

# Paying for Growth

Development Charges –  
A Made-in-Brandon Approach  
Public Discussion  
June 2017

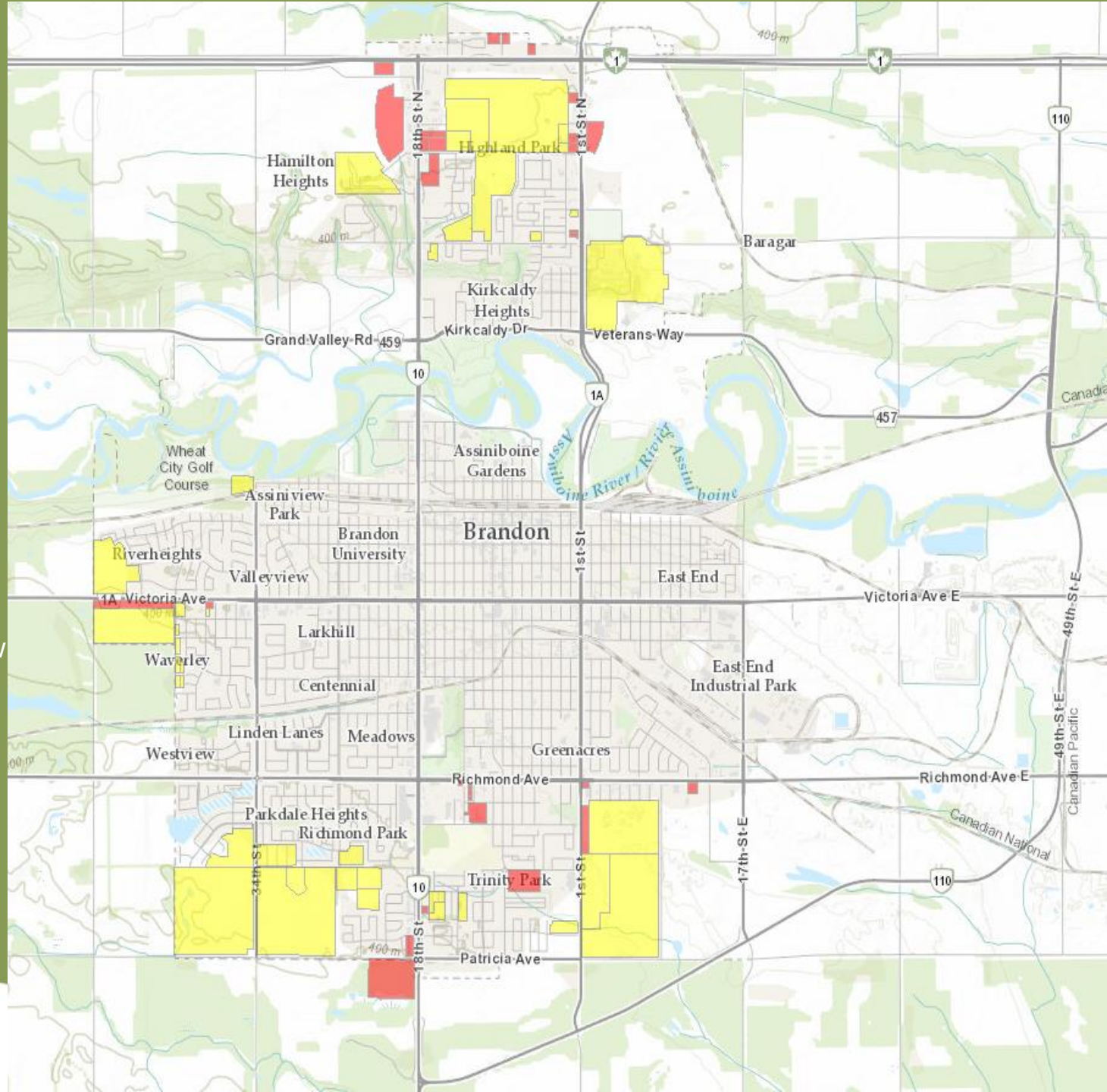
# Summary

1. Defining the infrastructure dilemma
2. What we heard from the community
3. A made-in-Brandon approach
4. Details of the proposed charge by-law

# PLANNED AREAS FOR GROWTH

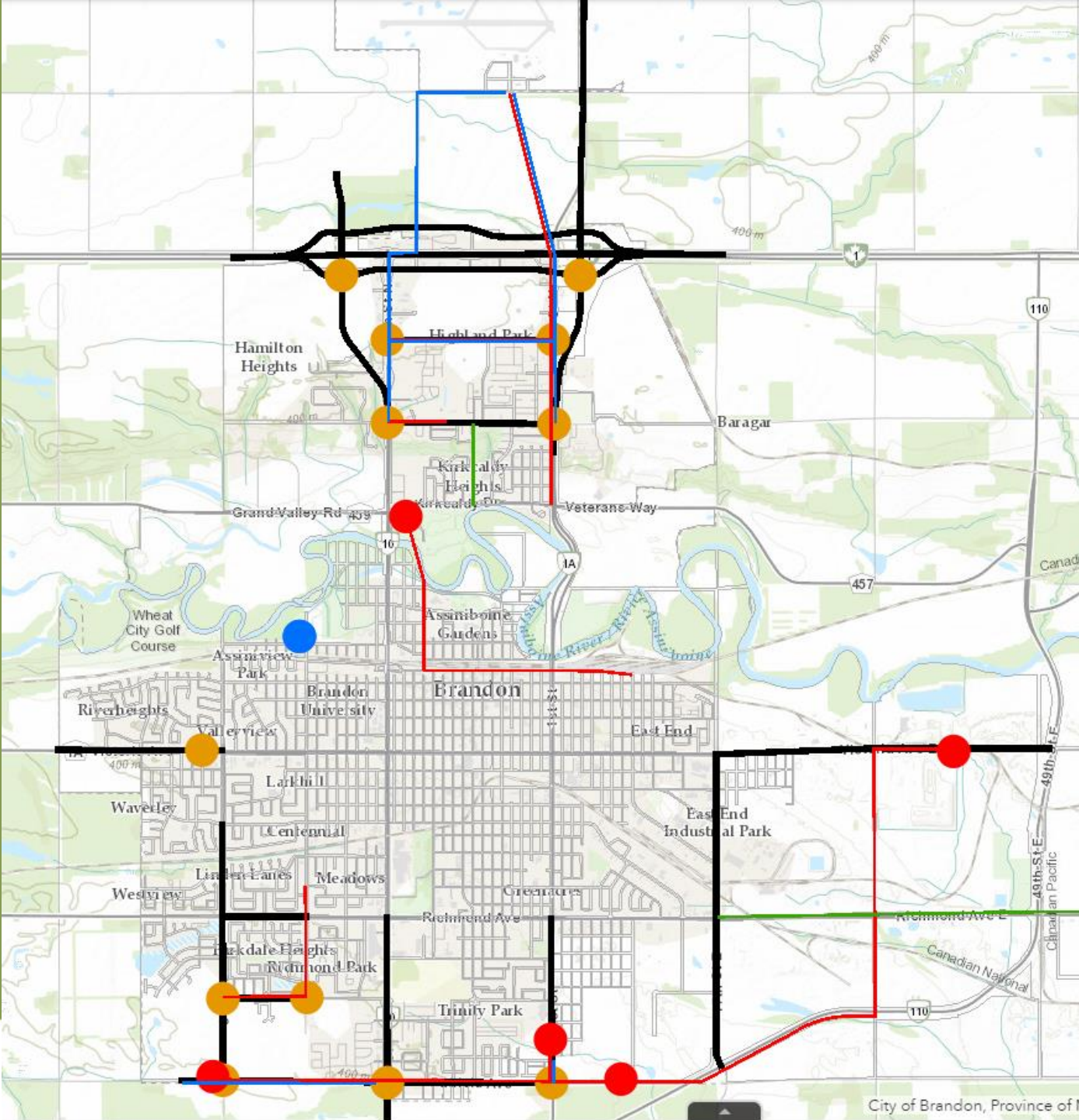
Yellow – neighbourhoods  
Red – commercial

As designated in the  
Brandon and Area  
Development Plan By-law



# GROWTH-RELATED INFRASTRUCTURE

- Water pipes
- Sewer pipes
- Land drainage
- Streets
- Intersections
- Lift stations
- Booster stations
- Future plant expansions



# The cost of growth

		<b>Gross Costs of Infrastructure Improvements</b>	<b>Less: Expected Grants &amp; Other Revenues</b>	<b>= Net Cost to City</b>
<b>Wastewater (treatment)</b>	\$	79,000,000	\$ 57,200,000	\$ 21,800,000
<b>Water (treatment)</b>	\$	60,000,000	\$ 40,000,000	\$ 20,000,000
<b>Transportation</b>	\$	41,663,002	\$ 6,220,120	\$ 35,442,882
<b>Wastewater (network)</b>	\$	38,066,500	\$ 11,353,600	\$ 26,712,900
<b>Water (network)</b>	\$	10,060,000	\$ -	\$ 10,060,000
<b>Storm Sewer</b>	\$	10,820,000	\$ -	\$ 10,820,000
<b>Total</b>	\$	<b>239,609,502</b>	<b>\$ 114,773,720</b>	<b>\$ 124,835,782</b>
30 Year Annual Cost				\$ 4,161,193
% Increase in Taxes				9.7%

Public and industry feedback	
Keep it status quo!	✓
Infill development should not pay DCs	✓
How to collect for the treatment plants	✓
Promote land efficiency (area-based charge)	✓
Remove industrial lands	✓
Promote development downtown. Treat downtown differently.	✓
Charge at development agreement or building permit stage?	✓
Localize charges using local improvement levies	✓
Make the charge a growth levy that separate but added to taxes	✓
Calculate the charge based on benefitting areas	✓
Exempt non-profits and affordable housing from DCs	✓
Share the burden of the cost of growth with all taxpayers	✓
The City must commit to investing in growth-related infrastructure	✓

## Legend

-  Established Area
-  Emerging Area
-  Industrial Area

Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

# Sharing the cost of growth

		Gross Costs of Infrastructure Improvements	Less: Expected Grants & Other Revenues	= Net Cost to City		less: Amounts Recovered by Development	= Remainder to be Bourne by Taxpayers and other collection			
Wastewater (treatment)	\$	79,000,000	\$	57,200,000	\$	21,800,000	\$	5,109,375	\$	16,690,625
Water (treatment)	\$	60,000,000	\$	40,000,000	\$	20,000,000	\$	4,000,000	\$	16,000,000
Transportation	\$	41,663,002	\$	6,220,120	\$	35,442,882	\$	15,494,245	\$	19,948,638
Wastewater (network)	\$	38,066,500	\$	11,353,600	\$	26,712,900	\$	23,900,525	\$	2,812,375
Water (network)	\$	10,060,000	\$	-	\$	10,060,000	\$	7,521,500	\$	2,538,500
Storm Sewer	\$	10,820,000	\$	-	\$	10,820,000	\$	2,196,000	\$	8,624,000
Total	\$	239,609,502	\$	114,773,720	\$	124,835,782	\$	58,221,645	\$	66,614,138
30 Year Annual Cost					\$	4,161,193		\$		2,220,471
% Increase in Taxes						9.7%				5.2%

# A Made-in-Brandon Development Charge

Area of the City	W & WW connection		Per Hectare (50% of network charge)		Per Unit (50% of network charge)
<b>Established Area</b> Residential Low Residential High Non-Residential	\$ 754 / unit \$ 488 / unit \$ 0.43 / ft <sup>2</sup>		Status quo for off-site infrastructure impacts		Status quo for off-site infrastructure impacts
<b>Emerging Area</b> Residential Low Residential High Non-Residential	\$ 754 / unit \$ 488 / unit \$ 0.43 / ft <sup>2</sup>	plus	\$ 62,093 / ha	plus	\$ 2,631 / unit \$ 1,702 / unit \$ 1.50 / ft <sup>2</sup>
<b>SE Industrial Area</b>	n/a		Status quo for off-site infrastructure impacts		Status quo for off-site infrastructure impacts

# Pros and Cons of the “Brandon” DC

Pros	Cons	Other
<ul style="list-style-type: none"><li>• Shares network infrastructure cost between developers and builders</li><li>• Encourages efficient use of land at the time of subdivision</li><li>• Directs uses with large storage components to industrial area (or RM's)</li><li>• Encourages investment on existing developed sites (unit network charge only)</li><li>• Minimum and Maximum charges not a concern</li></ul>	<ul style="list-style-type: none"><li>• Complicated to administer (different charge every time)</li><li>• Exemptions or reductions may need to be considered (small units, secondary suites)</li></ul>	<ul style="list-style-type: none"><li>• Ontario &amp; Manitoba is typically a per unit charge for residential development</li><li>• Saskatchewan and Alberta is typically a charge per hectare</li></ul>

# The Development Charge By-Law

# What services are included in Charge

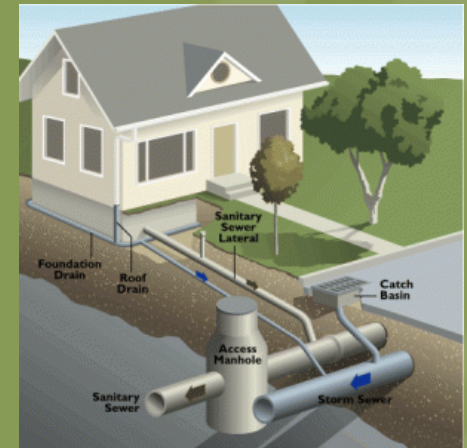
## Transportation Services

- Arterial Roads
- Collector Roads
- Signalization
- Roundabouts



## Drainage Services

- Sewers
- Major Retention Facilities



## Water Services

- Linear Infrastructure
- Treatment

## Wastewater Services

- Linear Infrastructure
- Treatment



# Use of Development Charge Funds

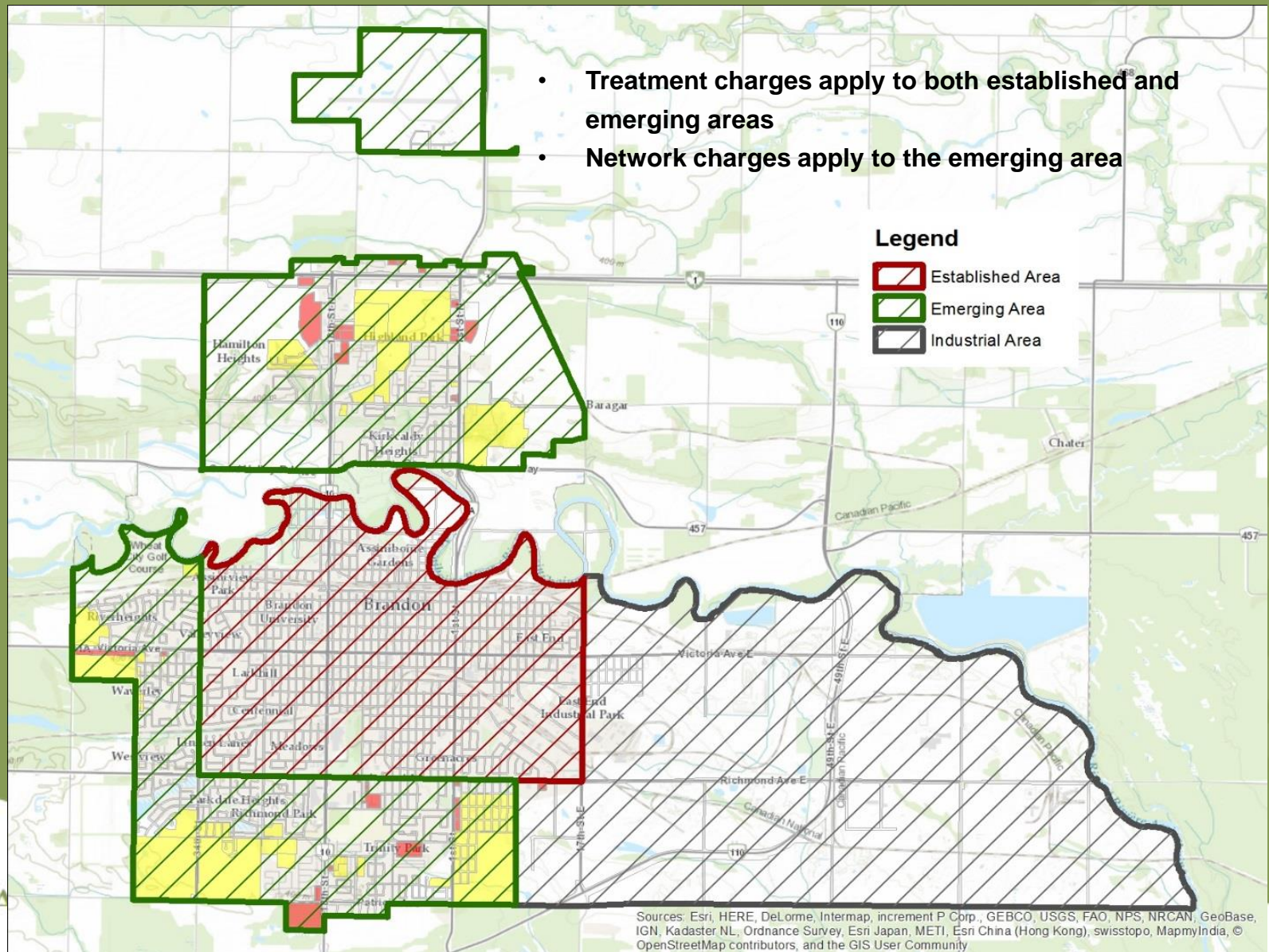
The funds collected by the development charge:

- (a) will be used to fund services required for growth; and
- (b) will be placed in separate reserve funds as per *The Planning Act*.

Council shall include the services identified for growth in the 10-year capital budget.

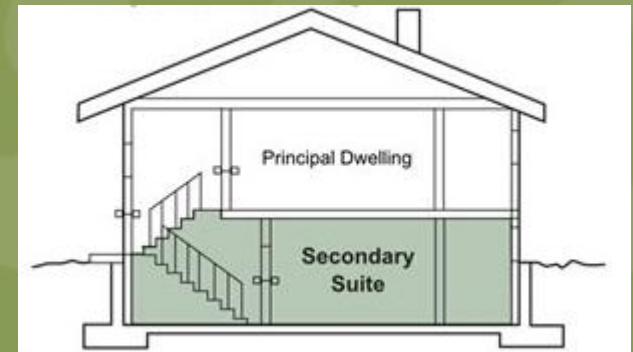
The timing for constructing the services identified for growth in the 10-year capital budget shall be determined by the City of Brandon Growth Strategy.

# What areas are included in the Charge



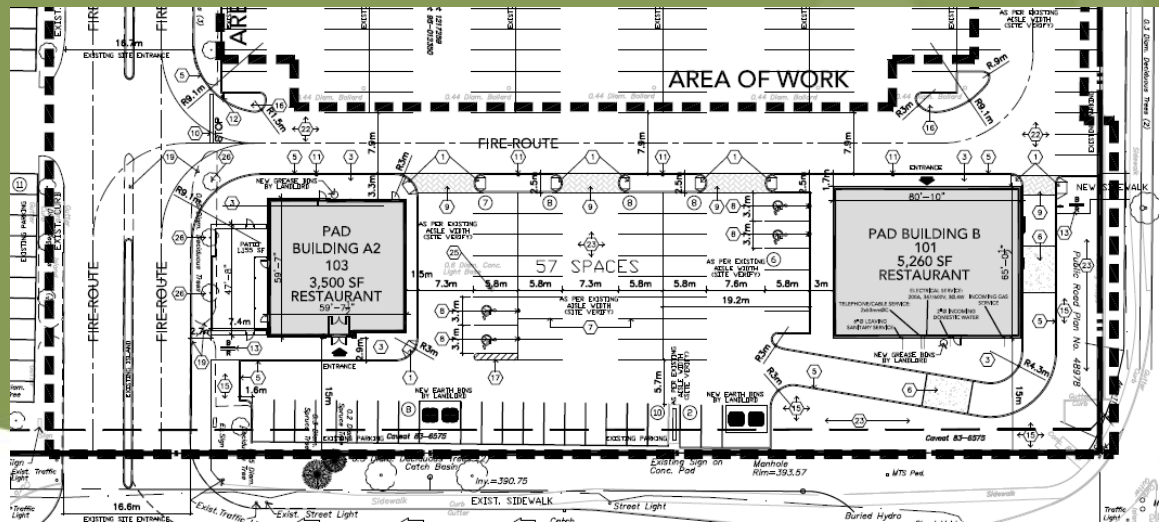
# Amount of Charge – some details

- All development (established and emerging area) pay treatment charge
- Development in emerging area pays treatment and network charge
- Mixed use sites (res and non res) pay the residential per unit charge and the non-res per square foot charge
- Non-res accessory buildings pay a per square foot charge
- Res and mixed use accessory buildings do not pay a square foot charge
- Mobile/modular homes pay the low density per unit charge
- Secondary Suites pay the high density per unit charge



# When is charge applied

- 50% of network charge is payed by developer at subdivision (Per Ha)
- 50% of network charge is payed by builder/homeowner at development permit (Per Unit, Per Sq. Ft)
- Additions or expansions to existing developed sites in emerging areas (e.g. Shoppers Mall Pads, house being converted to a duplex) only pay the Per Unit/Per Sq. Ft charge network charge.
- If net ha charge (land charge) is not payed at subdivision, it will be required at dev permit in addition to per unit charge



# Reductions to Charge

Sites which are redeveloped get a credit for what existed on the site previously (Max timeframe of five years)

## Existing DA Charge:

Land = \$31,000

Building = \$6,294

Total (Credit) = \$37,294

## New DA Charge:

Land = \$31,000

Building = \$67,550

Total = \$98,550

**Charge = \$61,256**



From This



To This

# Transitional Rules

- Developments with existing development agreements (signed) will be exempt from the By-law (for the “life” of this by-law).
- These developments will be subject to any future development charge by-law (updated every three years).
- Developments which have received conditional approval (subdivision or conditional use) prior to the dev charge by-law being passed will have six months to execute a development agreement.



# Consultation

- At a minimum, City administration shall consult with development and building industry representatives prior to recommending amendments to this by-law or recommending the adoption of a new development charge by-law.
- Before amending this by-law Council must hold a public hearing and give notice at least 14 days before the hearing.

# Schedule

2016

Introduce  
Project  
(January)

Public  
Meeting  
(November)

February

Background  
Study online  
(Feb 3)

Stakeholder  
meetings

March

Stakeholder  
meetings

Public  
Meeting (Mar  
8)

Draft policy  
options

Industry  
follow-up  
meetings

April

Industry  
Advisory  
Group (Apr5)

Report Edits

**Report Online**

May

Informal  
Council  
(May 16)

By-law Edits  
(May 26)

June

Public Info  
Session

**Council First  
Reading  
(June 19)**

July

Public Hearing

# Questions?