

Industry Stakeholder Meeting #5

DC Study, CBC Strategy, and Parkland Conveyance By-law and Parks Plan Update



CITY OF MISSISSAUGA

Monday, January 31st, 2022



DC, CBC and Parkland Discussion Topics

DC & CBC

- Update on Development Charges Background Study
- Update on CBC Strategy
- DC & CBC Key Dates
- Questions / Discussion

Parkland Conveyance By-law

- Project Schedule
- Updated Alternative Rate Scenario Modeling
- Updated CIL Capped Rate Options
- Phasing and Indexing Considerations
- By-law Application Examples
- Parks Plan & Conveyance By-law Key Dates
- Questions / Discussion

Update on Development Charges Background Study

- Posted (in Draft) on the City's website are the following:
 - Development forecast
 - Historical inventories
 - Capital Program
- DC Indexing:
 - Current DC rates to be indexed in February 1st, 2022
 - Calculated DC rates will not be indexed prior to passage



DRAFT Residential DC Rates

Service	Residential Charge By Unit Type (1)				
	Singles & Semis	Rows & Other Multiples	Apartments Units	Small Units	Special Care Unit
By-Law Enforcement	\$145	\$113	\$99	\$54	\$36
Development-Related Studies	\$293	\$228	\$200	\$109	\$73
Library Services	\$1,600	\$1,245	\$1,091	\$594	\$398
Fire Services	\$1,518	\$1,181	\$1,035	\$564	\$377
Recreation & Parks Development	\$17,805	\$13,852	\$12,136	\$6,611	\$4,424
Transit Services	\$4,943	\$3,846	\$3,370	\$1,836	\$1,228
Public Works Services	\$867	\$674	\$591	\$322	\$215
LAC Debt	\$89	\$69	\$61	\$33	\$22
Sub-total General Services	\$27,260	\$21,208	\$18,583	\$10,123	\$6,773
Roads And Related Infrastructure	\$22,942	\$17,849	\$15,637	\$8,519	\$5,700
TOTAL CHARGE PER UNIT	\$50,202	\$39,057	\$34,220	\$18,642	\$12,473
(1) Based on Persons Per Unit Of:	4.02	3.13	2.74	1.49	1.00

Note: Parking services are no longer DC eligible and therefore are excluded.

Updated DC Rates:

- Updated DC reserve fund balances were available
- Minor adjustments (rounding) on some BTE shares to align with capital budget
- A decrease in the apartment unit rate from rates shown on Dec 6/2021 of \$354

DRAFT Non-Residential DC Rates

Service	Non-Residential Charge	
	Industrial	Non-Industrial
By-Law Enforcement	\$0.75	\$0.75
Development-Related Studies	\$1.53	\$1.53
Library Services	\$0.00	\$0.00
Fire Services	\$7.92	\$7.92
Recreation & Parks Development	\$0.00	\$0.00
Transit	\$25.88	\$25.88
Public Works	\$4.51	\$4.51
LAC Debt	\$0.00	\$0.00
Sub-total General Services	\$40.59	\$40.59
Roads And Related Infrastructure	\$97.66	\$127.49
TOTAL CHARGE PER SQUARE METRE	\$138.25	\$168.08

Note: Parking services are no longer DC eligible and therefore are excluded.

Updated DC Rates:

- Updated DC reserve fund balances were available
- Minor adjustments (rounding) on some BTE shares to align with capital budget
- Industrial rate decrease = \$1.08*
- Non-industrial decrease = \$1.37*

*From rates presented on December 6, 2021

Comparison of Current Residential Rate and Draft Calculated Rates

Service	Current Apartment Charge (1)	Calculated Apartment Charge	Difference in Charge	
By-Law Enforcement	\$107	\$99	(\$8)	-8%
Development-Related Studies	\$349	\$200	(\$149)	-43%
Library Services	\$1,255	\$1,091	(\$164)	-13%
Fire Services	\$924	\$1,035	\$111	12%
Recreation & Parks Development	\$12,582	\$12,136	(\$446)	-4%
Transit Services	\$885	\$3,370	\$2,485	281%
Public Works Services	\$661	\$591	(\$70)	-11%
Parking Services (1)	\$309	\$0	(\$309)	-100%
LAC Debt	\$97	\$61	(\$36)	-37%
Sub-total General Services	\$17,170	\$18,583	\$1,413	8%
Roads And Related Infrastructure	\$12,115	\$15,637	\$3,522	29%
TOTAL CHARGE PER UNIT	\$29,285	\$34,220	\$4,935	17%

(1) Rates as of February 1, 2022 based on LPAT Settlement of DC By-law 0096-2019

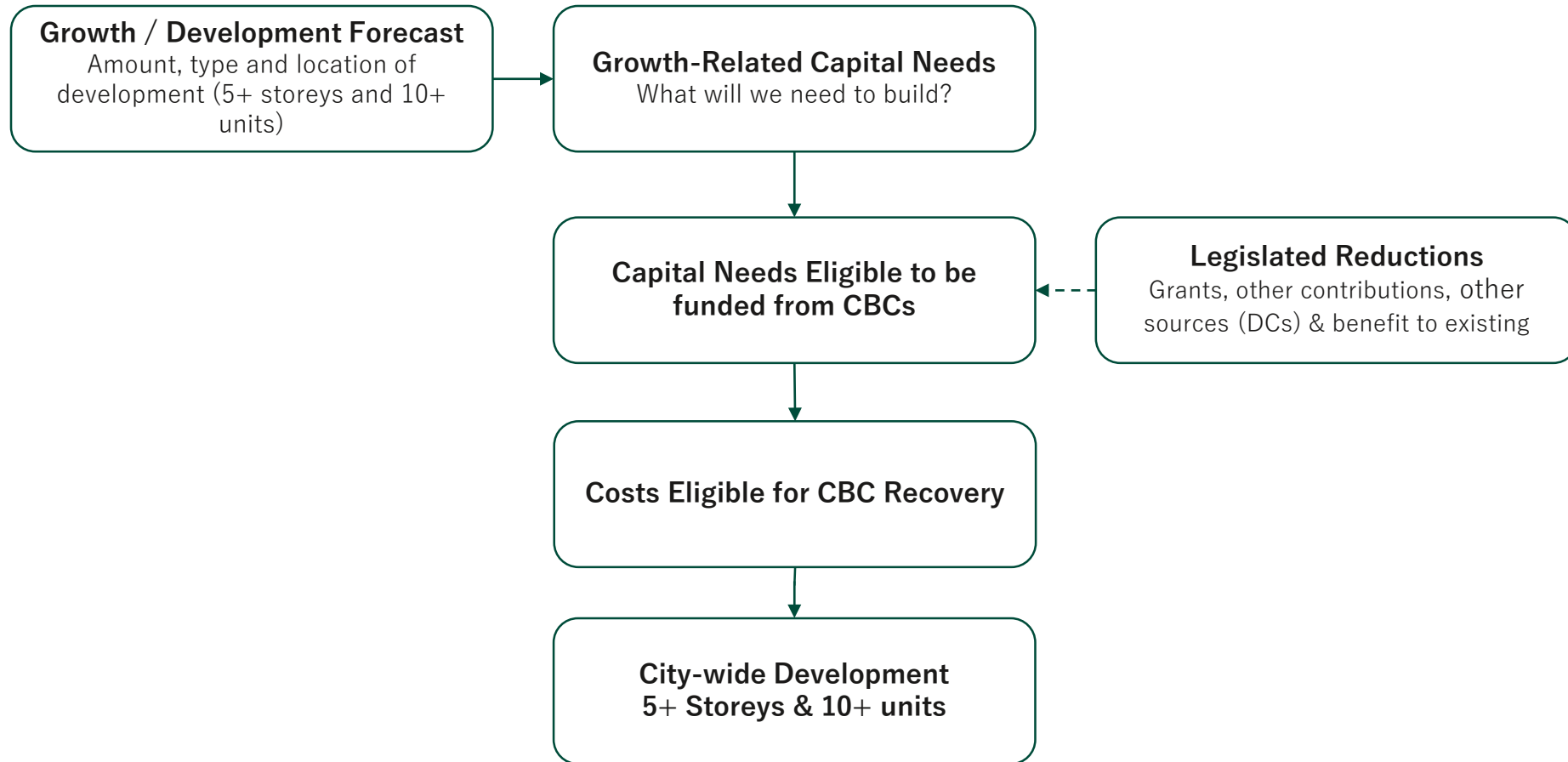
Comparison of Current Non-Residential Rate and Draft Calculated Rates

	Non-Industrial				Industrial			
Service	Current Non-Industrial Charge (\$/m2)	Calculated Non-Industrial Charge (\$/m2)	Difference in Charge		Current Industrial Charge (\$/m2)	Calculated Industrial Charge (\$/m2)	Difference in Charge	
By-Law Enforcement	\$0.69	\$0.75	\$0.06	9%	\$0.54	\$0.75	\$0.21	38%
Development-Related Studies	\$2.25	\$1.53	(\$0.72)	-32%	\$1.78	\$1.53	(\$0.25)	-14%
Library Services	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$0.00	0%
Fire Services	\$5.95	\$7.92	\$1.97	33%	\$4.71	\$7.92	\$3.21	68%
Recreation & Parks Development	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$0.00	0%
Transit	\$5.82	\$25.88	\$20.06	344%	\$4.61	\$25.88	\$21.27	462%
Public Works	\$4.27	\$4.51	\$0.24	6%	\$3.38	\$4.51	\$1.13	33%
Parking Services (1)	\$2.00	\$0.00	(\$2.00)	-100%	\$1.59	\$0.00	(\$1.59)	-100%
LAC Debt	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$0.00	0%
Sub-total General Services	\$20.99	\$40.59	\$19.60	93%	\$16.61	\$40.59	\$23.98	144%
Roads And Related Infrastructure	\$96.58	\$127.49	\$30.91	32%	\$78.27	\$97.66	\$19.39	25%
TOTAL CHARGE PER M2	\$117.57	\$168.08	\$50.51	43%	\$94.88	\$138.25	\$43.37	46%

DC By-law Policy Considerations

1. Special Care Unit Rate Definition
2. Speculative Industrial Buildings (Condo Units)

CBC Strategy Process



CBC: Development Forecast

- Only buildings with 5 or more storeys and 10 or more residential units are included in the forecast
- Development forecast based on DC apartment forecast 2022-2031
- Total ten year apartment units forecasted = 26,828
 - Low-end CBC eligible development estimate = 22,000 (~82%)
 - High-end CBC eligible development estimate = 24,000 (~89%)
- Forecast is City-wide in-line with the proposed CBC levy

CBC: Revenue Forecast

- Based on recent 6yrs of data (2015-2020) of CBC Eligible developments & 2022 Land Costs (based on DC Study inputs)
- Per unit revenue average in City is estimated at \$2,250

**Forecasted CBC Revenue (2022-2031):
\$45M – \$50M**

CBC Service Areas Descriptions (1/2)

- *Housing:* includes capital costs associated with providing a mix of affordable housing to the growing population in the city.
- *Public Realm and Road Safety:* includes items such as geometric road safety improvements and road speed mitigation measures (e.g. traffic calming, raised pedestrian crossings, etc.), enhanced urban design (landscaping, wayfinding, seating, wider pedestrian walkways etc.), and public art.
- *Community Facilities:* includes items such as theatres, culture hubs, community centres, libraries, and other facilities for the delivery of programming in the City.

CBC Service Areas Descriptions (2/2)

- *Active Transportation:* includes various capital costs related to active transportation infrastructure within roads right-of-way, in greenspaces, and other areas. Infrastructure included in this service relates to multi-use pathways, trails, cycling infrastructure, and others.
- *Urban Parks:* includes costs related to the development of various types of park space across the City, including urban parks, privately-owned public spaces (POPS), and park infrastructure enhancements.
- *Parking:* includes capital costs related to on-street parking and parking structures in the City's urban areas.
- *Civic Administration:* includes the cost of developing and implementing the CBC Strategy.

CBC DRAFT Capital Program (\$000)

Service	Net Cost	Replacement & BTE (\$)	Total Development Related Cost	DC Funding	Other GFT	Total CBC Related Costs
1.0 HOUSING	\$120,000	\$66,720	\$53,280	\$0	\$17,936	\$35,344
2.0 PUBLIC REALM & ROAD SAFETY	\$17,870	\$0	\$17,870	\$0	\$5,292	\$12,578
3.0 COMMUNITY FACILITIES	\$13,955	\$6,114	\$7,841	\$0	\$452	\$7,388
4.0 ACTIVE TRANSPORTATION	\$22,280	\$8,899	\$13,381	\$0	\$2,742	\$10,639
5.0 URBAN PARKS	\$190,653	\$0	\$190,653	\$129,933	\$13,460	\$47,260
6.0 PARKING	\$87,000	\$13,050	\$73,950	\$0	\$42,284	\$31,666
7.0 CIVIC ADMINISTRATION	\$500	\$0	\$500	\$0	\$0	\$500
TOTAL COST	\$452,258	\$94,783	\$357,475	\$129,933	\$82,167	\$145,375

Note: May not add due to rounding.

CBC: Implementation

- The CBC charge will be on a City-wide basis
- CBC By-law anticipated to be presented to Council for approval in May 2022
- Statutory exemptions to be included in by-law; other exemptions to be reviewed
- In-Kind Contributions
 - Permitted under the legislation
 - Capital program and CBC By-law will be structured to provide for in-kind contributions
- On November 17th Council requested staff review the by-law to include language to prioritize CBC spending within the Ward it was collected. This is under review and consideration by staff.

CBC Strategy Content (Draft TOC)

- Background and Legislative Context
- Proposed CBC Methodology and Approach
- CBC Development Forecast
- CBC Capital Program
- CBC Revenue Analysis & Rate Structure
- Implementation and Administration
- Conclusion and Recommendations

CBC STRATEGY
PREPARED BY HEMSON FOR CITY OF MISSISSAUGA

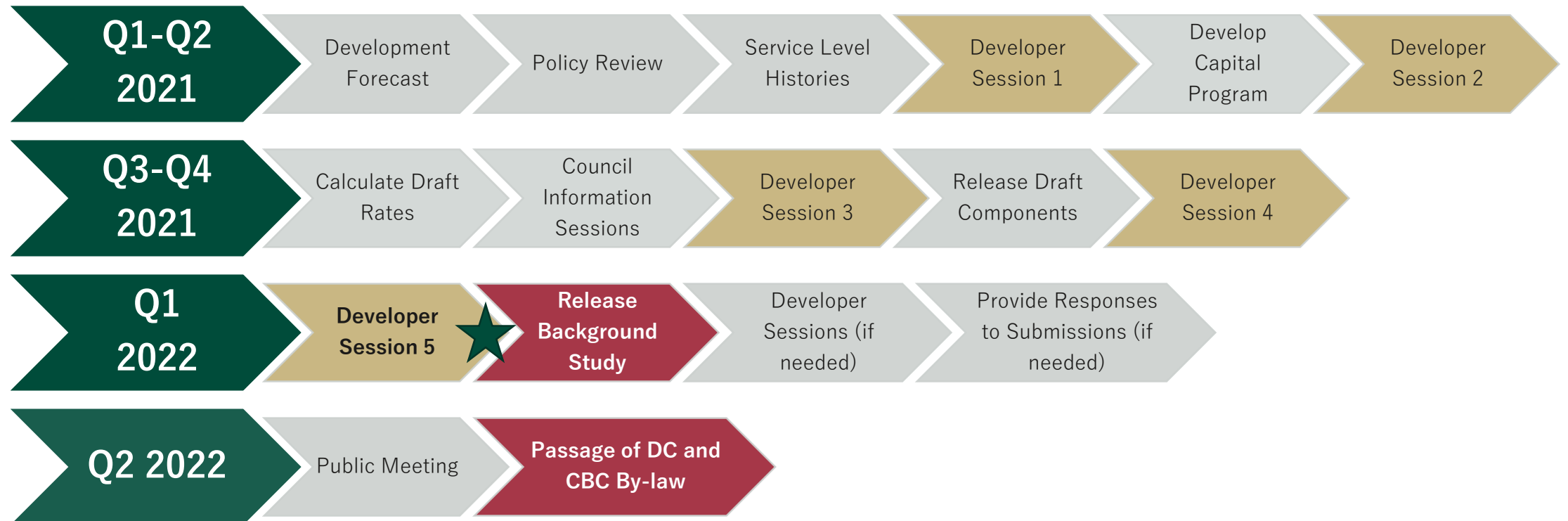
COMMUNITY BENEFITS CHARGE STRATEGY

February X, 2022



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DC/CBC Project Timeline



Upcoming Key Dates

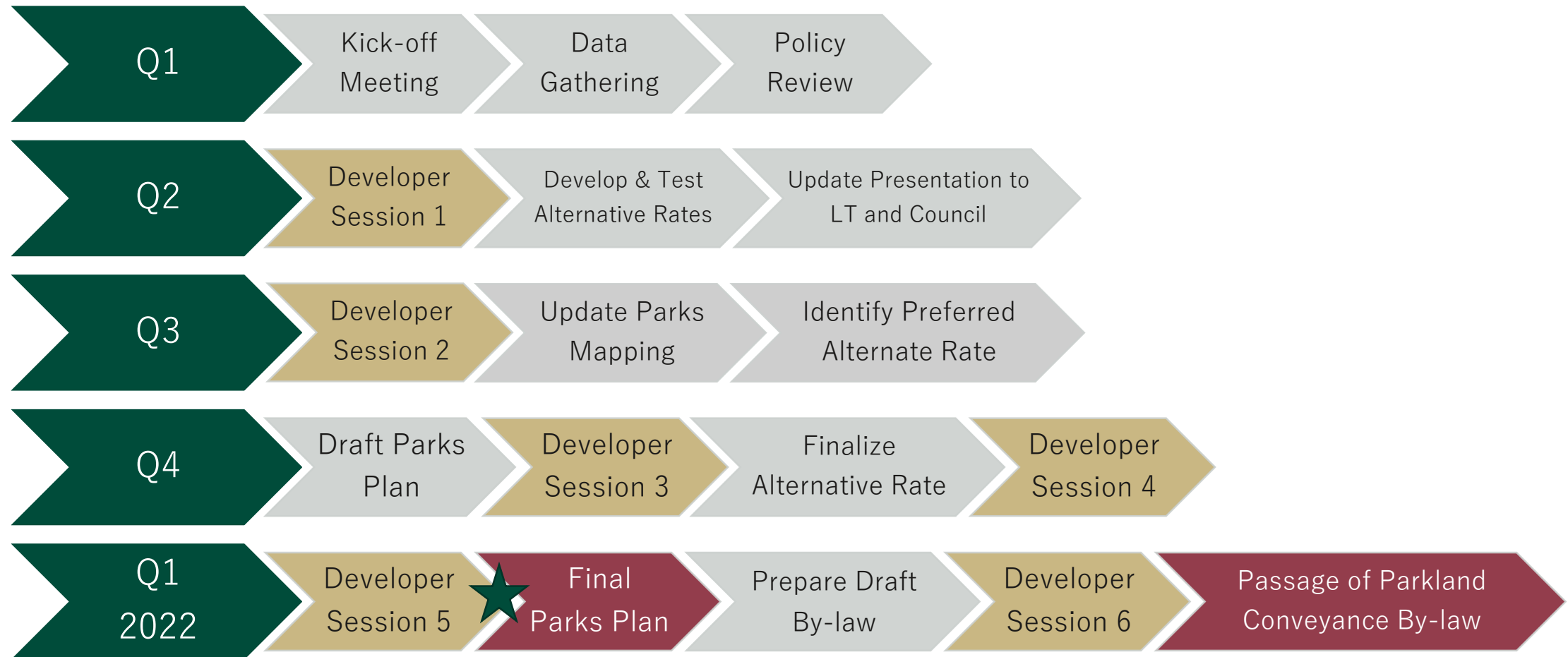
- **End of Feb:** Release Draft DC Study and CBC Strategy
- **March 7:** Industry Stakeholder Session #6
- **April 6:** Public Meeting on DC Study and CBC Strategy and By-laws
- **May 4:** Anticipated Council Passage of DC and CBC By-laws

DC & CBC Questions / Discussion

Parkland Conveyance By-law and Parks Plan Update



Parkland Conveyance By-law and Parks Plan Timeline



Updated Alternative Rate Scenario Modeling

- Revised need and revenue assumptions:
 - Required parkland increased by 4.02 ha in UGC (rates up)
 - Revised CIL reserves to preliminary 2021 balance (rates down)
 - Revised estimated contributions from Standard Rate (rates down)
- Different land cost assumptions included based on BILD feedback for consideration and discussion
 - Current Methodology (Citywide average – 3-year straight average)
 - Alternate Methodology (Citywide average – 5-year straight average)
 - Development Charge Land Values (Area Specific Values – 5-year straight average)

Land Cost Assumptions Rate Impact Comparison

Scenario	Citywide Average (3-year avg.)	Citywide Average (5-year avg.)	DC Land Values (5-year avg.)
Parkland Requirement:	76.3 ha	76.3 ha	DT+MN: 32.5 ha Others: 43.8 ha
Estimated Land Cost:	\$26.5 million / ha	\$22.9 million / ha	DT+MN: \$42.2 million / ha Others: \$8.6 million / ha
Total Cost:	\$2.03 billion	\$1.75 billion	\$1.78 billion
Estimated Alternative Rate Total:	\$1.70 billion	\$1.42 billion	\$1.46 billion
Unadjusted Per Unit Cap:	\$27,936	\$23,352	\$23,970
Adjusted Per Unit Cap:	\$32,040	\$25,588	\$26,402

Increase from \$30,500 previously calculated



Phasing and Indexing Example:

Proposed Rate Phase In and Indexing – Current Calculated Rate

Current FUR	6-Month Partial Increase	12-Month Full Implementation	18-Month Semi-annual Index	24-Month Semi-annual Index
<i>As of Feb 1, 2022</i>	<i>50% of rate increase</i>	<i>Full calculated rate</i>	<i>3-5% scheduled increase</i>	<i>3-5% scheduled increase</i>

- Rate phase in over 1-year with in-stream protection allows for some projects to proceed before change
 - Depending on scope of final calculated rate – longer phase in may be appropriate
- Semi-annual indexing impact more significant with higher rates
- Recommend comprehensive review every 5-years (with DC study)

Alternative Rate Calculation

A	$\frac{\text{Standard Rate-residential GFA}}{\text{Total GFA}} \times 5\% \times \text{Site Value} =$				
B	$\frac{\text{Non-residential GFA}}{\text{Total GFA}} \times 2\% \times \text{Site Value} =$				
C	$\frac{\text{Medium+High Density Units}}{500} \times \text{Site Land Value per Ha} > \text{Lesser of} =$ $\text{Medium+High Density Units} \times \text{Max Capped Unit Rate}$				

Total CIL
Required
= A+B+C

Policy Examples in Practice

12-storey Residential Building

- 195 units
- Site Size: 0.375 ha
- GFA: 100% residential
- Land value: \$7,700,000 (2021)
 - \$20,525,000 / ha (2021)
- Total CIL payable: \$6,248,000
 - Standard Rate: \$0
 - Alternative rate:
 - 1/500: \$8,005,000
 - Max Cap (\$32,040/unit): \$6,248,000

Note: Land values based on Realnet transactions and may not represent final assessed value



Policy Examples in Practice

15-storey Mixed Use Building

- 242 units
- Site Size: 0.421 ha
- GFA: 94% residential / 6% commercial
- Land value: \$7,469,000
 - \$17,741,000 / ha
- Total CIL payable : \$7,756,000
 - Standard Rate: \$2,300
 - Alternative rate:
 - 1/500: \$8,587,000
 - Max Cap (\$32,040/unit): \$7,754,000



Policy Examples in Practice

Phased Townhome Project

- 122 townhomes (Phase I) + 47 townhomes (Phase II)
- Site Size: 4.84 ha
- GFA: 100% residential
- Land value: \$21,427,000
 - \$4,427,000 / ha (2021)
- Total CIL payable: \$1,496,000
 - Standard Rate: \$0
 - Alternative rate:
 - 1/500: \$1,496,000
 - Max Cap (\$32,040/unit): \$5,415,000



Dedication vs. CIL

- Land dedications will be valued against CIL requirement for purpose of crediting
- Brings land dedications in line with CIL capped rates
- In case of phased projects – per unit credits will be valued based on alternative rate at the time of dedication

Example:

- 2 phase residential tower project
 - Phase I: 200 units
 - Phase II: 400 units (2 years out)
- Land value of \$30 million / ha
- Total CIL requirement of \$22.0 million over both Phases
 - Phase I: \$6.4 million (*\$12 million @ 1ha/500*)
 - Phase II: \$15.6 million* (*\$24 million @ 1ha/500*)
- Upfront Land Dedication of 0.5 ha in Phase 1
 - Valued at \$15 million = 468 unit credits
 - Phase I: Dedication Satisfied
 - Phase II: 132 uncredited units
 - \$5.1 million* capped (*\$7.9 million @ 1ha/500*)

Note*: Assumes \$32,040 cap rate, with four 5% indexed rate increases between Phase I and Phase II

Parkland Conveyance By-Law and Parks Plan – Key Dates

- **Late February:** Parks Plan and Conveyance By-law Summary
- **March 7, 2022:** Stakeholder Meeting #6
- **March 2022:** Parks Plan to Council for consideration and approval
- **Late Spring 2022:** Parkland Conveyance By-law to Council for consideration and approval

Parkland Conveyance By-law and Parks Plan: Questions and Discussion