

City of Brandon Development Cost Charges

Stakeholder Presentation

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Outline of Presentation

1. Introduction and Opening Remarks
2. Review of Process to Date
3. Assumed Growth Needs by Area
4. Review of Capital Costs by Service Area
5. Preliminary DCC Calculations
6. Policies
7. Potential Reductions/Exemptions
8. Next Steps
9. Questions

DCC Study Process Overview

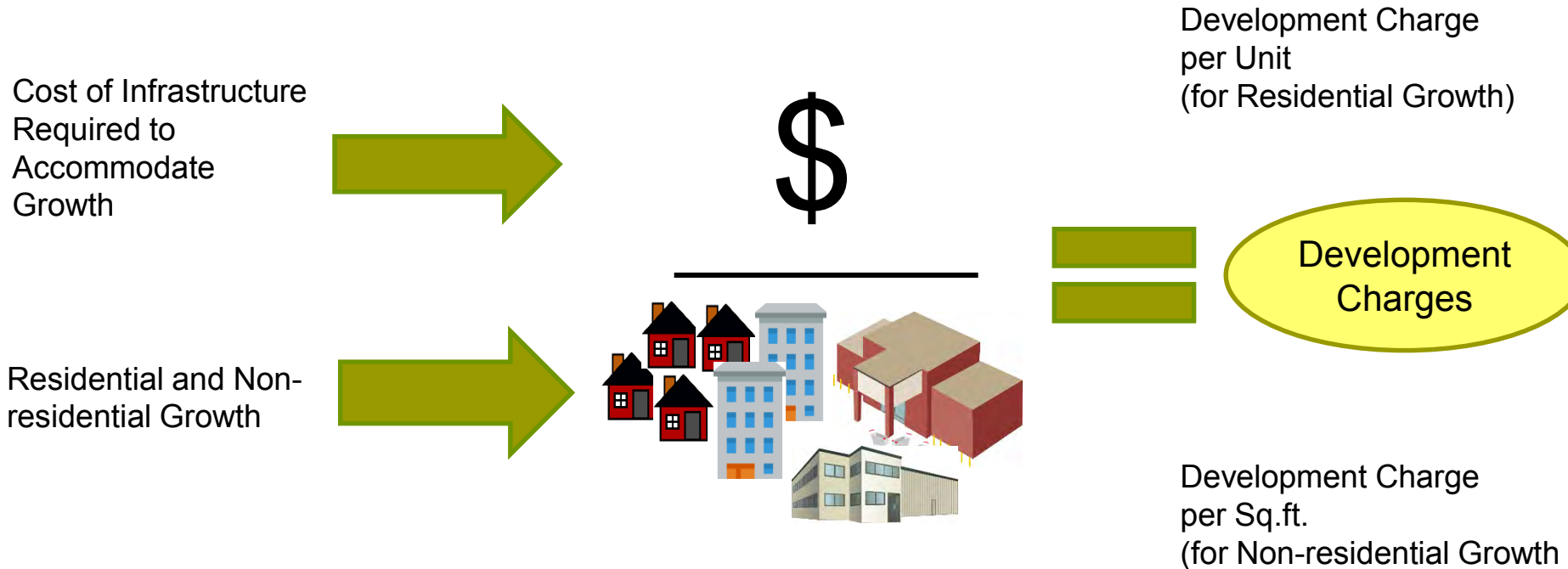
- ✓ Project Initiation
- ✓ Review and Identification of Infrastructure needs and Costing
- ✓ Data Collection
- ✓ Growth Projections
- ✓ Preliminary DCC Calculations
- ❖ Council and Development Community Consultation
- Policy Development
- Draft and Final Study and By-law
- Public Consultation – discuss methodology, policies, calculations, capital works, draft DCC's
- Council Review/ Consideration of Policies and By-law

Development Cost Charges

Purpose:

- Development Cost Charges are fees that are collected by a municipality to offset the costs of infrastructure needed to serve an expansion, new development, redevelopment or an intensification of use of a property
- The fees are pooled in special reserve accounts and then used to fund the construction of off-site public services (such as: roads, sewers, drainage, watermains, and traffic signals) made necessary by the development

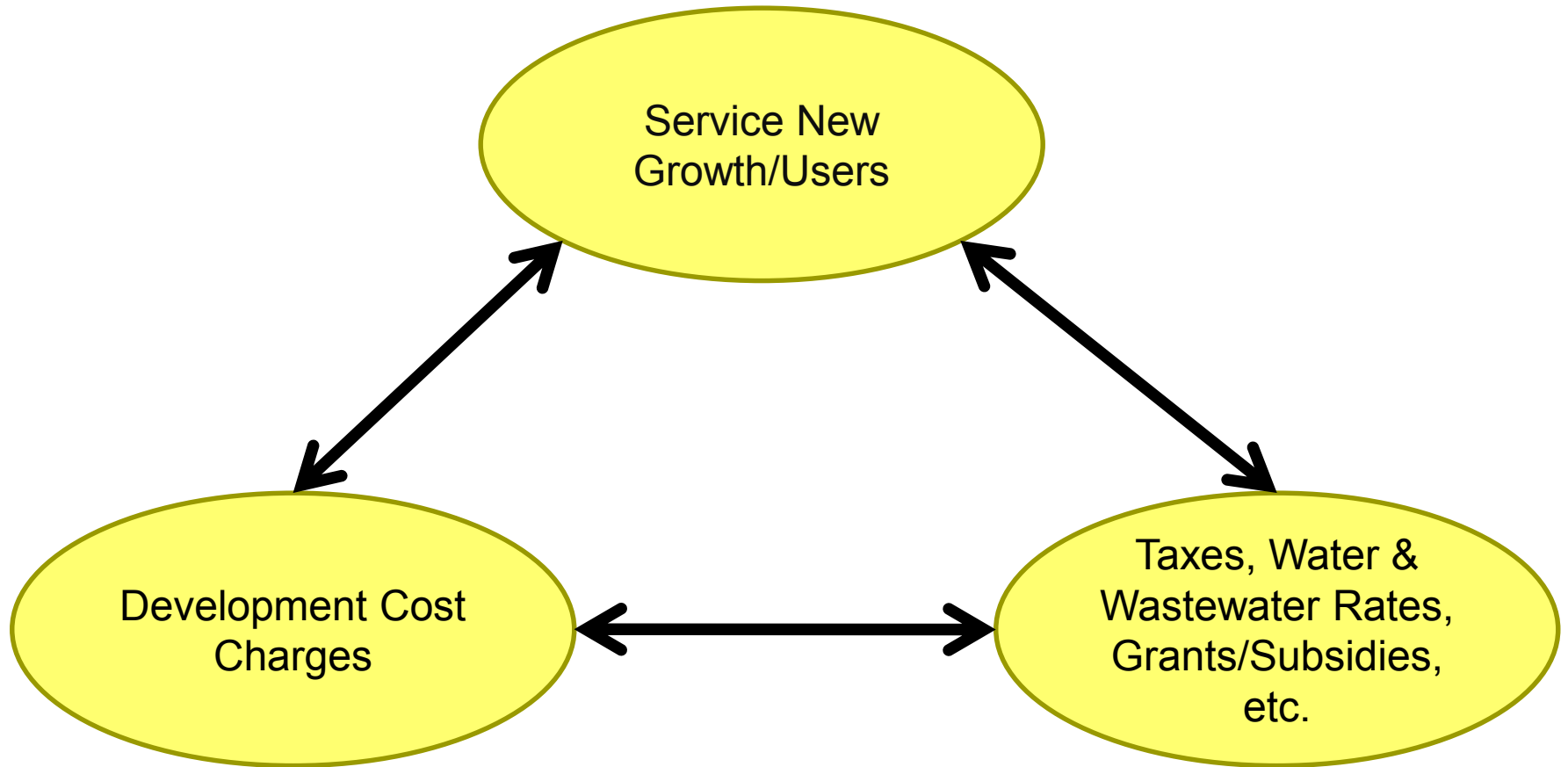
How Development Cost Charges Work



Location of Growth-related Capital Costs

- On-site
 - Typically deemed a Local Service and constructed at the developer's expense as per the City's Local Service Policy
- Boundary Improvements
 - Sidewalks, Roads, signalization, etc. adjacent to a development area
 - Can be included in the DCC or deemed a Local Service as per the City's Local Service Policy
- Off-site Works
 - Roads, Water and Wastewater Treatment Facilities and mains, etc. located outside of a development area but required due to growth

Relationship Between Needs to Service Growth vs. Funding



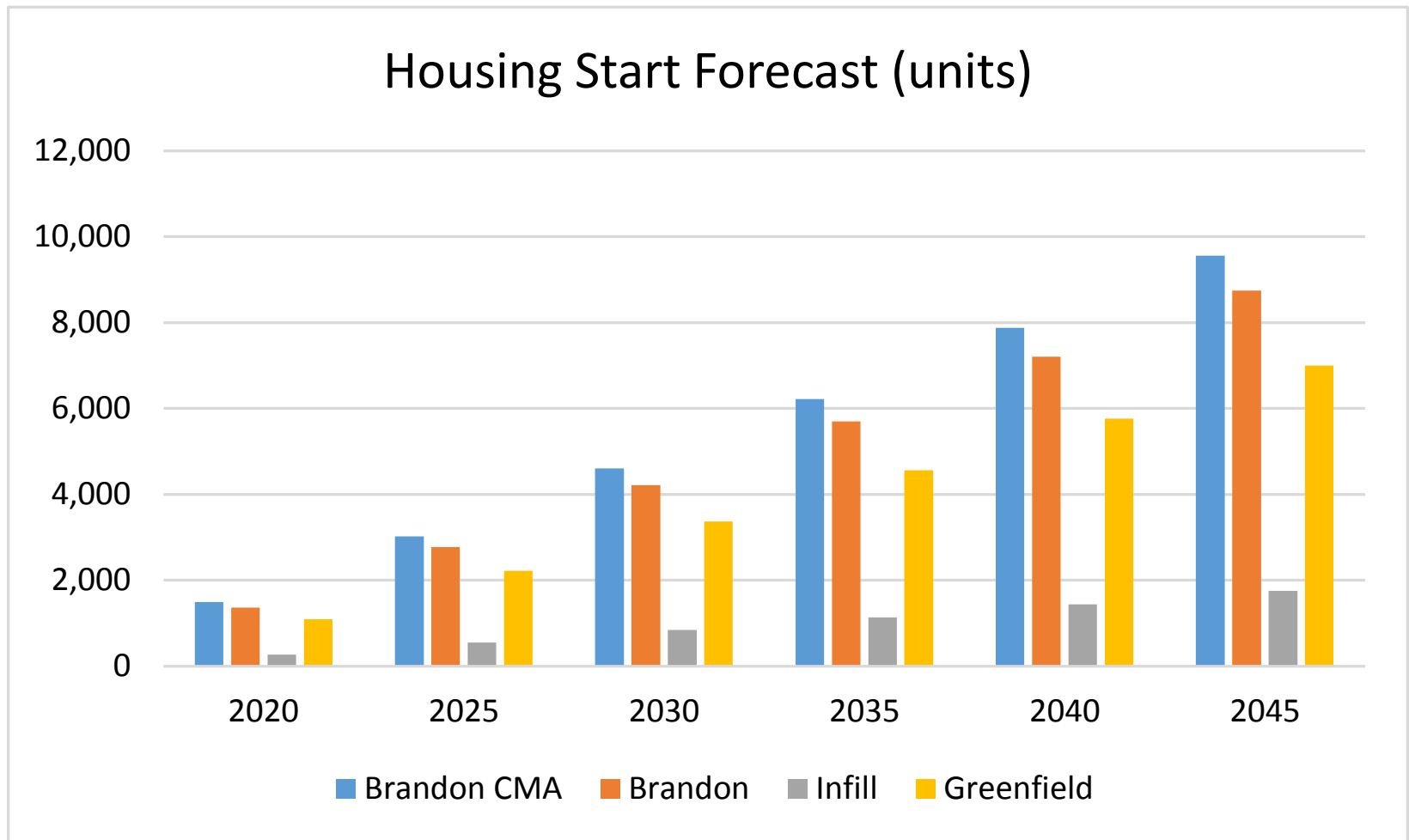
Current City of Brandon Policy on Recovering Costs for Growth-related Infrastructure

- ❑ Negotiated on a site-by-site basis

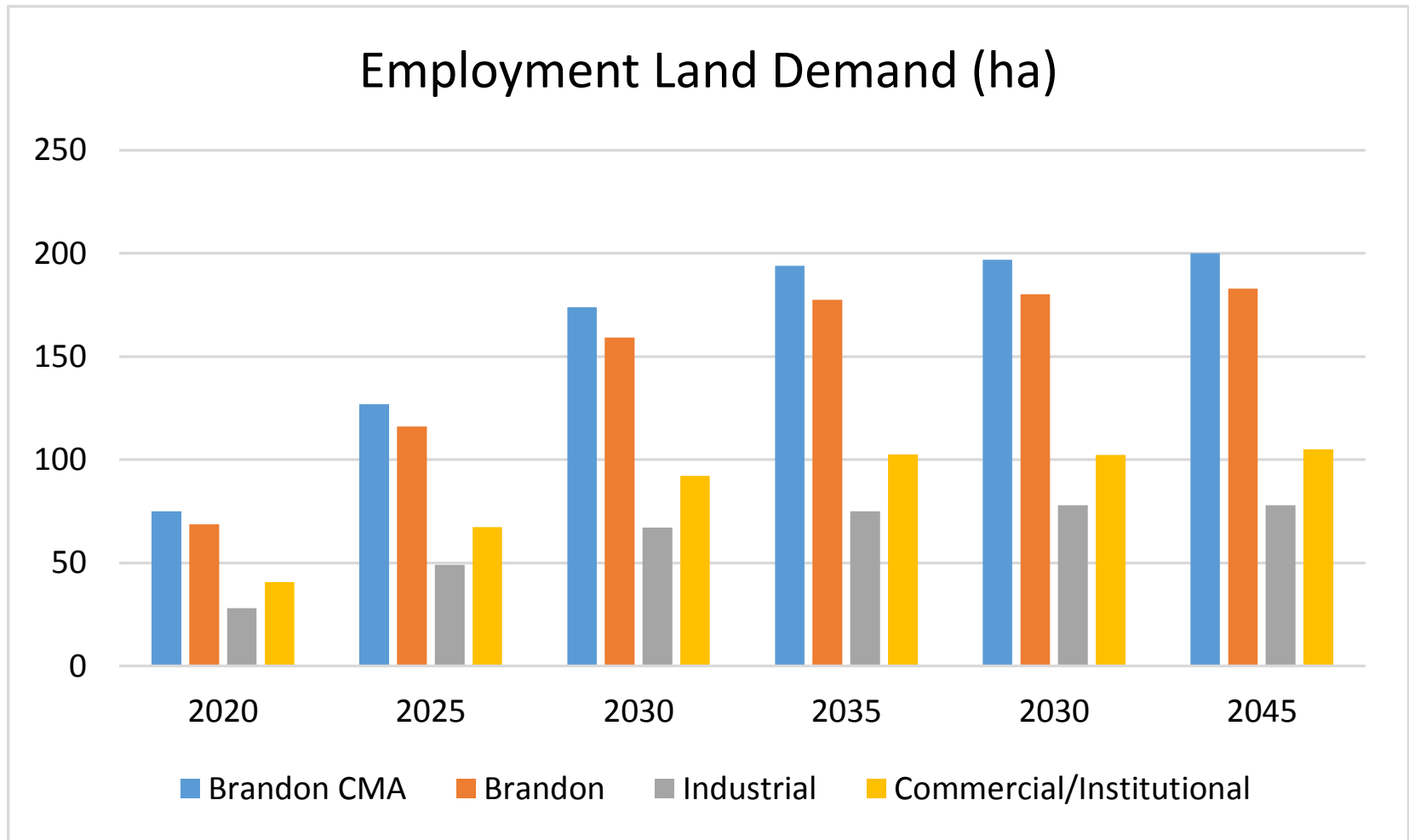
Limitations

- ❑ Inconsistency
- ❑ Only funds improvements adjacent or close to the site
- ❑ Does not reflect full cost of growth

Assumed Growth in the City of Brandon - Residential



Assumed Growth in the City of Brandon – Non-residential



Assumed Growth by Area



Assumed Growth – Residential & Non-Residential

Residential Units	Low & Medium Density (67%)	High Density (33%)	Low & Medium Density (2.742ppu)	High Density (1.774ppu)	Total Population
9,450	6,332	3,119	17,362	5,533	22,894

Non-Residential Area (ha)	Commercial Sq. Ft.	Commercial Employment	Industrial Sq. Ft.	Industrial Employment
612.95	2,909,220	4,476	8,645,650	5,357

Services with Growth Related Costs Considered

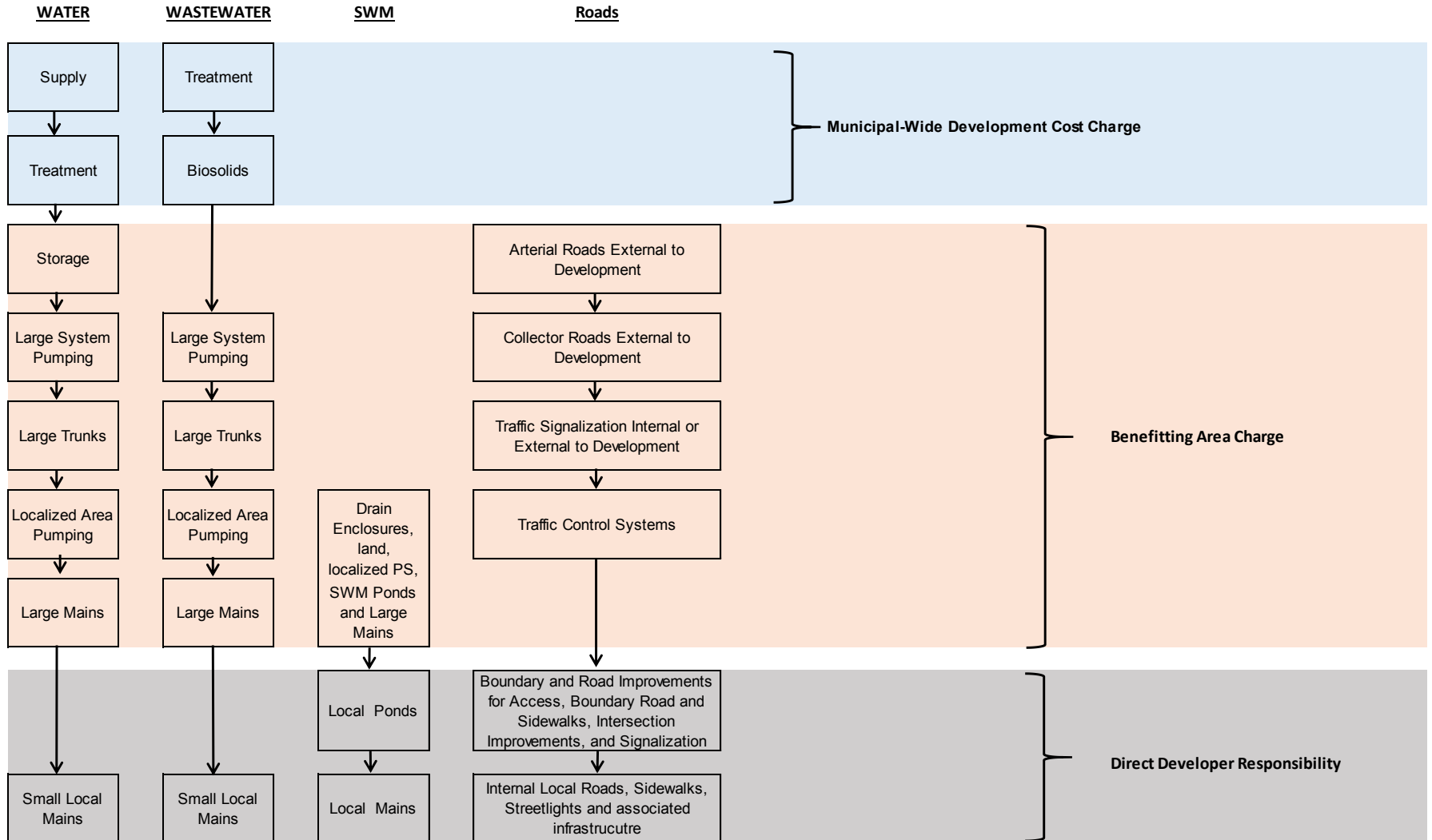
- **Transportation**
 - Road Construction
 - Intersections
- **Water**
 - Distributions (mains)
 - Treatment Facility
- **Wastewater**
 - Domestic Facilities (i.e. lift stations & force mains)
 - Transmission (mains)
 - Treatment Facility
- **Land Drainage (Stormwater Management)**
 - Mains
 - Ditches
 - Retention Ponds

Services NOT Considered

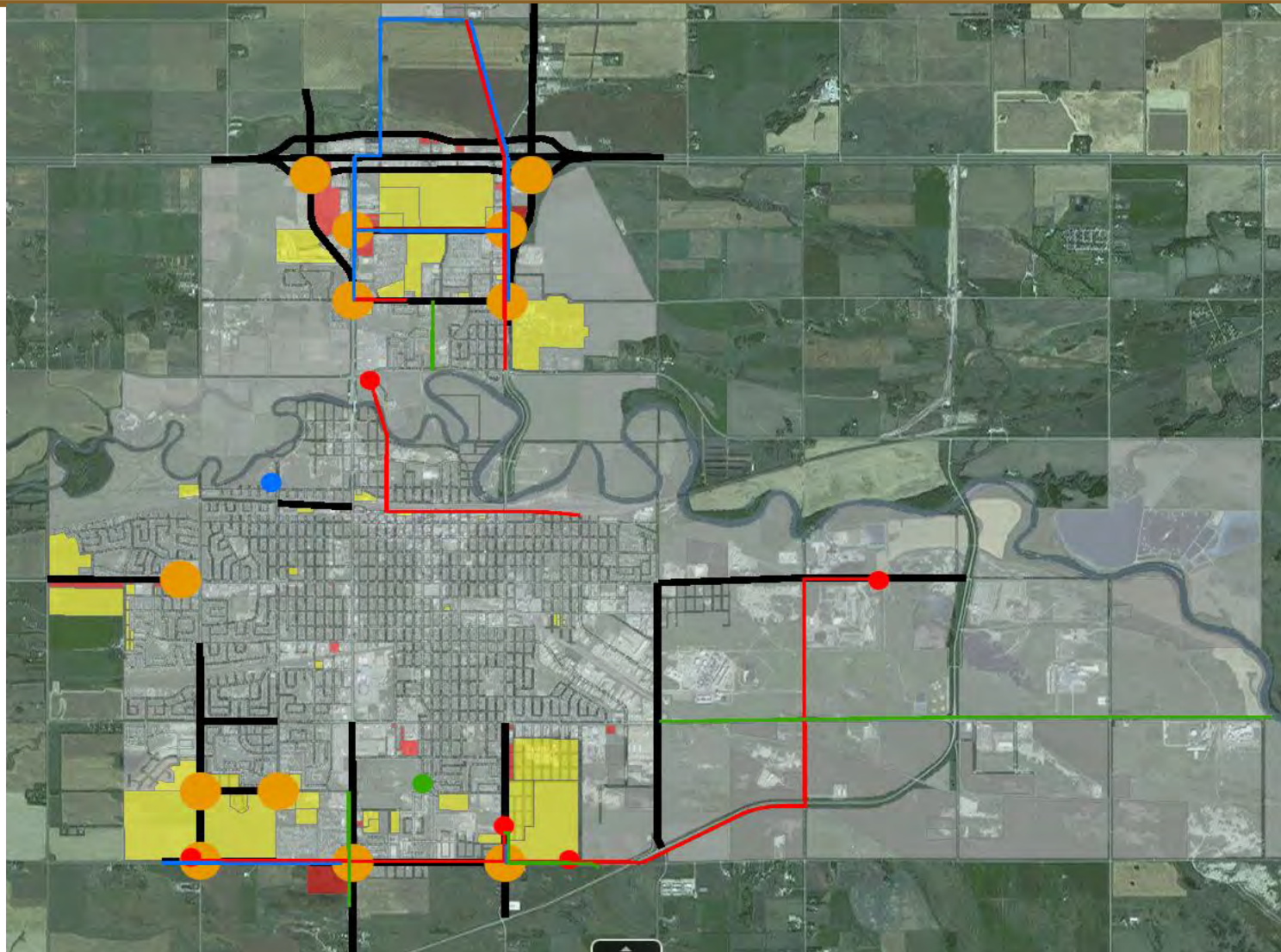
- ❑ Fire
- ❑ Police
- ❑ Paramedics
- ❑ Indoor Recreation
- ❑ Outdoor Recreation
- ❑ Libraries
- ❑ Administration Studies
- ❑ Waste Management
- ❑ Transit
- ❑ Cemeteries
- ❑ Cultural

Capital Works to Be Considered

Local Service Schematic for The City of Brandon



Infrastructure Required to Service Growth



Capital Costs by Service Area

Infrastructure	Gross Cost
Transportation Cost	43,000,000
Wastewater Domestic Facilities Cost	14,000,000
Wastewater Distribution Cost	11,000,000
Wastewater Treatment Facilities (Net) Cost	27,000,000
Total Wastewater Cost	52,000,000
Water Distribution Cost	7,000,000
Water Treatment Facilities (Net) Cost	20,000,000
Total Water Cost	27,000,000
Storm Sewer Cost	14,000,000
Total Cost	214,000,000

Sample Net Capital Cost Calculation (Transportation- Intersections)

Intersections

Description of Work	Facility Type	Cost (\$)	Less: Benefit to Existing Development (\$)	Less: Grants/Subsidies (\$)	Less: Other (\$)	Net Capital Cost (\$)
Highland Ave & PTH No. 10 (18th St N)	Roundabout	380,000	95,000	190,000	-	95,000
Highland Ave & PTH No. 1A (1st St N)	Roundabout	380,000	95,000	190,000	-	95,000
Clare Ave & PTH No. 10 (18th St N)	Roundabout	380,000	95,000	190,000	-	95,000
Clare Ave and PTH No. 1A (1st St N)	Roundabout	380,000	95,000	190,000	-	95,000
Braecrest Dr & PTH No. 10 (18th St N)	Signals	300,000	-	150,000	-	150,000
Braecrest Dr & PTH No. 1A (1st St N)	Signals	300,000	-	150,000	-	150,000
36th St & PTH No. 1A (Victoria Ave)	Signals	300,000	-	150,000	-	150,000
34th St & Maryland Ave	Roundabout	380,000	190,000	-	-	190,000
26th St & Maryland Ave	Roundabout	380,000	190,000	-	-	190,000
34th St & Patricia Ave	Roundabout	380,000	190,000	-	-	190,000
Patricia Ave & PTH No. 10 (18th St)	Roundabout	380,000	-	380,000	-	-
Patricia Ave & 1st St	Roundabout	380,000	190,000	-	\$ 9,000	181,000
		\$ 4,320,000	\$ 1,140,000	\$ 1,590,000	\$ 9,000	\$ 1,581,000

Sample Net Capital Cost Calculation (Water Treatment Facility)

Capital Infrastructure Costs - Water Treatment Facilities

Item	Cost	Residential	Non-Residential
Treatment Plant	\$ 60,000,000		
Less Subsidies and Recoveries	40,000,000		
Net Cost to City	20,000,000		
Plant Size - Design Flows (m3/day)	25,777		
Cost Per m3/day	\$ 776		
Design Flows			
Per Capita/Per Employee		0.239	0.239
Cost Per m3/day		776	\$ 776
Cost per Capita/Employee		185	185
Residential Charge Per Unit:			
Low/Medium Density (PPU)		2.74	
Charge per Unit		\$ 508	
High Density (PPU)		1.77	
Charge per Unit		\$ 329	
Non-Residential Cost Per Sq. Ft. of Building Space			
Sq. Ft. per Employee - Commercial (650)			\$ 0.29
Sq. Ft. per Employee - Industrial (1600)			\$ 0.12

Preliminary Calculations (Uniform City-wide Charges)

Service	Residential %	Non-Residential %
Transportation	41%	41%
Wastewater	33%	33%
Water	13%	13%
Storm Sewer	13%	13%
Total	100%	100%

	Per Unit
Low/Medium Density	\$ 8,950
High Density	\$ 5,750

	Per Sq. Ft.
Commercial /Institutional	\$ 5.00
Industrial	\$ 2.00

Policies – Local Service Requirements

- ❑ Draft Service Policy to be included in Background Study
- ❑ Service Policy clarifies developer responsibilities and which improvements are included in DCC calculation (handouts available)

Policies – Timing of Collection

- DCC's may be calculated and collected upon:
 - Issuance of a building permit; or
 - Execution of subdivision agreements

Policies – Indexing

- DCC's may be indexed according to Statistics Canada Non-residential Building Construction Price Index (Canada Series)
- This allows growth-related capital costs to keep pace with inflation
- No indexing would be included in the initial bylaw but would be considered in future bylaws

Potential Reductions/Exemptions

- Industrial
- Parking
- Downtown
- Brownfield
- Non-profit
- Redevelopment Credits

Policies – Phasing

- DCC's may be phased-in over the life of the proposed DCC by-law
- Potential to phase-in whole, or reduced, charge

Comparison of Charges

Manitoba Municipalities

RM	Year	Single Family
East St Paul	2013	\$19,200
Springfield	2014	\$14,350
Tache (Lorette)	2016	\$14,000
MacDonald	2004	\$10,000
West St Paul	2012	\$6,100
Headingley	2007	\$4,500
Ritchot	2013	\$3,380
Winnipeg*	2016	~ \$9,000

*Note: Winnipeg charges on a per m² basis (\$54.73 per m²)

Source: 2016 Winnipeg Growth Study

Comparison of Charges

Other Canadian Municipalities

City	Year	Single Family
Surrey	2014	\$29,000
Abbotsford	2013	\$25,600
Richmond	2010	\$25,000
Saskatoon	2012	\$22,900
Calgary	2011	\$14,000
Regina	2014	\$13,200
Edmonton	2013	\$12,200

Source: 2016 Winnipeg Growth Study

Next Steps

- ❑ Incorporate Council and Developers' feedback into calculations and policies
- ❑ Provide staff with draft Background Study for their review
- ❑ Finalize DCC Background Study based on feedback
- ❑ Present final report to City of Brandon. Discuss recommendations with stakeholders
- ❑ Consideration of DCC By-law

Questions?
