires all of the following to have been submitted to the Development Approvals Division in a form satisfactory to the Region:
- i) Ministry of the Environment, Conservation and Parks approval is received;
 - ii) Detailed cost estimate received;
 - iii) Three (3) copies of the proposed Final Plan (M-Plan) received;
 - iv) Regional Planning approval of the Final Plan received;
 - v) Three(3) copies of all proposed Reference Plans (R-Plans) received;
 - vi) Three (3) copies of approved General Plan of Services received (signed by the Local Municipality and the Region); and
 - vii) Regional Subdivision Agreement Information Checklist.

Subdivision agreements which have been processed according to By-Law #19-2013 must be executed within three months following the termination of By-Law #19-2013, otherwise they shall be deemed cancelled and will be replaced with a subdivision agreement processed according to the replacement by-law, where execution requires all of the following to have been submitted to the Regional Legal Department in a form satisfactory to the Region:

- i) signed Subdivision Agreement received, including all schedules;
 - ii) payments of fees identified in the agreement received;
 - iii) securities identified in the agreement received;
 - iv) prepayment of Development Charges for Sanitary Sewerage, Water Supply and Regional Roads received; and
 - v) Insurance Certificate received.
- I) That the existing complaint procedure as provided in Regional By-law #52-2014 continue for the purpose of conducting hearings, regarding complaints made under Section 20 of the Development Charges Act, 1997;
- J) That Section 12(3) of the Development Charges Act, 1997 requires Regional Council to determine whether a further public meeting is necessary when changes are made to a proposed development charges by-law following a public meeting, and whereas changes were made (see Section 2.0) to the Seaton proposed development charge

by-law following the public meeting on April 24, 2019, it is recommended that Regional Council resolve that a further public meeting is not necessary and therefore Council indicate that a second public meeting is not required prior to the passage of the recommended Seaton Development Charge By-law;

- K) That the Director of Legal Services be instructed to finalize the proposed Seaton Development Charge By-law for presentation to Regional Council and passage;
- L) That the Regional Solicitor be instructed to revise future development agreements and any by-law(s) relating thereto to reflect any changes required to implement the foregoing recommendations and that such revised by-law(s) be presented to Council for passage;
- M) That the Regional Clerk be instructed to follow the notification provisions pursuant to the Development Charges Act, 1997; and
- N) That the Treasurer be instructed to prepare the requisite development charge pamphlet pursuant to the Development Charges Act, 1997 and related materials.

Report:

1. Introduction

- 1.1 The purpose of this report is to provide final recommendations regarding the proposed Seaton Water Supply and Sanitary Sewerage Area Specific Development Charges. These recommendations form the basis for the by-law to be implemented on July 1, 2019 to replace the existing Seaton Area Specific Development Charge By-law #19-2013.
- 1.2 The recommendations reflect the public submissions made in this regard at i) the Public Meeting of Regional Council on April 24, 2019; and ii) in writing (received by the Regional Clerk on or before May 21, 2019) and iii) comments from the Seaton Landowners Group.
- 1.3 The 2019 Seaton Area Specific Development Charge Background Study contained the proposed by-law and provided information regarding the proposed development charge policies for review by Regional Council and the public. The background study was made available to the public (free of charge) beginning April 9, 2019 as indicated in the public notices placed in the Toronto Star on March 23 and 25, 2019 and three times in the local Metroland newspapers throughout the Region over the time period March 21 to April 4, 2019.
- 1.4 An overview of the key recommendations contained in the proposed development charge by-law and background study was provided in Report #2019-F-18: Public Meetings Regarding Proposed Seaton Water Supply and Sanitary Sewer Area Specific Development Charges By-law and Background Study (Appendix #3).

2. Highlights of Final Recommendations Compared to Proposed By-law and Background Study Recommendations

- 2.1 There were no submissions received at the April 24, 2019 Public Meeting and the Region did not receive any written responses. In discussions with the Seaton Landowners Group, they requested that the Region increase the costs for three capital projects (i.e. Landowner constructed and funded works), to reflect more current cost estimates as follows:
- A) Zone 3 Feedermain on Taunton Road from the Zone 3 Pumping Station to Sideline 24 (Project WL1a) – increase from \$2,101,000 to \$2,236,000;
 - B) Zone 4 Feedermain on Taunton Road from the Zone 4 Pumping Station to Sideline 26 and on Sideline 26 to Whitevale Road (Project WL2) – increase from \$5,568,000 to \$5,880,000; and
 - C) Central Seaton Trunk Sanitary Sewer on Sideline 22 from Taunton Road to Whitevale Road (Project #SL3b) – increase from \$18,418,000 to \$20,720,000.
- 2.2 Staff are in agreement with the revised estimates. As a result of these changes, the recommended charge per single detached / semi-detached unit for water supply increased by \$28 (from \$12,240 to \$12,268) and \$117 for sanitary sewerage (\$9,622 to \$9,739) from the proposed rates in the April 9, 2019 Development Charge Study, as shown in the following table:

Table 5
Comparison of Seaton Residential ASDC Charges
Proposed vs Recommended Rates
(For a Single Detached Unit)

	<u>Proposed Rates ⁽¹⁾</u>	<u>Recommended Rates</u>	<u>Change</u>
Water Supply			
Region Constructed - Landowner Funded Works	\$ 5,752	\$ 5,752	\$ -
Regional Attributions	4,064	4,064	-
Landowner Constructed and Funded Works	<u>2,424</u>	<u>2,452</u>	<u>28</u>
Total - Water Supply	<u>12,240</u>	<u>12,268</u>	<u>28</u>
Sanitary Sewerage			
Region Constructed - Landowner Funded Works	1,863	1,863	-
Regional Attributions	2,751	2,751	-
Landowner Constructed and Funded Works	<u>5,008</u>	<u>5,125</u>	<u>117</u>
Total - Sanitary Sewerage	<u>9,622</u>	<u>9,739</u>	<u>117</u>
Total - Water Supply and Sanitary Sewerage			
Region Constructed - Landowner Funded Works	7,615	7,615	-
Regional Attributions	6,815	6,815	-
Landowner Constructed and Funded Works	<u>7,432</u>	<u>7,577</u>	<u>145</u>
Total - Water & Sewer	<u>\$ 21,862</u>	<u>\$ 22,007</u>	<u>\$ 145</u>

Note:

1. As proposed in the April 9, 2019 Background Study

- 2.3 The recommended non-residential development charges increased slightly from the proposed rates as follows:
- A) The recommended per hectare water supply and sanitary sewerage charge on the prestige employment lands is \$286,812 per hectare (vs the proposed charge of \$285,095);
 - B) The recommended water supply and sanitary sewerage Institutional Development Charge is \$2.07 / sq ft (from \$2.06 / sq ft as proposed); and
 - C) The recommended water supply and sanitary sewerage Non-institutional Development Charge is \$5.96 / sq ft (from \$5.93 / sq ft as proposed).

3. Input / Questions Regarding Proposed Seaton Residential and Non-residential Development Charges

- 3.1 Pursuant to the requirements of the DCA, 1997, Regional Council held a public meeting on April 24, 2019 to receive input on the proposed development charge by-law and policies contained in the background study.
- 3.2 No verbal submissions were made at the public meeting of Council held to consider the proposed Seaton Area Specific Development Charge By-law for water supply and sanitary sewerage. There were no formal correspondence provided with respect to the proposed Seaton Area Specific Development Charge By-law.
- 3.3 As discussed in Section 2, Regional staff worked with the Seaton Landowners Group which resulted in the update of cost estimates for three capital projects.

4. Further Considerations by Regional Council per DCA, 1997

Formal Consideration of Need for Further Public Meeting

- 4.1 If the final recommendations vary from the proposed by-law in the DC Background Study released April 9, 2019, Regional Council is required under the provisions of the DCA to consider whether a second public meeting is required. An additional public meeting would require public notices to be placed providing at least twenty days notice of such a public meeting.
- 4.2 Given that the final recommendations do vary from the proposed Regional Development Charge by-law, Regional Council is required under provisions of the DCA, 1997 to consider whether a second public meeting is required.
- 4.3 Although the final recommendations do vary from the proposed Seaton Development Charge by-law as contained in the April 9, 2019 Development Charge Background Study, they reflect the input received from the Seaton Landowners Group. Therefore, it is recommended that Council indicate that a second public meeting is not required prior to the passage of the recommended Seaton Area Specific Development Charges By-law.

Necessary Approvals and Actions to Support Proposed Development Charge By-law

- 4.4 In order to implement the recommended Seaton Development Charges By-law, various administrative tasks must be undertaken by the Regional Solicitor, Regional Clerk and Regional Treasurer. These include the notification of the passage of by-laws and preparation of an information pamphlet. As well, approval of the growth forecast, service levels, the capital forecast and the Development Charge calculations is required by Regional Council.

5. Transition Policies

- 5.1 The following provides a list of transition policies to be utilized for the implementation of the 2019 Seaton Area Specific Development Charge By-law (same transitional policies utilized for prior development charge studies):
- A) Any complete submission of a subdivision agreement received by June 30, 2019 will be provided the option of being processed under the current Seaton Area Specific Development Charge By-law or the new by-law. This will provide developers the option to pay the current development charge rates (i.e. the rates prior to the increase on July 1, 2019). The subdivision agreement must be executed by September 30, 2019; and
 - B) Any complete building permit application received prior to June 30, 2019 will be processed at the current rates (prior to the July 1, 2019 increase), assuming the building permit is issued by July 15, 2019 (Written correspondence to the area treasurers is provided advising them of this transition process for building permit applications).

6. Bill 108, More Homes, More Choice Act, 2019

- 6.1 Bill 108, More Homes, More Choices Act, 2019 was released by the Province on May 2, 2019 and proposes a number of changes to the Development Charge Act, 1997. Staff will continue to monitor Bill 108 and the related regulations as it relates to the Seaton Area Specific Development Charges By-law.

7. Conclusion

- 7.1 The above recommendations reflect the input received from the Seaton Landowners Group. These recommendations will create a new area specific development charge by-law (related charges and policies) for Seaton to allow the appropriate infrastructure to be constructed to accommodate the anticipated development in Seaton.
- 7.2 The Commissioner of Works, the Commissioner of Planning and Economic Development and the Regional Solicitor concur with these recommendations and these departments have assisted throughout the development charge review.

8. Appendices

Appendix #1: Amended Pages from 2019 Seaton Development Charge Background Study

Appendix #2: Seaton Well Interference Policy

Appendix #3: Report #2019-F-18: Public Meetings Regarding Proposed Seaton Water Supply and Sanitary Sewer Area Specific Development Charges By-law and Background Study

Appendix #4: Recommended Seaton Area Specific Development Charge By-law

Additional copies of the 2019 Seaton Development Charge Background Study are available from the Regional Clerk's Office or the Regional website.

Respectfully submitted,

Original Signed By

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Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer