

Paying for Growth

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

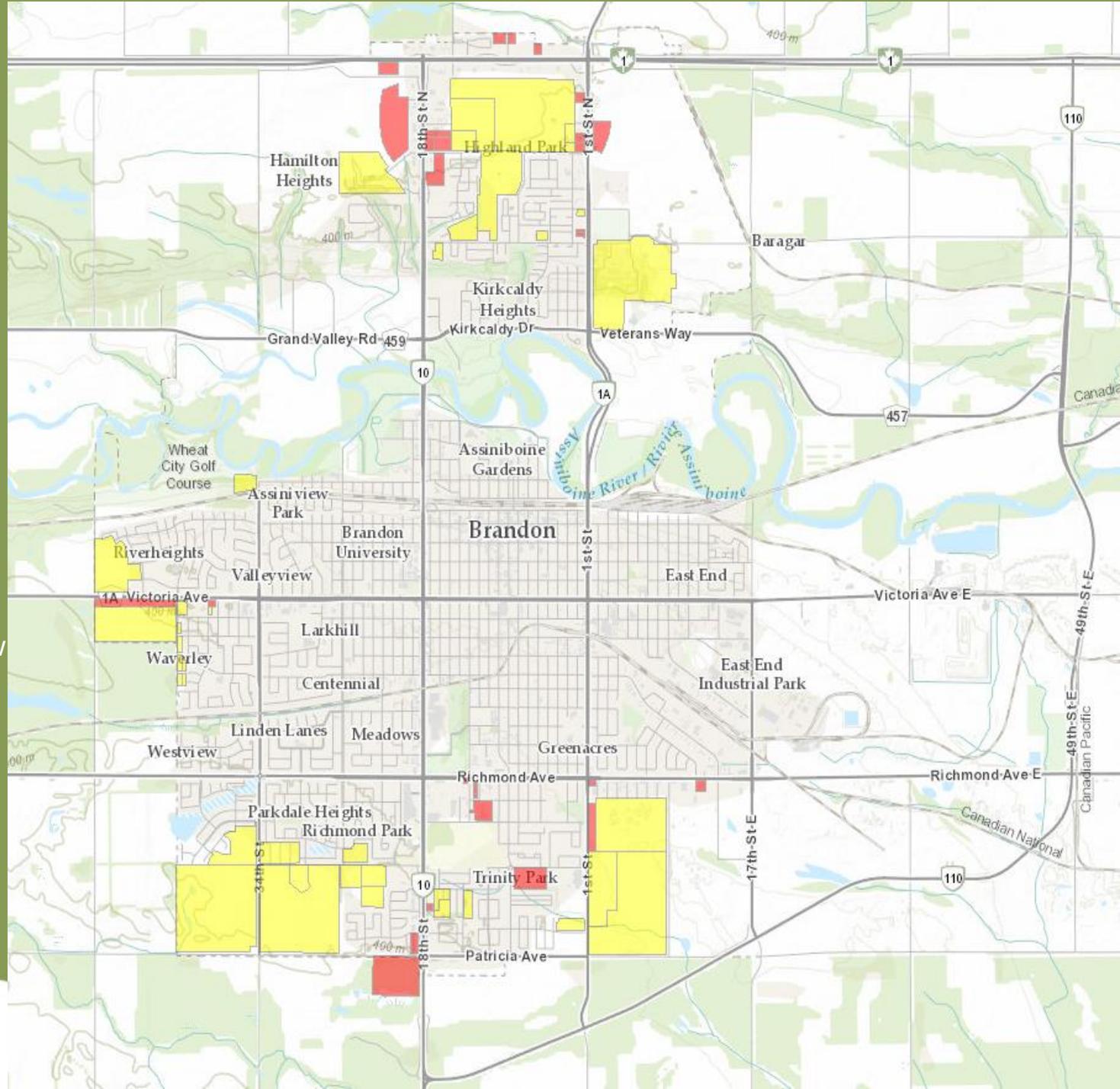
Summary

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

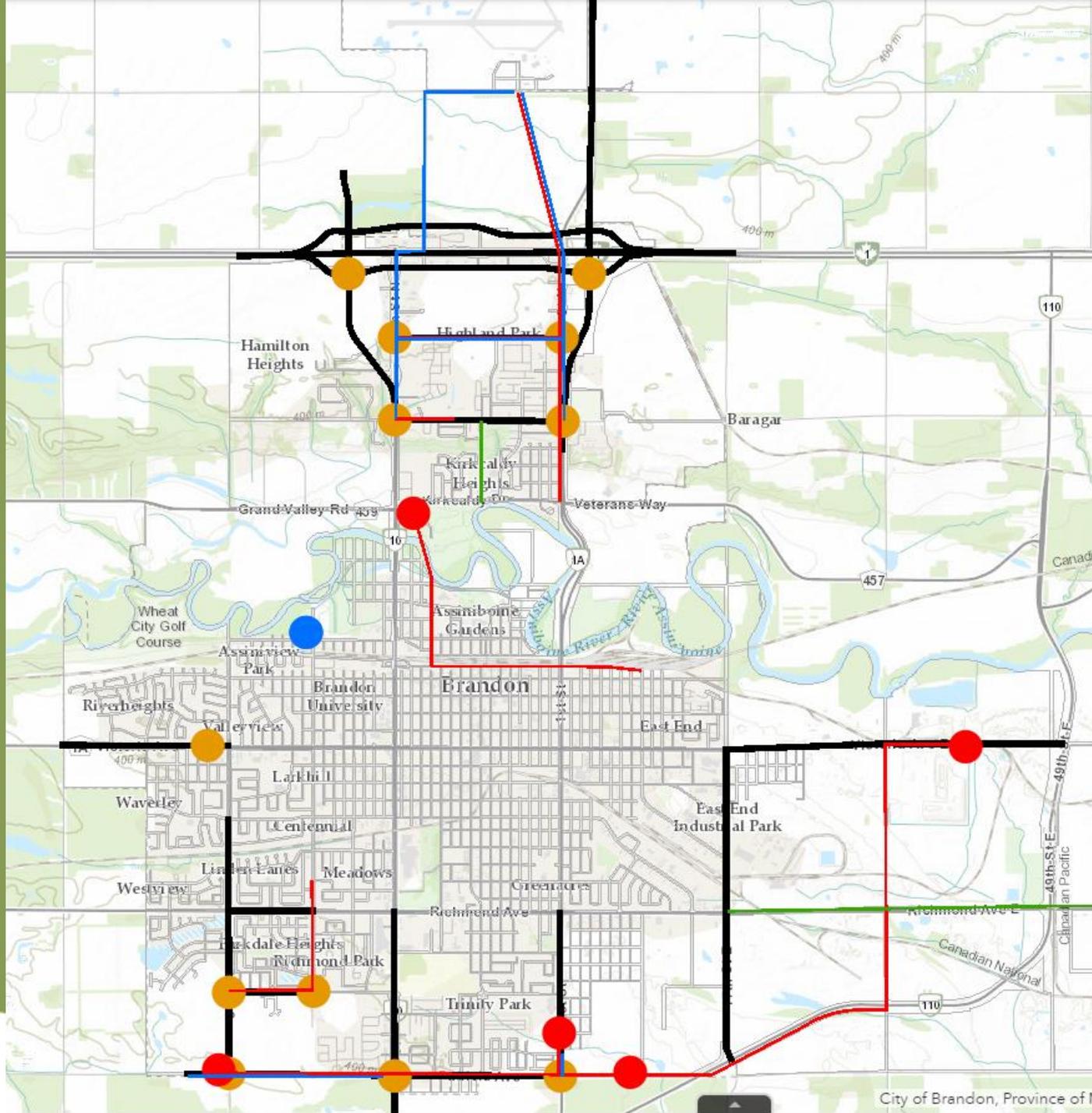
Yellow – neighbourhoods
Red – commercial

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



GROWTH-RELATED INFRASTRUCTURE

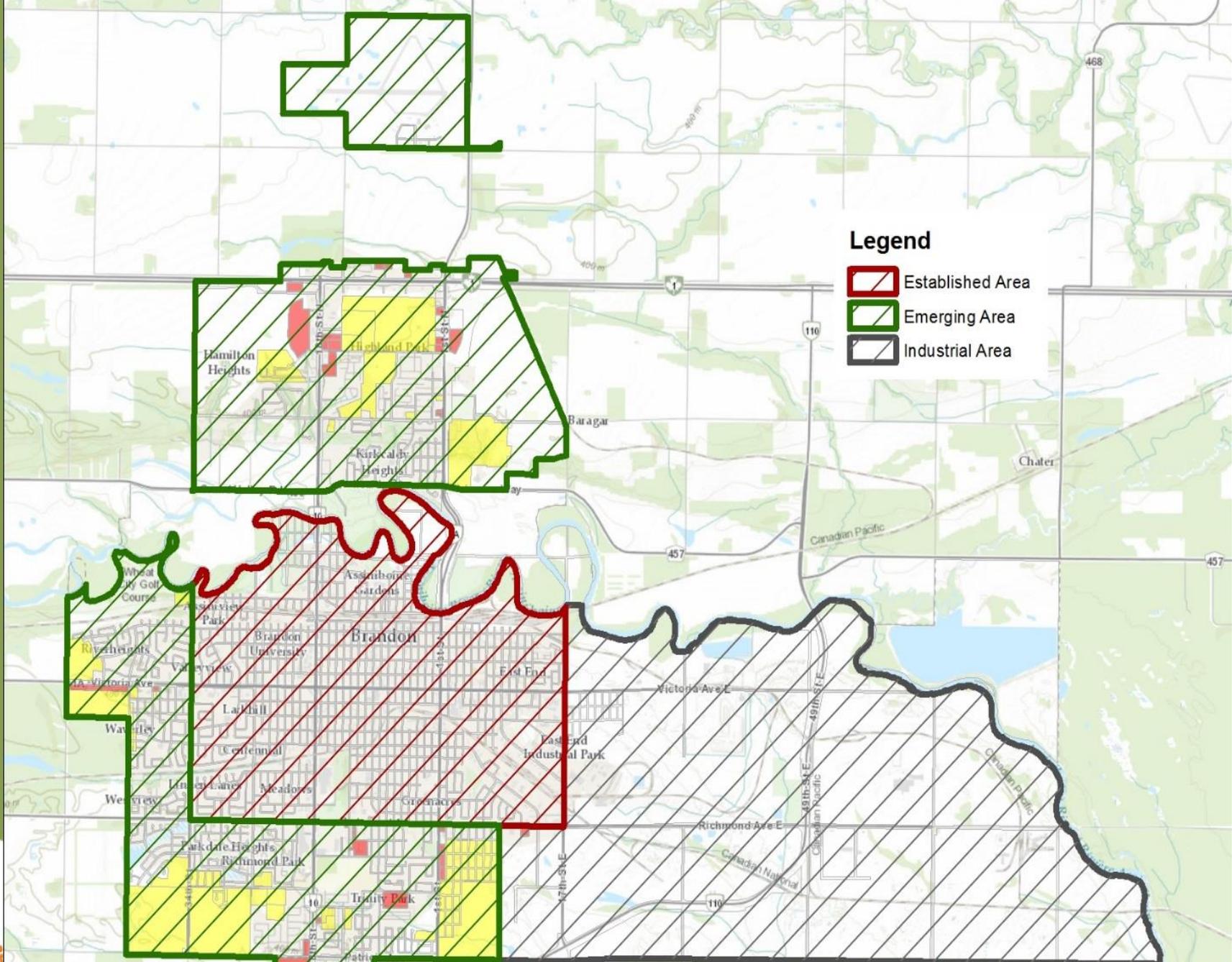
- Water pipes
- Sewer pipes
- Land drainage
- Streets
- Intersections
- Lift stations
- Booster stations
- Future plant expansions



The cost of growth

	Gross Costs of Infrastructure Improvements		Less: Expected Grants & Other Revenues		= Net Cost to City
Wastewater (treatment)	\$	79,000,000	\$	57,200,000	\$ 21,800,000
Water (treatment)	\$	60,000,000	\$	40,000,000	\$ 20,000,000
Transportation	\$	41,663,002	\$	6,220,120	\$ 35,442,882
Wastewater (network)	\$	38,066,500	\$	11,353,600	\$ 26,712,900
Water (network)	\$	10,060,000	\$	-	\$ 10,060,000
Storm Sewer	\$	10,820,000	\$	-	\$ 10,820,000
Total	\$	239,609,502	\$	114,773,720	\$ 124,835,782
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)
Established Area Residential Low Residential High Non-Residential	\$ 754 / unit \$ 488 / unit \$ 0.43 / ft ²	Status quo for off-site infrastructure impacts	Status quo for off-site infrastructure impacts
Emerging Area Residential Low Residential High Non-Residential	\$ 754 / unit \$ 488 / unit \$ 0.43 / ft ²	plus \$ 62,093 / ha plus	\$ 2,631 / unit \$ 1,702 / unit \$ 1.50 / ft ²
SE Industrial Area	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">• Shares network infrastructure cost between developers and builders• Encourages efficient use of land at the time of subdivision• Directs uses with large storage components to industrial area (or RM's)• Encourages investment on existing developed sites (unit network charge only)• Minimum and Maximum charges not a concern	<ul style="list-style-type: none">• Complicated to administer (different charge every time)• Exemptions or reductions may need to be considered (small units, secondary suites)	<ul style="list-style-type: none">• Ontario & Manitoba is typically a per unit charge for residential development• Saskatchewan and Alberta is typically a charge per hectare

The Development Charge By-Law

What services are included in Charge

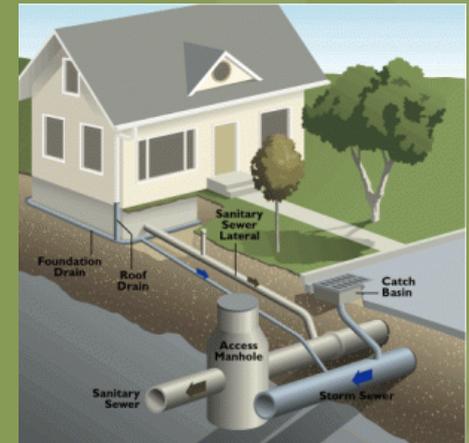
Transportation Services

- 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:

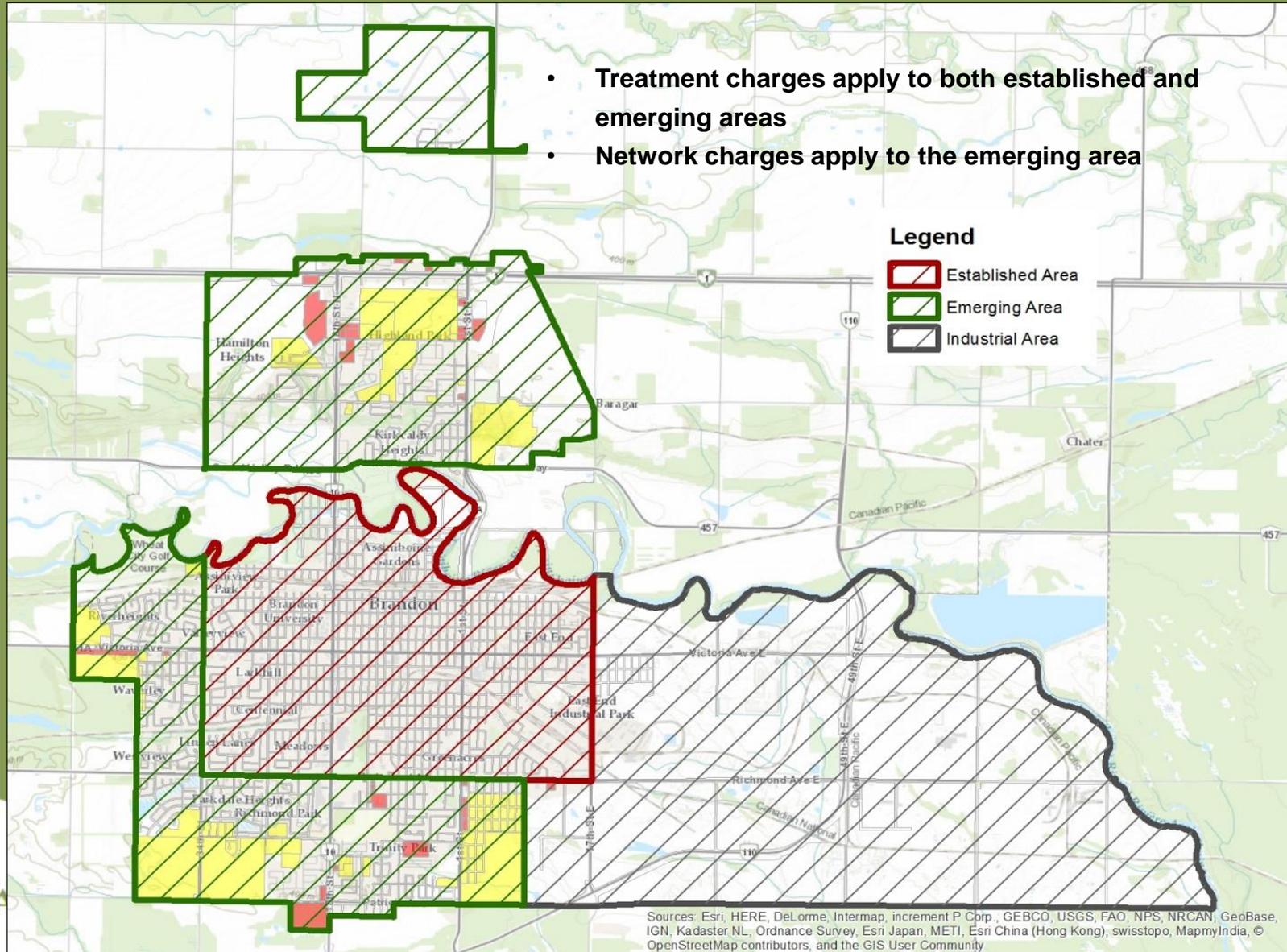
- (a) will be used to fund services required for growth; and
- (b) will be placed in separate reserve funds as per *The Planning Act*.

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.

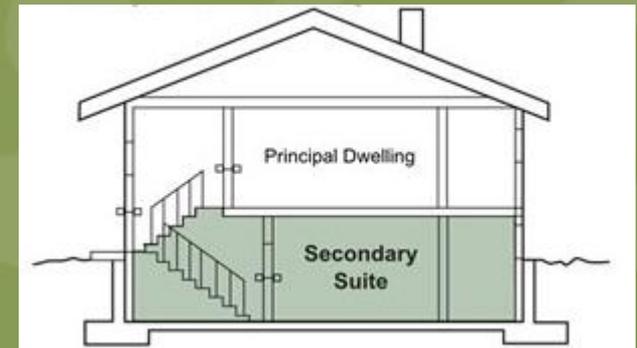
What areas are included in the Charge

- Treatment charges apply to both established and emerging areas
- Network charges apply to the emerging area



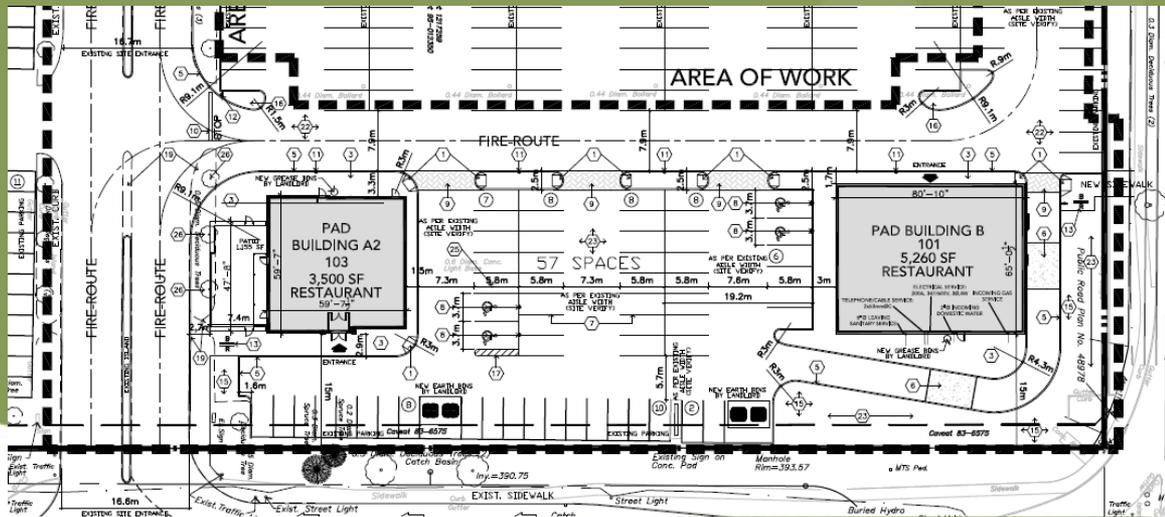
Amount of Charge – some details

- 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 paid by developer at subdivision (Per Ha)
- 50% of network charge is paid 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 paid 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



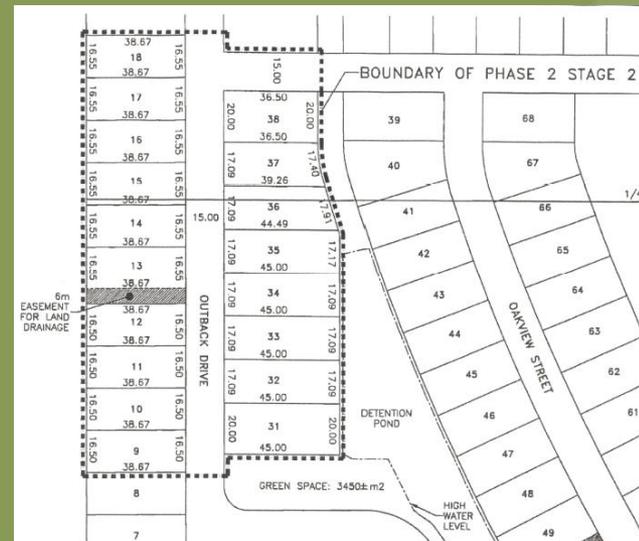
From This



To This

Transitional Rules

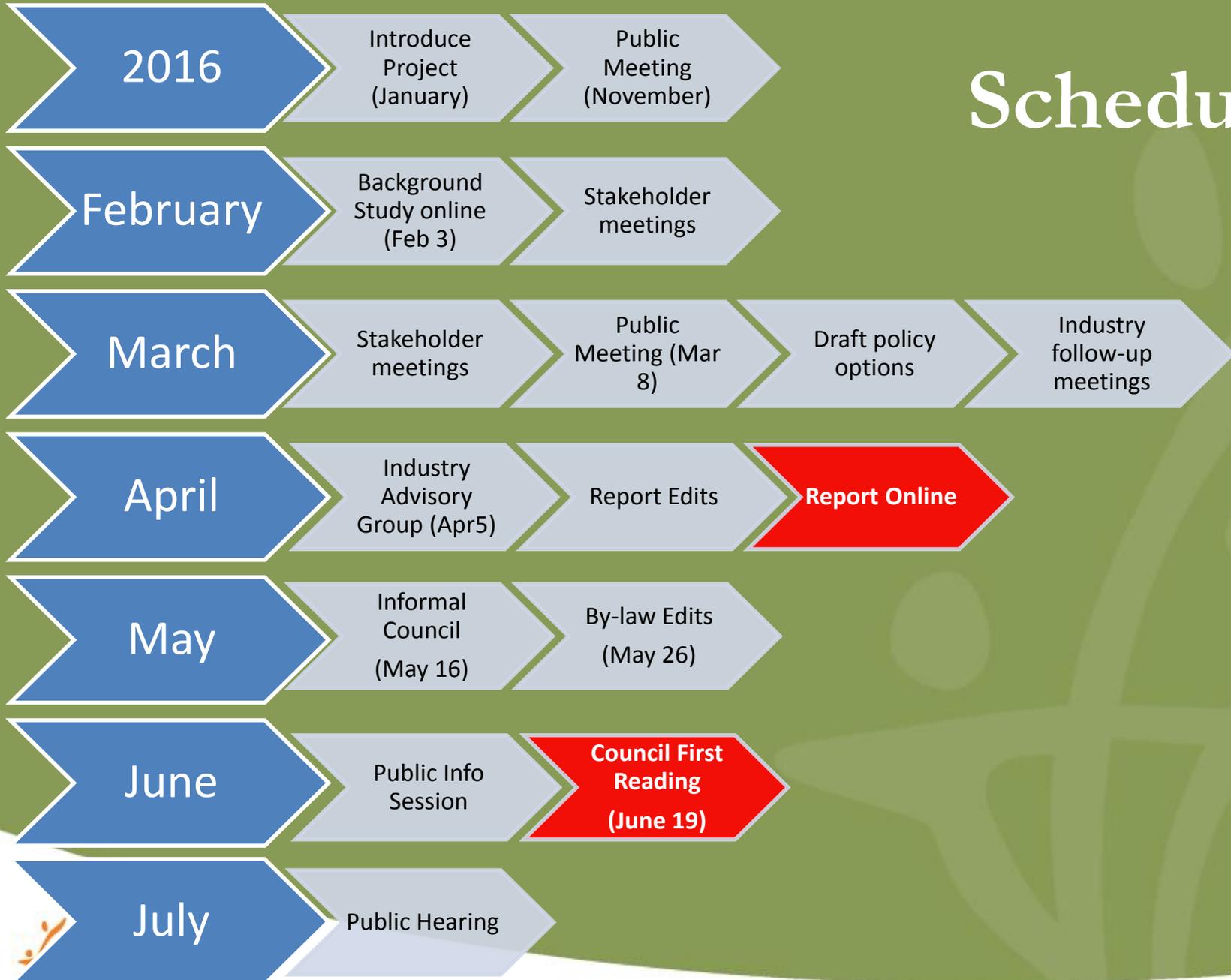
- Developments with existing development agreements (signed) will be exempt from the By-law (for the “life” of this by-law).
- These developments will be subject to any future development charge by-law (updated every three years).
- Developments which have received conditional approval (subdivision or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



Questions?