



OFFICIAL NOTICE

Special Meeting of Regional Council Agenda

Wednesday, June 14, 2023, 9:30 a.m.

Regional Council Chambers
Regional Headquarters Building
605 Rossland Road East, Whitby

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2054.

Note: This meeting will be held in a hybrid meeting format with electronic and in-person participation. Committee meetings may be [viewed via live streaming](#).

| | Pages |
|---|-------|
| 1. Call to Order & Traditional Territory Acknowledgement | |
| 2. Roll Call | |
| 3. Declarations of Pecuniary Interest | |
| 4. Delegations | |
| 4.1 Mark McConville, Director of Planning, Frontdoor Developments (Palmerston) Inc. and Frontdoor Developments (Garrard) Inc., re: Final Recommendations Regarding the New Regional Development Charge By-law (2023-F-13) | |
| 5. Departmental Reports and Other Resolutions | |
| 5.1 Report #2023-F-13 Final Recommendations Regarding the New Regional Development Charge By-law | 3 |
| 5.2 Report #2023-F-14 Final Recommendations Regarding Amendments to GO Transit Development Charges By-law #86-2001 | 298 |
| 5.3 Report #2023-F-15 Final Recommendations Regarding Amendments to Regional Transit Development Charges By-law #39-2022 | 311 |
| 6. By-laws | |

6.1 42-2023

Being a by-law regarding the imposition of development charges.

This by-law implements the recommendations contained in Item #5.1 presented to Regional Council on June 14, 2023.

6.2 43-2023

Being a by-law to amend by-law number 86-2001.

This by-law implements the recommendations contained in Item #5.2 presented to Regional Council on June 14, 2023.

6.3 44-2023

Being a by-law to amend by-law number 39-2022.

This by-law implements the recommendations contained in Item #5.3 presented to Regional Council on June 14, 2023.

7. Confirming By-law

7.1 45-2023

Being a by-law to confirm the proceedings of the Council of The Regional Municipality of Durham at its meeting on the 14th day of June, 2023.

8. Adjournment

Notice regarding collection, use and disclosure of personal information:

Written information (either paper or electronic) that you send to Durham Regional Council or Committees, including home address, phone numbers and email addresses, will become part of the public record. This also includes oral submissions at meetings. If you have any questions about the collection of information, please contact the Regional Clerk/Director of Legislative Services.



The Regional Municipality of Durham Report

To: Regional Council
From: Commissioner of Finance
Report: #2023-F-13
Date: June 14, 2023

Subject:

Final Recommendations Regarding the New Regional Development Charge By-law

Recommendation:

- A) That pursuant to Section 10(1) of the Development Charges Act, 1997 (DCA), the Regional Development Charge (DC) Background Study, dated March 28, 2023, be adopted;
- B) That the adoption of the underlying capital forecast included in the Regional DC Background Study provide indication of 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 DCA and Section 3 of Ontario Regulation 82/98;
- C) That the Regional Residential DC's by unit type, as indicated in the following table, be imposed on a uniform Region-wide basis, effective July 1, 2023 as follows:

Recommended Residential Development Charges, with Phase In
Effective July 1, 2023
(per unit)

| Service Category | Single / Semi Rate | Medium Density | 2 bdr apt | 1 bdr apt |
|---|-------------------------------|---------------------------|----------------------|----------------------|
| Water Supply ⁽¹⁾⁽²⁾ | \$20,894 | \$16,640 | \$12,165 | \$7,473 |
| Sanitary Sewer ⁽¹⁾⁽²⁾ | \$19,086 | \$15,200 | \$11,112 | \$6,825 |
| Regional Roads | \$21,598 | \$17,201 | \$12,574 | \$7,723 |
| Regional Police Services | \$782 | \$622 | \$455 | \$279 |
| Long Term Care | \$438 | \$349 | \$255 | \$157 |
| Paramedic Services | \$353 | \$281 | \$206 | \$126 |
| Waste Diversion | \$75 | \$60 | \$44 | \$27 |
| Recommended Total | \$63,226 | \$50,353 | \$36,811 | \$22,610 |
| Notes: | | | | |
| (1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan. | | | | |
| (2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law. | | | | |
| (3) Additional Regional development charges exist for GO Transit and Regional Transit under By-law #86-2001 and By-law #39-2022, respectively. | | | | |

- D) That the Regional Non-residential DC's for each service, as indicated in the table below, be imposed on a uniform Region-wide basis, on commercial, industrial, and institutional development, effective July 1, 2023;

Recommended Non-Residential Development Charges, with Phase In
Effective July 1, 2023
(\$ per square foot of Gross Floor Area)

| Service Category | Commercial | Industrial | Institutional |
|---|-------------------|-------------------|----------------------|
| Water Supply ⁽¹⁾⁽²⁾ | \$6.01 | \$3.89 | \$1.62 |
| Sanitary Sewer ⁽¹⁾⁽²⁾ | \$9.65 | \$5.65 | \$2.34 |
| Regional Roads | \$17.53 | \$6.07 | \$13.29 |
| Recommended Total | \$33.19 | \$15.61 | \$17.25 |
| Notes: | | | |
| (1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan. | | | |
| (2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law. | | | |
| (3) Additional Regional development charges exist for Regional Transit under by-law #39-2022 | | | |

- E) That the proposed Regional DC By-law, provided in Attachment #7, be approved for implementation on July 1, 2023, including all the policies and provisions contained within, such as exemptions, discounts (rental and industrial), payment of development charges (timing and rate determination), and redevelopment credits;
- F) That with regard to front-ending agreements, any credit or payment provided be applied only against the applicable service component(s) of the Regional DC's with any further details of a front ending agreement subject to Council approval;
- G) That the Region Share Policy, provided in Attachment #2, with the exception of Sanitary Sewerage and Water Supply services in Seaton, be adopted effective July 1, 2023;
- H) That the Well Interference Policy, provided in Attachment #3, be adopted effective July 1, 2023;
- I) That the Intensification Servicing Policy, provided in Attachment #4, which provides an allowance in the sanitary sewerage DC capital program to support future intensification projects, be adopted effective July 1, 2023;

Indexing of the Development Charges

- J) That the Regional Residential and Non-residential DC's be indexed annually as of July 1st of each year for the most recently available annual period ending March 31 in accordance with the prescribed index, defined in O.Reg. 82/98 s.7 as "The Statistics Canada Quarterly Building Construction Price Statistics, catalogue number 62-007", with the first indexing to occur on July 1, 2024;

General

- K) That the transition policies provided in Section 9 of this report be approved and implemented on July 1, 2023;
- L) That the existing complaint procedure, as provided in Regional By-law #52-2014, continue for the purposes of conducting hearings regarding complaints made under Section 20 of the DCA;
- M) That, pursuant to Section 12(3) of the DCA that requires Regional Council to determine whether a further public meeting is necessary when changes are made to a proposed DC by-law following a public meeting, Regional Council resolve that a further public meeting is not necessary as no substantive changes have been made to the Region's proposed DC by-law following the public meeting on April 12, 2023;
- N) That the Regional Solicitor be instructed to prepare the requisite Regional DC By-law for presentation to Regional Council and passage;

- O) 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 any such revised by-law(s) be presented to Council for passage;
 - P) That the Treasurer be instructed to prepare the requisite Regional DC pamphlet and related materials pursuant to the DCA;
 - Q) That the Regional Clerk be instructed to follow the notification provisions pursuant to the DCA;
 - R) That the Province be requested to ensure that municipalities are made whole from the lost DC revenue resulting from the More Homes Built Faster Act (Bill 23); and
 - S) That a copy of this report be forwarded to the area municipalities.
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Report:**1. Purpose**

- 1.1 The purpose of this report is to provide final recommendations regarding a new proposed Regional Development Charge (DC) By-law, which is intended to replace the existing Regional DC By-law #28-2018 effective July 1, 2023. These final recommendations are based on the information contained in the 2023 Regional DC Background Study, dated March 28, 2023, and reflect any public submissions provided verbally, during the public meeting held April 12, or received in writing (prior to 5pm on May 5).

2. Background

- 2.1 Development Charges are payments made by developers of new developments in Durham (and other municipalities) normally as part of the building permit approval and/or the subdivision/severance agreement process. These payments are made by all such new development, unless specifically exempt by the DCA or the Region's DC By-law.
- 2.2 DC payments are made for the initial capital requirements of providing services to new development anticipated over the next ten years. The services eligible for DC funding are provided in the DCA. The services for which the Region is proposing to impose DC's are provided in the proposed Regional DC By-law.
- 2.3 Development Charges are the primary financial tool used to facilitate infrastructure growth, ensuring the necessary water, sanitary sewerage, transportation infrastructure, and other eligible services are in place for developments to proceed. Development Charges represent a significant capital

funding source for the growth-related costs of many services and serve to provide a significant portion of funding for designated projects.

- 2.4 The current Regional DC By-law (#28-2018) is set to expire on July 1, 2023. Regional Council directed staff, through Report #2023-F-2, to proceed with the public process required to have a new Regional DC By-law in place by July 1, 2023.
- 2.5 On April 12, 2023, a public meeting was held during a special meeting of Regional Council to discuss the new Regional DC Background Study and proposed By-law. The purpose of the public meeting was to fulfill the statutory requirement set out in the DCA and to solicit feedback from the public.
- 2.6 The Regional DC Background Study and proposed By-law was made available to Regional Council and the public (free of charge from the Regional Clerk) beginning on March 28 as indicated in the public notices placed in the Toronto Star on March 17 and 20 and in the local Metroland newspapers throughout the Region over the period of March 23 to April 6. The study and proposed by-law were also posted on the Region's website.

3. Previous Reports and Decisions

- 3.1 Regional Council approved Report #2022-F-9 which provided staff authorization to undertake the renewal of the Regional DC By-law.
- 3.2 Regional Council subsequently approved Report #2023-F-2 which provided staff with the authorization to proceed with the public process required to renew the Regional DC By-law and amend the Regional Transit and GO Transit DC By-laws.
- 3.3 Regional Council received Report #2023-F-10 (Attachment #5) as a summary of the 2023 Regional DC Background Study and proposed By-law at the public meeting held on April 12, 2023.

4. Highlights of Final Recommendations

- 4.1 There are no changes from the original recommendations contained in the proposed Regional DC Background Study and By-law released on March 28, 2023 and presented during the public meeting on April 12.
- 4.2 The following is a list of some of the major policy proposals contained in the recommended DC Background Study and By-law:
 - Adding the additional DC service of Waste Diversion;
 - Broadening the definition of a bedroom to meet the area requirements of the Ontario Building Code and to provide more consistency with the local area municipalities;

- Broadening the definition of apartment building to include stacked townhouses to recognize this newer unit type and to be consistent with the 2022 Regional Transit DC By-law;
 - Eliminating the DC by-law expiry clause to comply with Provincial legislation (extending the DC by-law duration from five to ten years); and,
 - Reducing the timeframe for which redevelopment credits are applied from within ten years after the date of the first demolition permit to within five years to ensure consistency with the local area municipalities.
- 4.3 Minor administrative changes have also been proposed to the Region Share Policy (Attachment #2) and the Well Interference Policy (Attachment #3). The changes are related to increasing the dollar thresholds required for Council reporting to account for inflation. It is also recommended that Council reporting under the Region Share policy be done for information purposes as opposed to for Council approval. This is intended to expedite the approval process.
- 4.4 Minor revisions and clarifications to the background study are being provided through the amended pages in Attachment #1. These amended pages are to correct minor errors or omissions but do not have any impact on the rates or policy recommendations.
- 4.5 The newly calculated Regional DC rates, for both residential and non-residential development, are provided in the tables below. These rates are based on the capital programs contained in Appendix E – H of the Regional DC Background Study.

Table 1
Full Calculated Residential DC Rates (without Phase-in)
(per unit)

| <u>Service Category</u> | <u>Single / Semi Rate</u> | <u>Medium Density</u> | <u>2 bdr apt</u> | <u>1 bdr apt</u> |
|---|--|----------------------------------|-----------------------------|-----------------------------|
| Water Supply ⁽¹⁾⁽²⁾ | \$26,117 | \$20,800 | \$15,206 | \$9,340 |
| Sanitary Sewer ⁽¹⁾⁽²⁾ | \$23,858 | \$19,000 | \$13,890 | \$8,531 |
| Regional Roads | \$26,998 | \$21,501 | \$15,718 | \$9,654 |
| Regional Police Services | \$977 | \$778 | \$569 | \$349 |
| Long Term Care | \$548 | \$436 | \$319 | \$196 |
| Paramedic Services | \$441 | \$351 | \$257 | \$158 |
| Waste Diversion | \$94 | \$75 | \$55 | \$34 |
| Total ⁽³⁾ | \$79,033 | \$62,941 | \$46,014 | \$28,262 |
| Notes: | | | | |
| (1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan. | | | | |
| (2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law. | | | | |
| (3) Additional Regional development charges exist for GO Transit and Regional Transit under By-law #86-2001 and By-law #39-2022, respectively. | | | | |

Table 2
Full Calculated Non-residential DC Rates (without Phase-in)
(\$ per square foot of Gross Floor Area)

| <u>Service Category</u> | <u>Commercial</u> | <u>Industrial</u> | <u>Institutional</u> |
|---|--------------------------|--------------------------|-----------------------------|
| Water Supply ⁽¹⁾⁽²⁾ | \$7.51 | \$4.86 | \$2.03 |
| Sanitary Sewer ⁽¹⁾⁽²⁾ | \$12.06 | \$7.06 | \$2.92 |
| Regional Roads | \$21.91 | \$7.59 | \$16.61 |
| Sub - Total | \$41.48 | \$19.51 | \$21.56 |
| Notes: | | | |
| (1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan. | | | |
| (2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law. | | | |
| (3) Additional Regional development charges exist for Regional Transit under by-law #39-2022 | | | |

- 4.6 Recent changes to the DCA, resulting from the More Homes Built Faster Act (Bill 23), require any new DC by-law (passed on or after January 1, 2022) to phase-in

the newly calculated rates over a five-year period. The phase-in provisions allow for a maximum of 80 per cent of the calculated rates to be imposed in the first year of a new DC by-law. The maximum rate increases by 5 per cent annually until reaching the full 100 per cent of the calculated rate in year five of the new DC by-law. This phase-in provision applies to both residential and non-residential rates.

- 4.7 Based on the new mandatory phase-in provisions, the recommended residential and non-residential rates, to be imposed on July 1, 2023, are provided in the tables below.

Table 3
Final Recommended Residential Development Charges, with Phase In
Effective July 1, 2023
(per unit)

| Service Category | Single / Semi Rate | Medium Density | 2 bdr apt | 1 bdr apt |
|---|---------------------------|-----------------------|------------------|------------------|
| Water Supply ⁽¹⁾⁽²⁾ | \$20,894 | \$16,640 | \$12,165 | \$7,473 |
| Sanitary Sewer ⁽¹⁾⁽²⁾ | \$19,086 | \$15,200 | \$11,112 | \$6,825 |
| Regional Roads | \$21,598 | \$17,201 | \$12,574 | \$7,723 |
| Regional Police Services | \$782 | \$622 | \$455 | \$279 |
| Long Term Care | \$438 | \$349 | \$255 | \$157 |
| Paramedic Services | \$353 | \$281 | \$206 | \$126 |
| Waste Diversion | \$75 | \$60 | \$44 | \$27 |
| Recommended Total | \$63,226 | \$50,353 | \$36,811 | \$22,610 |
| Notes: (1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan. (2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law. (3) Additional Regional development charges exist for GO Transit and Regional Transit under By-law #86-2001 and By-law #39-2022, respectively. | | | | |

Table 4
Final Recommended Non-Residential Development Charges, with
Phase In
Effective July 1, 2023
(\$ per square foot of Gross Floor Area)

| Service Category | Commercial | Industrial | Institutional |
|--|-------------------|-------------------|----------------------|
| Water Supply ⁽¹⁾⁽²⁾ | \$6.01 | \$3.89 | \$1.62 |
| Sanitary Sewer ⁽¹⁾⁽²⁾ | \$9.65 | \$5.65 | \$2.34 |
| Regional Roads | \$17.53 | \$6.07 | \$13.29 |
| Recommended Total | \$33.19 | \$15.61 | \$17.25 |
| Notes: (1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan. (2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law. (3) Additional Regional development charges exist for Regional Transit under by-law #39-2022 | | | |

- 4.8 In addition to the DC rates provided in the tables above, the Region also imposes DC's for Regional Transit services (on both residential and non-residential development) and GO Transit services (on residential development). The rates for Regional Transit services are provided under Regional Transit DC By-law #39-2022 and will not be impacted by the new Regional DC by-law. Similarly, GO Transit DC rates are provided under GO Transit DC By-law #86-2001 and will also not be impacted by the new Regional DC By-law.
- 4.9 The table below provides a comparison of the current residential DC rates, for a single or semi-detached dwelling, with the recommended rates to be imposed on July 1, 2023 (including Regional Transit and GO Transit rates).

Table 5
Comparison of Regional Residential Development Charges
(for a single / semi-detached unit)

| | Current Rate | Recommended Phased-in Rates (July 1, 2023) | Increase |
|--------------------|---------------------|---|-----------------|
| Water Supply | \$12,342 | \$20,894 | \$8,552 |
| Sanitary Sewer | 12,013 | 19,086 | 7,073 |
| Regional Roads | 12,119 | 21,598 | 9,479 |
| Police Services | 936 | 782 | (154) |
| Paramedic Services | 246 | 353 | 107 |
| Long-Term Care | 312 | 438 | 126 |
| Waste Diversion | - | 75 | 75 |
| Sub Total | 37,968 | 63,226 | 25,258 |
| GO Transit | 814 | 838 | 24 |
| Regional Transit | 1,747 | 2,085 | 338 |
| Total | \$40,529 | \$66,149 | \$25,620 |

- 4.10 The recommended Regional residential DC rates, for a single or semi-detached dwelling, would increase by \$25,620 over the current rates. The increase in the Regional Transit rate includes the mandatory year 2 phase-in increase permitted for the by-law, which was implemented on July 1, 2022, increasing the rate to 85 per cent of the originally calculated rate. The Regional Transit rate will also be subject to annual indexing on July 1. According to the Statistics Canada Non-residential Building Construction Price Index for the Toronto Census Metropolitan Area (CMA), the rate of indexing will be 12.3 per cent. The Regional Transit rate provided in the table reflects both the increase from the phase-in and the annual indexing.
- 4.11 The increase in the GO Transit DC rate is also the result of annual indexing, which is capped at 3 per cent as per section 18 of the by-law.
- 4.12 The table below provides the comparison for non-residential DC's. The rates below include Regional Transit, which is subject to the same phase-in and indexing increase as the residential rate.

Table 6
Comparison of Regional Non-residential Development Charges
(per sq. ft.)

| | Current Rate | Recommended Rate (July 1, 2023) | Increase |
|---------------|-------------------------|--|-----------------|
| Commercial | \$24.25 | \$34.14 | \$9.89 |
| Industrial | 13.10 | 16.56 | 3.46 |
| Institutional | 12.66 | 18.20 | 5.54 |

- 4.13 It should be noted that, after accounting for the recommended increase in DC rates, Durham Region municipalities are still among the median of residential DC rates in comparison to other Greater Toronto Area (GTA) municipalities (see Attachment #4 within Attachment #5 to this report). In terms of non-residential DC's, Durham municipalities are still among the lowest across the GTA (see Attachment #4 within Attachment #5 to this report).
- 4.14 The increase in rates is required to reflect the cost of construction in current dollars (\$2023). Supply chain issues and labour shortages have led to significant inflationary pressures over the past couple years. The cost of construction materials, such as lumber, concrete, and steel framing have all seen significant price increases since 2020. The increase in rates also reflects the revised population and employment forecast, which includes lower population growth and a higher proportion of high-density units, as well as a shift from industrial to commercial employment.

5. Public Input and Questions

- 5.1 Opportunity for public comment on the Regional DC Background Study and proposed By-law was provided during the public meeting held on April 12, 2023. The public was also able to submit written feedback to the Region by 5:00pm on May 5.
- 5.2 The Region did not receive any verbal comments during the public meeting. However, the Region did receive various items of written correspondence prior to, and shortly thereafter, the May 5 commenting deadline. Correspondence was received from:
- Daryl Keleher, Altus Group, on behalf of the Building Industry and Land Development Association (BILD) and the Durham Region Home Builders Association (DRHBA) (April 24 and May 2)
 - Victoria Mortelliti, BILD, submitting the questions provided on their behalf by Altus and SCS Consulting (May 5)
 - Hans Jain, Atria Development Corp (May 5)
 - Graziano Stefani, Brooklin South Landowners Group (April 26)
 - Stuart Craig, RioCan Real Estate Investment Trust (April 28)

- Hal Beck, Schaeffers Consulting Engineers on behalf of the Bowmanville North Landowners Group (May 5)
 - Hal Beck, Schaeffers Consulting Engineers on behalf of Mearns Ave Limited Partnership (May 5)
 - Sarah Mitchell, Brookfield Properties Development (May 5)
 - Robert Webb, Group Manager on behalf of Brookhill North Landowners Group (May 5)
 - Bob Schikedanz, Far Sight Homes (May 5)
 - Mark McConville, Frontdoor Developments Inc. (May 5)
 - Steve Schaefer, SCS Consulting Group Ltd (May 2)
 - Julie Bottos, SCS Consulting Group Ltd on behalf of BILD and DRHBA (May 5)
 - Glenn Pitura, Arutip Group, on behalf of the Seaton Landowners Group (May 8)
 - Russel White, Fieldgate Developments (May 8)
 - Andrew Sjogren, Mattamy Homes (May 11)
- 5.3 Regional staff also held meetings with representatives from BILD and DRHBA to provide an overview of the background study and proposed by-law. These meetings were an opportunity for Regional staff to verbally respond to any questions or concerns.
- 5.4 Similar meetings were held with staff from the local area municipalities, including a separate meeting with the Durham Economic Development Partnership group.
- 5.5 The following table provides a brief summary of the questions and comments received from the groups mentioned above. Copies of the actual submissions, along with the corresponding Regional response, have been provided in Attachment #6. All written responses were provided electronically to ensure a timely reply.

| Suggestions / Concerns / Questions | Staff Response (detailed response provided in Attachment #6) |
|---|--|
| Memo from Daryl Keleher, Altus Group, dated April 24, on behalf of BILD and DRHBA | <p>Staff provided a written response to several questions on the following topics:</p> <ul style="list-style-type: none"> • The basis for the existing unit population change over the forecast period. • The Region's methodology for the calculation of Benefit to Existing and Post-Period Benefit (for all service areas) deductions. This |

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| | <p>included questions on specific Water, Sewer, and Roads projects.</p> <ul style="list-style-type: none">• The methodology for determining persons per unit (PPU) occupancies.• Details on the cost of the maintenance facilities.• The costs for property acquisition and contingencies in the Roads capital program.• Capacity utilization and the allowance for well interference in the Water capital program.• The facility cost per square foot assumptions for the soft services (Police, Paramedic, Long-Term Care, and Waste Diversion).• Treatment of debt charges in the cash flow tables of the soft services.• Specific costs related to certain projects.• Calculation of the residential portion of Paramedic costs.• Treatment of grants for the new Long-Term Care Home. |
| Memo from Daryl Keleher, Altus Group, dated May 2 | Further clarification, through a written response, was provided on the Region's methodology for calculating deductions for Benefit to Existing and Post-Period Benefit, as well as Persons Per Unit (PPU) occupancies. |

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| Letter from Victoria Mortelliti, Senior Manager of Policy and Advocacy, BILD | Staff provided copies of the responses to the two Altus Group memos, as well as a copy of the response to the letter from Julie Bottos, SCS Consulting. |
| Letter from Hans Jain, Atria Development Corp. | Acknowledgment of the letter was provided by staff. No specific response was required as the letter included a general comment regarding the magnitude of the proposed DC increase. |
| Letter from Sarah Mitchell, Senior Director, Brookfield Properties Development | Written response was provided, outlining the various DC discounts and exemptions provided through the More Homes, Built Faster Act. |
| Email from Graziano Stefani, Brooklin South Group Manager | Staff met with the respondent to provide additional detail regarding the feeder mains in the vicinity of the intersection of Thickson Road and Conlin Road that are required for the residential lands near the intersection of Anderson Street and Conlin Road. |
| Letter from Hal Beck, Schaeffers Consulting Engineers, on behalf of the Bowmanville North Landowners Group | Staff noted, in a written response, that the additional watermain requested would be classified as a local service and therefore would be the responsibility of the developer to construct. Staff also provided an explanation on the calculation of post-period benefit deductions for Regional road projects. |
| Letter from Hal Beck, Schaeffers Consulting Engineers, on behalf of Mearns Ave Limited Partnership | Staff responded in writing to questions regarding the inclusion of additional projects into the water and sewer DC capital program. Staff confirmed that no |

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| | additional projects will be added at this time and any future oversizing of infrastructure will be cost shared in accordance with the Region Share Policy. |
| Letter from Steve Schaefer, SCS Consulting, regarding the development of 7370 Centre Road in the Township of Uxbridge | Several project-specific questions pertaining to water and sewer were addressed in writing, including the cost, timing, and application of benefit to existing deductions. Questions were also raised regarding the inclusion of costs in future DC studies, for which staff replied that decisions on future DC studies will not be made at this time. |
| Letter from Julie Bottos, SCS Consulting, on behalf of BILD and the DRHBA | Written response was provided on the Region's approach to determining post-period benefit and benefit to existing deductions for Regional Road projects. Similar responses were provided for water and sewer infrastructure, along with responses on the timing and cost estimates for specific projects. |
| Email from Robert Webb, Brookhill North Landowners Group | Staff clarified, in a written response, that the additional watermain requested would be considered a local service and the developers would be responsible to construct. Staff also clarified the benefit to existing deductions for specific Regional Road projects. |
| Letter from Stuart Craig, RioCan Real Estate Investment Trust | Staff met with representatives from RioCan to address the concerns with the proposed increase in the Commercial DC rate. |

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| Email from Glenn Pitura, Arutip Group, on behalf of the Seaton Landowners Group | A table was provided with a written letter to explain the difference (between the 2018 DC Study and the 2023 DC Study) in benefit to existing and post-period benefit deductions for several Seaton-related Roads projects. |
| Letter from Bob Schikedanz, Far Sight Homes | Written response was provided regarding the calculation of post-period benefit and benefit to existing deductions. Staff also responded to a servicing request in north Bowmanville. |
| Letter from Russel White, Fieldgate Developments | Staff noted, in a written response, that a transition policy, regarding the transition to the new DC rates, would be presented to Council for approval through the final recommendation report. |
| Letter from Andrew Sjogren, Mattamy Homes Canada | Staff responded, in writing, to comments on the benefit to existing and post-period benefit deductions, as well as the cost of capital. |
| Mark McConville, Frontdoor Developments | Staff noted, in a written response, that a transition policy, regarding the transition to the new DC rates, would be presented to Council for approval through the final recommendation report. |

- 5.6 In addition to the comments above, Regional Economic Development staff received comments from the Durham Agricultural Advisory Committee requesting the broadening of the definition of “farm building” to include DC exemptions for agri-tourism and on-farm diversified uses. It was determined that further analysis was required to understand the potential impact of the policy change. Staff will

investigate the issue in more detail and could address through a future by-law amendment or during the next renewal of the DC Study.

6. Estimated Financial Implications

- 6.1 Although DC's are imposed to recover the growth-related costs associated with the projects included in a DC background study, there are certain costs that are ineligible for DC recovery and must be excluded from the rate calculation. These costs, which are specified in the DCA, include the portion of project costs that will benefit existing development, the portion of project costs that will benefit development beyond the DC background study forecast horizon, and any costs that exceed the historic service level.
- 6.2 The table below provides the total gross capital costs associated with the projects included in the Regional DC Background Study, along with the required deductions. The total gross cost of the DC capital program is approximately \$6.5 billion. After accounting for the various deductions, approximately \$4.9 billion is eligible for recovery from DC's. This leaves approximately \$1.6 billion in costs that are ineligible for DC recovery.

Table 7
Summary of Capital Costs for Eligible DC Programs
(\$2023, \$millions)

| Services | Gross Cost | Less: | | | | Net Growth | | |
|-------------------------------|------------------|-------------------------------|---------------------------------|--|----------------------|------------------|------------------|----------------|
| | | Ineligible (Level of Service) | Benefit to Existing Development | Subsidy Developer Contribution/ Other ⁽¹⁾ | Post Period Capacity | | | |
| | | \$ | \$ | \$ | \$ | Total | Res | Non-Res |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Hard Services (2023-2033): | | | | | | | | |
| Water | \$1,679.7 | \$0.0 | \$81.6 | \$95.5 | \$104.0 | \$1,398.7 | \$1,228.7 | \$169.9 |
| Sewer | \$1,811.4 | \$0.0 | \$74.3 | \$4.5 | \$481.4 | \$1,251.1 | \$1,001.9 | \$249.2 |
| Roads | \$2,631.6 | \$0.0 | \$414.1 | \$92.6 | \$63.7 | \$2,061.2 | \$1,517.9 | \$543.3 |
| Sub-total | \$6,122.7 | \$0.0 | \$570.0 | \$192.6 | \$649.1 | \$4,711.0 | \$3,748.5 | \$962.4 |
| General Services (2023-2033): | | | | | | | | |
| Regional Police Services | \$171.5 | \$0.0 | \$92.6 | \$0.0 | \$0.0 | \$78.9 | \$58.4 | \$20.5 |
| Paramedic Services | \$39.0 | \$3.5 | \$7.5 | \$0.0 | \$0.0 | \$28.0 | \$25.0 | \$3.1 |
| Long Term Care | \$126.4 | \$0.0 | \$63.0 | \$35.6 | \$0.0 | \$27.8 | \$27.8 | \$0.0 |
| Waste Diversion | \$9.8 | \$4.9 | \$0.0 | \$0.0 | \$0.0 | \$4.9 | \$4.9 | \$0.0 |
| Sub-total | \$346.7 | \$8.4 | \$163.1 | \$35.6 | \$0.0 | \$139.6 | \$116.0 | \$23.6 |
| Total | \$6,469.4 | \$8.4 | \$733.1 | \$228.2 | \$649.1 | \$4,850.6 | \$3,864.5 | \$986.0 |

(1) Includes capital cost allocations to Seaton and Federal lands in Pickering, for water and sewer, along with Investing in Canada Infrastructure Program funding for Roads and Provincial grant funding for Long-Term Care.

(2) Numbers may not add due to rounding.

- 6.3 The approximately \$4.9 billion in DC eligible costs are then distributed between residential and non-residential development, based on the relative share of

estimated growth. Approximately \$3.9 billion is eligible for recovery from residential development and approximately \$986 million is eligible for recovery from non-residential development. It is important to note that the Region does not impose DC's for Police, Paramedic, Long-term Care, or Waste Diversion on non-residential development. Therefore, the \$23.6 million in non-residential DC eligible costs for these services will not receive any DC funding and are funded by property taxes.

- 6.4 The benefit to existing and ineligible level of service deductions in the table above must be funded by property taxes and water/sewer user rates (the post period benefit deductions will be included in future DC Studies). The current property tax and water and sewer budgets already have, or are planned to have, an associated property tax and user rate funding component to support the benefit to existing and ineligible DC shares. Therefore, the costs ineligible for DC recovery do not necessarily result in additional increases to property taxes or user rates beyond what is already embedded in the property tax and user rate structure.
- 6.5 However, the DC discounts and exemptions provided through the More Homes, Built Faster Act (Bill 23) will have a significant new impact on property tax and user rates. These include the mandatory five-year phasing of DC rates (starting with a 20 per cent discount in year 1), the various exemptions for certain types of housing units (e.g. non-profit, affordable, etc), and the DC discounts for market rate rental residential housing.
- 6.6 Any discount or exemption in DC's must be funded through property taxes (for roads and general services) and user rates (for water and sanitary sewerage). The funding shortfall from DC exemptions/discounts cannot be recovered by increasing DC rates on other types of development, as per the DCA.
- 6.7 The following table provides the estimated revenue loss from the mandatory five-year phase-in and rental housing development discounts included in Bill 23.

Table 8
Estimated Revenue Loss from Phase-in and Rental Discounts (\$2023)
Ten-Year Period (2023 – 2032)

| Bill 23 Provision | Est. Revenue Loss | Property Tax | User Rates |
|-----------------------------------|-----------------------|-----------------------|-----------------------|
| Phase-in of DC Rates ¹ | \$ 222,230,000 | \$ 104,130,000 | \$ 118,100,000 |
| Rental Discounts ² | | | |
| 1-bedroom | \$ 9,420,000 | \$ 4,290,000 | \$ 5,130,000 |
| 2-bedroom | \$ 23,030,000 | \$ 10,480,000 | \$ 12,550,000 |
| 3-bedroom | \$ 10,470,000 | \$ 4,770,000 | \$ 5,700,000 |
| Total | \$ 265,150,000 | \$ 123,670,000 | \$ 141,480,000 |

¹ The Phase-in of rates will occur over the first five years of the by-law, with DC's being discounted to 80 per cent of their full calculated rate in year 1, followed by 85 per cent in year 2, 90 per cent in year 3, 95 per cent in year 4, and 100 per cent in year 5 and beyond.

² Assumes 50 per cent of high-density development will be rental units. Based on the most recent Canada Mortgage and Housing Corporation (CMHC) Rental Market Survey for the Oshawa CMA, it is assumed that 15 per cent of rental units will be 3-bedroom or greater, 55 per cent of rental units will be 2-bedroom, and 30 per cent of rental units will be 1-bedroom or smaller.

6.8 It should be noted that the revenue loss estimate does not include any loss of revenue associated with the DC exemptions for non-profit, affordable, attainable, and inclusionary zoning residential developments. The province has yet to clearly define affordable and attainable residential development, which makes it difficult to assess the financial impacts. Once these unit types become clearly defined, staff will update the analysis to include the revenue loss from these exemptions. It's assumed that, once the additional exemptions have been accounted for, the revenue loss estimates will be significantly higher.

6.9 It is estimated that the phase-in of rates and the discounting of DC's for rental units would lead to approximately \$265 million in revenue loss over the ten-year capital forecast horizon in the recommended by-law (2023-2032). Approximately \$124 million would need to be recovered from property taxes and approximately \$141 million would need to be recovered from water/sewer user rates. In order to avoid these rate increases for existing residents and businesses, which would heighten their existing affordability challenges, it is recommended that the Province be requested to ensure that municipalities are made financially whole from the loss of DC revenue resulting from the More Homes Built Faster Act.

7. Further Considerations by Regional Council Per DCA - Formal Consideration of Need for Further Public Meeting

7.1 If the proposed by-law is changed as a result of comments received at the public meeting or through written correspondence, Regional Council is required, under the provisions of the DCA, to consider whether a further public meeting is required. An additional public meeting would require public notice to be provided at least twenty days prior to such public meeting.

- 7.2 Given that the Region has not made any changes to the proposed by-law and the final recommendations are consistent with the Regional DC Background Study and proposed By-law released to the public on March 28, a further public meeting will not be required if the recommendations in this report are accepted and no further changes are made.

8. Direction to Regional Staff

- 8.1 Direction from Regional Council is required for the Regional Solicitor, Regional Clerk and Regional Treasurer to complete the various administrative tasks needed to implement the recommended Regional DC By-law. These tasks include the production and distribution of a DC pamphlet, as well as the necessary public notification provisions.

9. Transition Policy

- 9.1 Staff are proposing to implement a set of transition policies to ease the transition to the new DC by-law. Similar transition policies have been used in the past to assist Regional and Local Area Municipal staff with the processing of subdivision agreements and building permits. It is anticipated that a large volume of requests will be received, by both the Region and the local municipalities, as developers attempt to finalize documents before the implementation of the new rates.

Subdivision Agreements

- 9.2 In terms of subdivision agreements, staff are proposing that any complete submission, received by the Development Approvals Division of the Regional Works Department on or by June 30, 2023, be given the option of being processed under the policies and rates of the current DC By-law #28-2018 or the proposed replacement by-law.
- 9.3 In order for a submission to be deemed complete, all of the following must be submitted to Development Approvals (by June 30, 2023):
- Detailed cost estimates
 - Three (3) copies of the proposed Final Plan (M-Plan)
 - Regional Planning approval of the Final Plan
 - Three (3) copies of all proposed Reference Plans (R-Plans)
 - Three (3) copies of approved General Plan of Services (signed by the Local Municipality and the Region)
 - Regional Subdivision Agreement Information Checklist
- 9.4 Subdivision agreements, which have been processed according to By-law #28-2018, must be executed within three months following the termination of By-Law #28-2018 (by September 30, 2023). Agreements that have not been executed within the three-month window shall be deemed cancelled and will be replaced with a subdivision agreement processed according to the new DC by-law.

9.5 In order for an agreement to be considered executed, all the following must have been submitted to the Regional Legal Department in a form satisfactory to the Region:

- Signed Subdivision Agreement, including all schedules
- Payments of fees identified in the agreement
- Securities identified in the agreement
- Prepayment of Development Charges for Sanitary Sewerage, Water Supply and Regional Roads
- Insurance Certificate

Building Permits

9.6 In terms of building permit issuance, staff are proposing that any complete and final building permit application, received by the local municipalities on or by June 30, 2023, be processed as if the building permit has been issued (i.e. using the DC rates prior to the July 1, 2023 increase).

9.7 In order for a building permit application to be considered complete and final, the following criteria must be satisfied:

- The building permit application must be submitted to the area municipality, as required by the Ontario Building Code, including the provision of all necessary documents, forms and plans.
- The area municipality requires no further changes to the application or to the drawings (i.e. issuance of the permit is the only step remaining).
- The building permit must be issued by August 31, 2023.

10. Relationship to Strategic Plan

10.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

- a. Ensuring the Region's DC By-law is in conformity with the DCA, supporting Goal 5 (Service Excellence).

11. Conclusion

11.1 The recommendations contained in this report reflect the input received from the development industry and other interested parties. These recommendations seek to achieve the necessary balance between the financing requirements of the Region and the impacts of DC's on the local economy. Growth in housing units cannot occur without the appropriate financing of the required capital servicing infrastructure. As a package, these recommendations will update the current Residential and Non-residential DC's and related policies and position the Region to provide the infrastructure necessary to accommodate anticipated development

- 11.2 It is recommended that the proposed Regional DC By-law be approved as provided within the Regional DC Background Study (Attachment #7).
- 11.3 This report has been prepared with the assistance of staff from the Planning & Economic Development Department, Works Department, and the Office of the Chief Administrative Officer - Legal, who concur with the recommendations.

12. Attachments

- Attachment #1: Amended Pages from the 2023 Regional DC Background Study
- Attachment #2: Region Share Policy
- Attachment #3: Regional Well Interference Policy
- Attachment #4: Intensification Servicing Policy
- Attachment #5: Report #2023-F-10: Public Meetings Regarding Proposed Development Charge By-laws and Supporting Background Studies
- Attachment #6: Written Public Submissions and Staff Responses
- Attachment #7: Recommended Regional DC By-law

Respectfully submitted,

Original Signed By

N. Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer

Appendix #1

Amended Pages From The 2023 Regional Development Charge Background Study

Table ES-3
Proposed Residential Development Charges with Phase In
For July 1, 2023
(per unit)

| Service Category | Phase In | Single / Semi Rate | Medium Density | 2 bdr apt | 1 bdr apt |
|---|-----------------|---------------------------|-----------------------|------------------|------------------|
| Water Supply ⁽¹⁾⁽²⁾ | 80% | \$20,894 | \$16,640 | \$12,165 | \$7,473 |
| Sanitary Sewer ⁽¹⁾⁽²⁾ | 80% | \$19,086 | \$15,200 | \$11,112 | \$6,825 |
| Regional Roads | 80% | \$21,598 | \$17,201 | \$12,574 | \$7,723 |
| Regional Police Services | 80% | \$782 | \$622 | \$455 | \$279 |
| Long Term Care | 80% | \$438 | \$349 | \$255 | \$157 |
| Paramedic Services | 80% | \$353 | \$281 | \$206 | \$126 |
| Waste Diversion | 80% | \$75 | \$60 | \$44 | \$27 |
| Total ⁽³⁾ | | \$63,226 | \$50,353 | \$36,811 | \$22,610 |
| Notes: | | | | | |
| (1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan. | | | | | |
| (2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law. | | | | | |
| (3) Additional Regional development charges exist for GO Transit and Regional Transit under By-law #86-2001 and By-law #39-2022, respectively. | | | | | |

Table ES-4
Proposed Non-Residential Development Charges with Phase In
For July 1, 2023
(\$ per square foot for Gross Floor Area)

| Service Category | Phase In | Commercial | Industrial | Institutional |
|---|-----------------|-------------------|-------------------|----------------------|
| Water Supply ⁽¹⁾⁽²⁾ | 80% | \$6.01 | \$3.89 | \$1.62 |
| Sanitary Sewer ⁽¹⁾⁽²⁾ | 80% | \$9.65 | \$5.65 | \$2.34 |
| Regional Roads | 80% | \$17.53 | \$6.07 | \$13.29 |
| Total | | \$33.19 | \$15.61 | \$17.25 |
| Notes: | | | | |
| (1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan. | | | | |
| (2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law. | | | | |

TABLE ES-7
REGION OF DURHAM
GROWTH FORECASTS
July 1, 2023 - June 30, 2033

| TYPE OF GROWTH | INCREMENTAL AMOUNT | REFERENCE |
|---|------------------------|--------------|
| Population Growth | 161,913 Persons | Schedule 1 |
| Household Unit Growth | 69,210 Households | Schedule 1 |
| Employment Growth ¹ | 58,334 Employees | Schedule 10a |
| Additional Non-Residential Floor Space ² | 38,180,700 Square Feet | Schedule 10d |

¹ Excludes No Fixed Place of Work. Includes primary and Work at Home.

² Includes primary.

8. Summary of the Capital Costs and Deductions

8.1 As part of the analysis required by the DCA, the capital forecasts providing the eligible growth related capital costs required for the anticipated development have been prepared for each service and are detailed in Appendices E to H. The services included herein include Hard Services of Water, Sewer and Roads and General Services of Regional Police, Paramedics, Long Term Care and Waste Diversion.

8.2 The capital costs eligible for Development Charge recovery by service are considered over the ten-year forecast period from 2023 to 2032. These are summarized in Table ES-8 below:

Table ES-8
Summary of Capital Costs for all Eligible Programs
(\$2023, \$millions)

| Services | Gross Cost | Less: | | | | Net Growth | | |
|-------------------------------|------------------|-------------------------------|---------------------------------|---|----------------------|------------------|------------------|----------------|
| | | Ineligible (Level of Service) | Benefit to Existing Development | Subsidy Developer Contribution/Other ⁽¹⁾ | Post Period Capacity | Total | Res | Non-Res |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Hard Services (2023-2033): | | | | | | | | |
| Water | \$1,679.7 | \$0.0 | \$81.6 | \$95.5 | \$104.0 | \$1,398.7 | \$1,228.7 | \$169.9 |
| Sewer | \$1,811.4 | \$0.0 | \$74.3 | \$4.5 | \$481.4 | \$1,251.1 | \$1,001.9 | \$249.2 |
| Roads | \$2,631.6 | \$0.0 | \$414.1 | \$92.6 | \$63.7 | \$2,061.2 | \$1,517.9 | \$543.3 |
| Sub-total | \$6,122.7 | \$0.0 | \$570.0 | \$192.6 | \$649.1 | \$4,711.0 | \$3,748.5 | \$962.4 |
| General Services (2023-2033): | | | | | | | | |
| Regional Police Services | \$171.5 | \$0.0 | \$92.6 | \$0.0 | \$0.0 | \$78.9 | \$58.4 | \$20.5 |
| Paramedic Services | \$39.0 | \$3.5 | \$7.5 | \$0.0 | \$0.0 | \$28.0 | \$25.0 | \$3.1 |
| Long Term Care | \$126.4 | \$0.0 | \$63.0 | \$35.6 | \$0.0 | \$27.8 | \$27.8 | \$0.0 |
| Waste Diversion | \$9.8 | \$4.9 | \$0.0 | \$0.0 | \$0.0 | \$4.9 | \$4.9 | \$0.0 |
| Sub-total | \$346.7 | \$8.4 | \$163.1 | \$35.6 | \$0.0 | \$139.6 | \$116.0 | \$23.6 |
| Total | \$6,469.4 | \$8.4 | \$733.1 | \$228.2 | \$649.1 | \$4,850.6 | \$3,864.5 | \$986.0 |

Notes:

⁽¹⁾ Includes Capital Cost Allocations to Seaton and Federal Lands in Pickering.

8.3 Table ES-8 summarizes the total capital program considered by service, the statutorily required deductions, and the growth-related capital costs eligible for DC recovery. The total capital program within the DC Background Study totals \$6.5

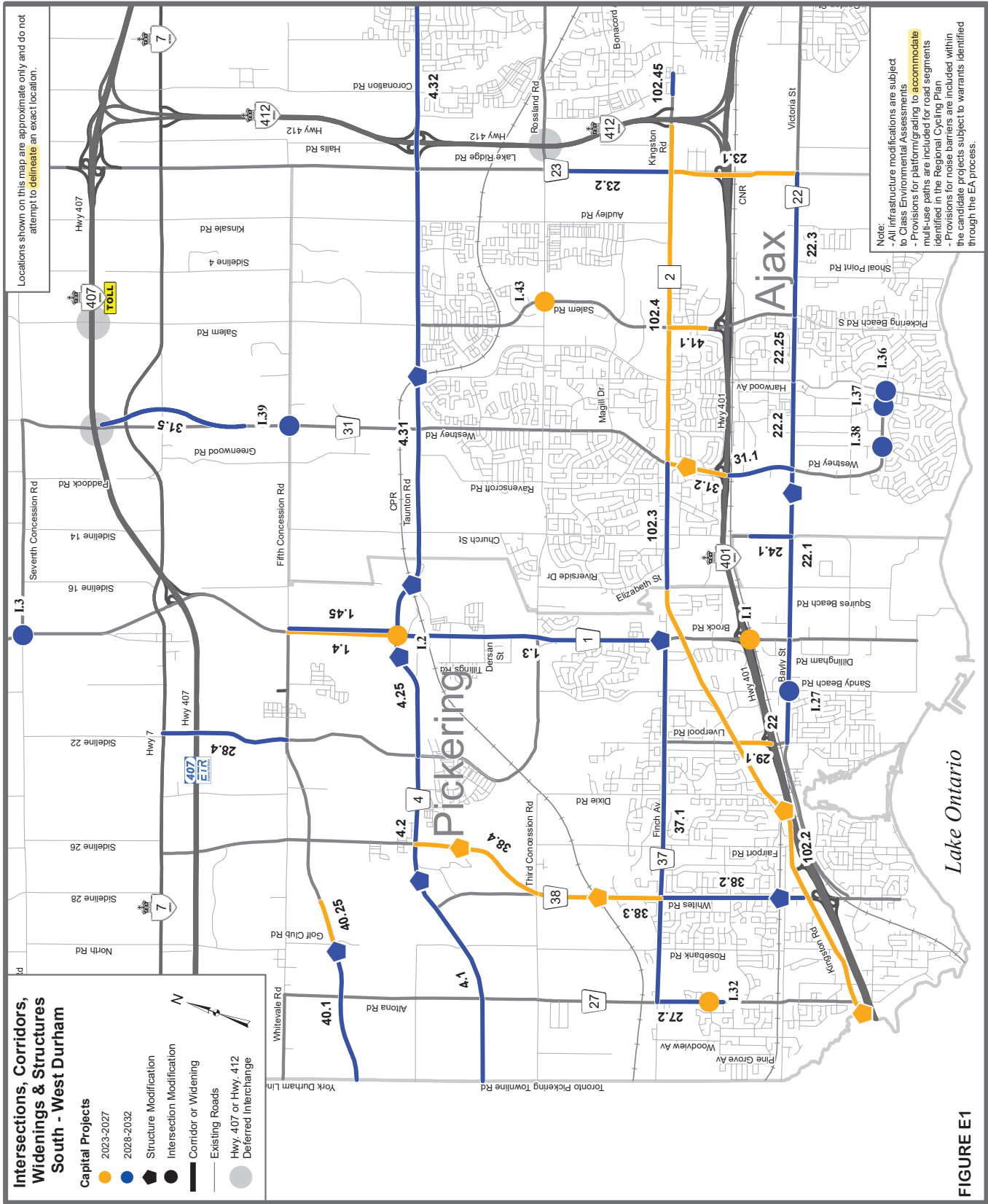
Schedule 8b
Durham Region
Person Per Unit as a Share of Single-Detached Units
(2016 Census)

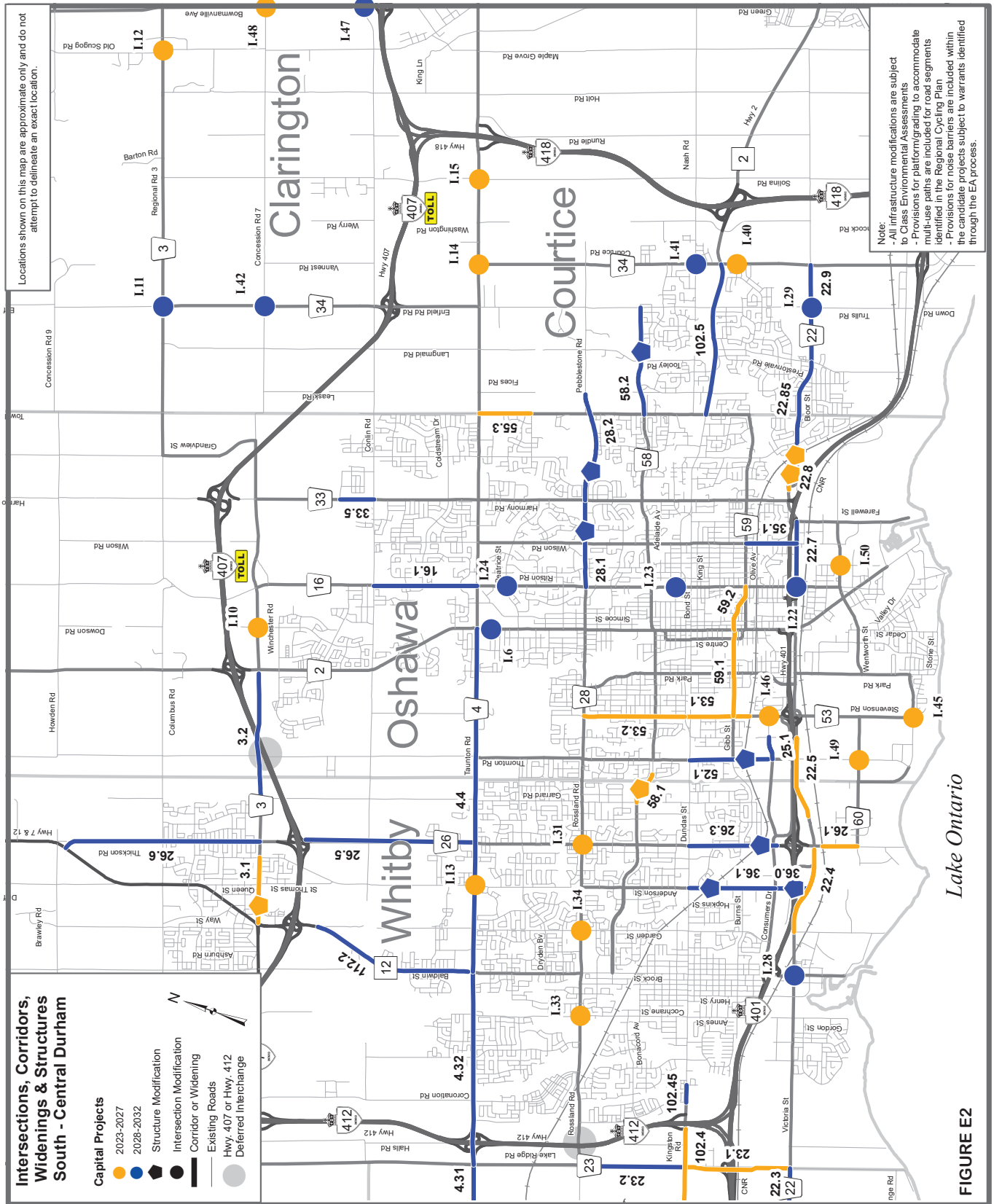
| AVERAGE FORECAST NUMBER OF PERSONS PER UNIT BY TYPE | | |
|---|------------------|----------------------|
| FOR DWELLING UNITS AGED 1-25 | | |
| DWELLING UNIT DENSITY | PERSONS PER UNIT | % OF SINGLE DETACHED |
| Low Density (Single and Semi Detached) | 3.286 | 100.00% |
| Medium Density (Attached/Multiple) | 2.617 | 79.64% |
| Apartment (Bachelor/One Bedroom) | 1.175 | 35.76% |
| Apartment (Two bedroom and greater) | 1.913 | 58.22% |

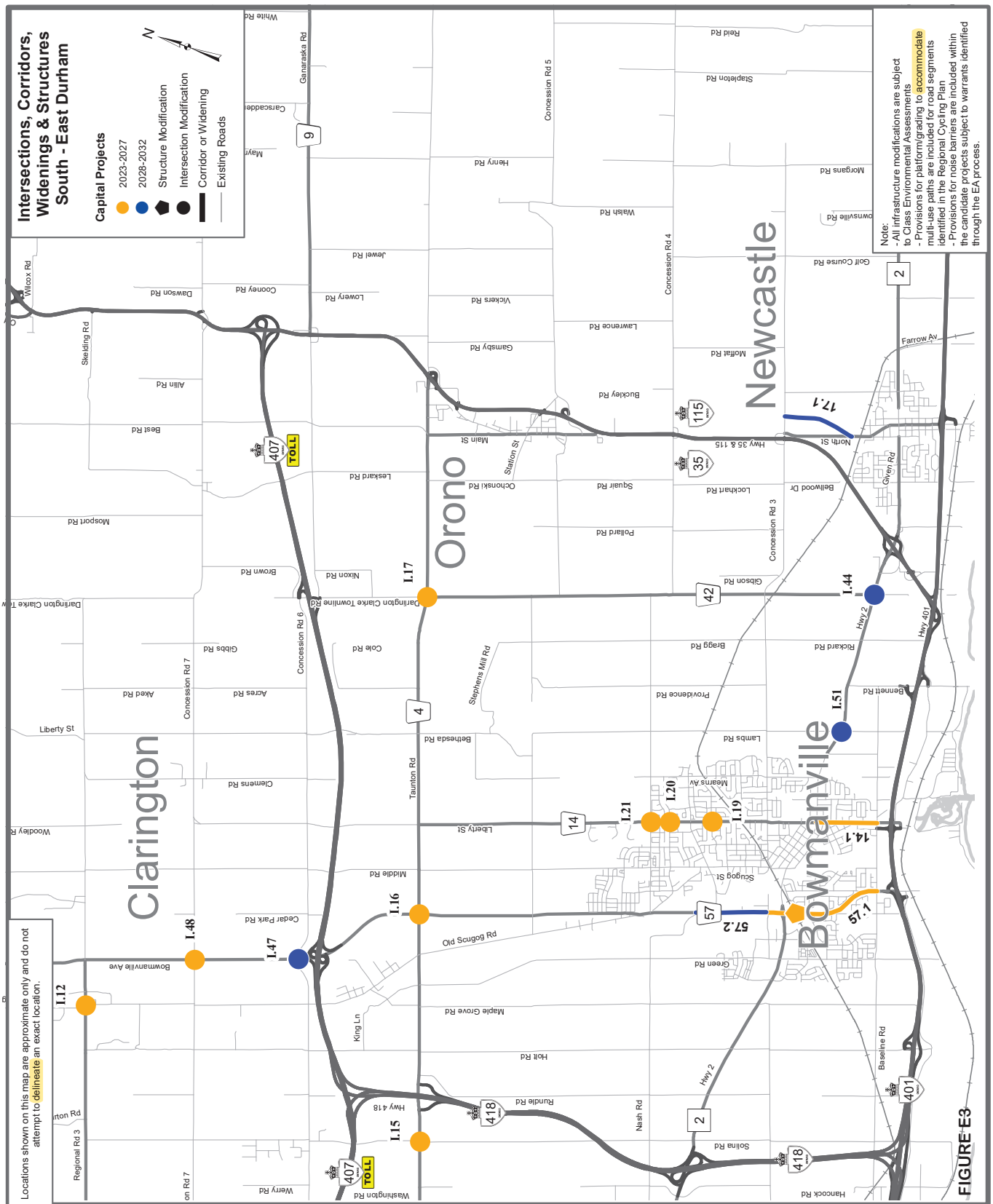
Note: P.P.U.s do not include the Census Undercount.

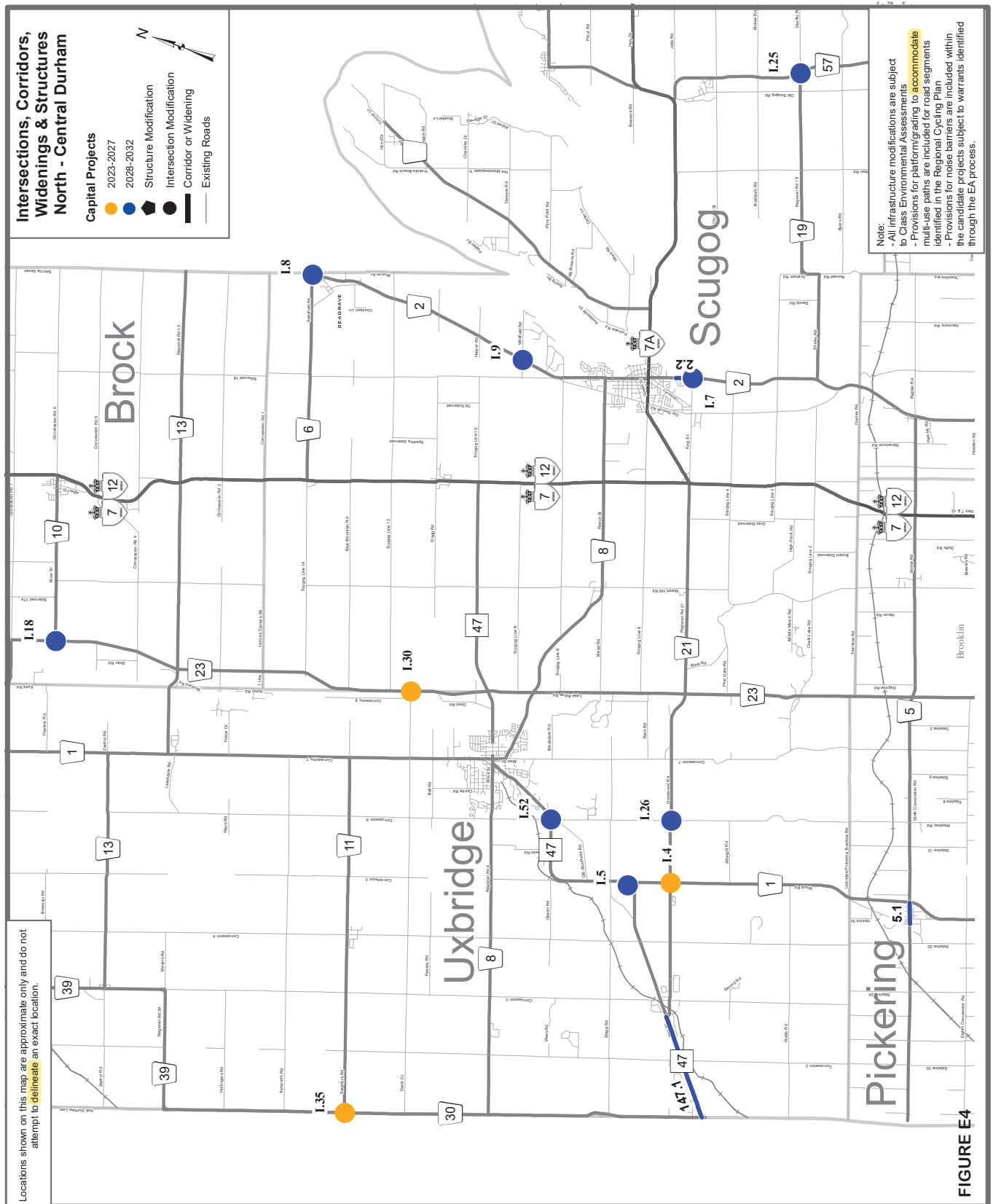
Note: The analysis was conducted before the 2021 Statistics Canada data release.

Source: Watson & Associates Economists Ltd., 2023.









| TABLE E.1 - REGIONAL ROADS: CAPITAL COST SUMMARY - RESIDENTIAL (YEAR 2023 - 2032) | | | | | | | | | | | | | | | | | | | | |
|---|------------------------------------|---|--|--|---------------------------------------|---------------------------|-------------------------------|------------------------|--------|--|-------|--------|-------|-------|--------|--------|--------|----------|--------|------|
| DEVELOPMENT RELATED RESIDENTIAL SHARE SERVICE: REGIONAL ROADS | | | | GROSS COST (2023 Estimated Cost) | BENEFIT TO EXISTING DEVELOP. | POST PERIOD BENEFIT | GRANTS, SUBSIDY & OTHER | DEVELOPMENT RELATED | | NET RESIDENTIAL GROWTH COST (2023 Estimated Cost) | | | | | | | | | | |
| | | | | | | | | NON- RESID. | RESID. | TOTAL | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
| | | | | | | | | | | | | | | | | | | | | |
| \$'000's | % | % | % | | | | | | | | | | | | | | | \$'000's | | |
| Widenings, New Connections and Corridor Modifications | | | | | | | | | | | | | | | | | | | | |
| ITEM # | ROAD NAME | LIMITS | DESCRIPTION | | | | | | | | | | | | | | | | | |
| 1.3 | Brock Rd. (Reg. Rd. 1) | Finch Ave. to Taunton Rd. | Widen road from 3 to 7 lanes to add HOV lanes, including structure widening | 6% | 0% | 0% | 25% | 69% | 47,516 | 0 | 0 | 0 | 0 | 2,144 | 0 | 1,429 | 1,072 | 42,871 | 0 | |
| 1.4 | Brock Rd. (Reg. Rd. 1) | Taunton Rd. to Alexander Knox Rd. - Fifth Concession Rd. | Widen from 2 to 4 lanes | 26% | 0% | 0% | 20% | 54% | 694 | 0 | 694 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 1.45 | Brock Rd. (Reg. Rd. 1) | Fifth Concession Rd. to Alexander Knox Rd. - Fifth Concession Rd. | Widen from 4 to 6 lanes to add HOV lanes | 51% | 14% | 0% | 9% | 26% | 4,861 | 0 | 0 | 0 | 0 | 394 | 131 | 526 | 3,810 | 0 | 0 | |
| 2.2 | Simcoe St. (Reg. Rd. 2) | S. of King St. to S. of Greenway Blvd. | Widen from 2 to 3 lanes | 17% | 0% | 0% | 22% | 61% | 2,369 | 0 | 0 | 0 | 187 | 436 | 249 | 0 | 249 | 1,247 | 0 | |
| 3.1 | Winchester Rd. (Reg. Rd. 3) | Badwin St. to Anderson St. | Widen from 2 to 3 / 4 lanes, including structure widening | 23% | 0% | 0% | 20% | 57% | 630 | 630 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 3.2 | Winchester Rd. (Reg. Rd. 3) | Garrard Rd. to Simcoe St. | Widen from 2 to 6 lanes | 7% | 11% | 0% | 22% | 60% | 15,201 | 0 | 0 | 0 | 620 | 0 | 1,241 | 620 | 1,551 | 0 | 11,168 | |
| 4.1 | Taunton Rd. (Reg. Rd. 4) | Toronto / Pickering Townline Rd. to W. of Twelvevees Bridge | Widen from 4 to 6 lanes to add HOV lanes | 69% | 0% | 0% | 8% | 23% | 6,464 | 0 | 0 | 0 | 599 | 0 | 239 | 359 | 5,267 | 0 | 0 | |
| 4.2 | Taunton Rd. (Reg. Rd. 4) | W. of Twelvevees Bridge to Peter Matthews Dr. | Widen from 4 to 6 lanes to add HOV lanes, including structure widening | 20% | 0% | 0% | 21% | 59% | 33,506 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33,506 | 0 | |
| 4.25 | Taunton Rd. (Reg. Rd. 4) | Peter Matthews Dr. to Brock Rd. | Widen from 4 to 6 lanes to add HOV lanes, including structure widening | 28% | 0% | 0% | 19% | 53% | 27,260 | 0 | 0 | 0 | 0 | 1,086 | 272 | 0 | 543 | 0 | 25,359 | |
| 4.31 | Taunton Rd. (Reg. Rd. 4) | Brock Rd. to Lake Ridge Rd. | Widen from 5 to 7 lanes to add HOV lanes, including new structure | 6% | 9% | 0% | 22% | 63% | 75,069 | 0 | 0 | 1,297 | 0 | 3,890 | 2,593 | 0 | 3,241 | 64,049 | 0 | |
| 4.32 | Taunton Rd. (Reg. Rd. 4) | Lake Ridge Rd. to Brock St. | Widen from 5 to 7 lanes to add HOV lanes | 50% | 0% | 0% | 13% | 37% | 21,055 | 0 | 0 | 757 | 0 | 757 | 757 | 1,136 | 17,647 | 0 | 0 | |
| 5.1 | Central St. (Reg. Rd. 5) | Brock St. to Brock Rd. | Widen from 5 to 7 lanes to add HOV lanes | 45% | 7% | 0% | 13% | 35% | 39,980 | 0 | 0 | 727 | 0 | 727 | 727 | 1,454 | 0 | 37,073 | 0 | |
| 14.1 | Liberty St. (Reg. Rd. 14) | Baseline Rd. to King St. | Urbanize and modify corridor | 50% | 0% | 0% | 13% | 37% | 2,302 | 0 | 130 | 114 | 76 | 0 | 76 | 1,906 | 0 | 0 | 0 | |
| 16.1 | Ridson Rd. (Reg. Rd. 16) | Taunton Rd. to Conlin Rd. | Widen from 2 to 3 lanes | 30% | 0% | 0% | 18% | 52% | 4,406 | 466 | 207 | 3,733 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 17.1 | Reg. Rd. 17 | North of CPR to Concession Rd. 3 | Widen from 2 / 3 to 5 lanes | 4% | 0% | 0% | 25% | 71% | 13,661 | 0 | 0 | 366 | 476 | 513 | 586 | 11,720 | 0 | 0 | 0 | |
| 22 | Bayly St. (Reg. Rd. 22) | Liverpool Rd. to Brock Rd. | Widen and construct new alignment from 2 to 3 lanes | 9% | 0% | 0% | 26% | 74% | 7,012 | 0 | 0 | 762 | 0 | 762 | 381 | 0 | 5,107 | 0 | 0 | |
| 22.1 | Bayly St. (Reg. Rd. 22) | Brock Rd. to Westney Rd. | Widen from 5 to 6 / 7 lanes to add HOV lanes including structure widening | 5% | 0% | 0% | 25% | 70% | 19,175 | 0 | 701 | 1,443 | 1,082 | 1,082 | 14,866 | 0 | 0 | 0 | 0 | |
| 22.2 | Bayly St. (Reg. Rd. 22) | Westney Rd. to Harwood Ave. | Widen from 5 to 7 lanes to add HOV lanes | 46% | 0% | 0% | 14% | 40% | 14,579 | 0 | 0 | 616 | 0 | 1,027 | 205 | 411 | 12,321 | 0 | 0 | |
| 22.25 | Bayly St. (Reg. Rd. 22) | Harwood Ave. to Salem Rd. | Widen from 4 to 6 lanes to add HOV lanes | 6% | 0% | 0% | 25% | 69% | 11,863 | 0 | 0 | 213 | 355 | 284 | 0 | 355 | 10,655 | 0 | 0 | |
| 22.3 | Bayly St. (Reg. Rd. 22) | Salem Rd. to Lake Ridge Rd. | Widen from 4 to 6 lanes to add HOV lanes | 4% | 0% | 0% | 26% | 70% | 13,771 | 0 | 0 | 725 | 0 | 725 | 725 | 0 | 11,597 | 0 | 0 | |
| 22.4 | Victoria St. (Reg. Rd. 22) | South Blair St. to W. of Thickson Rd. | Construct new alignment and widen from 2 to 5 lanes | 5% | 0% | 0% | 25% | 70% | 22,536 | 0 | 0 | 0 | 720 | 0 | 1,440 | 2,160 | 18,216 | 0 | 0 | |
| 22.5 | Victoria - Bloor St. (Reg. Rd. 22) | E. of Thickson Rd. to W. of Stevenson Rd. | Construct new alignment and widen from 2 to 5 lanes | 8% | 0% | 0% | 24% | 68% | 1,632 | 1,632 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 22.7 | Bloor St. (Reg. Rd. 22) | E. of Thickson Rd. to W. of Stevenson Rd. | Widen from 2 / 3 to 5 lanes | 24% | 0% | 0% | 20% | 56% | 8,029 | 0 | 558 | 7,471 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 22.8 | Bloor St. (Reg. Rd. 22) | Ridson Rd. to Farwell St. | Widen from 3 to 5 lanes | 29% | 48% | 0% | 6% | 17% | 1,785 | 0 | 0 | 0 | 0 | 127 | 170 | 85 | 42 | 1,360 | 0 | |
| 22.8 | Bloor St. (Reg. Rd. 22) | E. of Harmony Rd. to Grandview St. | Construct new alignment to 4 lanes, with new CPR grade separation and bridge crossing of Farwell Creek | 0% | 0% | 0% | 26% | 74% | 13,831 | 111 | 0 | 13,720 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 22.85 | Bloor St. (Reg. Rd. 22) | Grandview St. to Prestonville Rd. | Widen from 2 to 4 lanes | 24% | 0% | 0% | 20% | 56% | 10,745 | 0 | 0 | 581 | 871 | 1,742 | 871 | 6,679 | 0 | 0 | 0 | |
| 22.9 | Bloor St. (Reg. Rd. 22) | Prestonville Rd. to Courtoise Rd. | Widen from 2 to 3 lanes and modify profile | 41% | 0% | 0% | 16% | 43% | 8,584 | 0 | 0 | 313 | 447 | 224 | 0 | 179 | 7,422 | 0 | 0 | |
| 23.1 | Lake Ridge Rd. (Reg. Rd. 23) | Bayly St. to Kingston Rd. | Widen from 2 to 4 / 5 lanes | 6% | 0% | 0% | 25% | 69% | 9,379 | 517 | 5,310 | 3,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 23.2 | Lake Ridge Rd. (Reg. Rd. 23) | Kingston Rd. to Roseland Rd. | Widen from 2 to 5 lanes | 27% | 0% | 0% | 19% | 54% | 10,960 | 381 | 0 | 393 | 4,490 | 0 | 112 | 5,613 | 0 | 0 | 0 | |
| 24.1 | Church St. (Reg. Rd. 24) | Bayly St. to Durham Line Ave. | Widen from 2 to 3 lanes | 27% | 37% | 0% | 10% | 26% | 1,953 | 0 | 0 | 0 | 271 | 271 | 136 | 0 | 136 | 1,139 | 0 | |
| 25.1 | Stellar Dr. (Reg. Rd. 25) | Thornhill Rd. to Fox St. | Construct new alignment to 4 lanes | 0% | 0% | 0% | 26% | 74% | 7,546 | 0 | 0 | 762 | 762 | 381 | 381 | 5,259 | 0 | 0 | 0 | |
| 26.1 | Thickson Rd. (Reg. Rd. 26) | Wentworth St. to CNR Kingston | Widen from 2 to 4 lanes | 30% | 0% | 0% | 19% | 51% | 715 | 715 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 26.3 | Thickson Rd. (Reg. Rd. 26) | Consumers Dr. to Dundas St. | Widen from 5 to 6 lanes, including new structure | 4% | 17% | 0% | 21% | 57% | 17,574 | 0 | 0 | 738 | 1,477 | 886 | 0 | 886 | 13,597 | 0 | 0 | |
| 26.5 | Thickson Rd. (Reg. Rd. 26) | Taunton Rd. to Hwy 407 | Widen from 2 to 5 lanes | 6% | 0% | 0% | 25% | 69% | 20,531 | 688 | 0 | 1,063 | 354 | 0 | 709 | 17,717 | 0 | 0 | 0 | |
| 26.6 | Thickson Rd. (Reg. Rd. 26) | Winchester Rd. to Baldwin St. | Widen from 2 to 5 lanes | 25% | 0% | 0% | 20% | 55% | 24,054 | 0 | 1,108 | 0 | 1,427 | 143 | 1,427 | 19,949 | 0 | 0 | 0 | |
| 27.2 | Alona Rd. (Reg. Rd. 27) | N. of Strouds Lane to Finch Ave. | Widen from 2 to 3 lanes | 7% | 0% | 0% | 25% | 68% | 9,993 | 0 | 0 | 0 | 699 | 349 | 175 | 175 | 8,596 | 0 | 0 | |
| 28.1 | Roseland Rd. (Reg. Rd. 28) | Ridson Rd. to Harmony Rd. | Widen from 3 to 5 lanes, including structure widening | 23% | 0% | 0% | 20% | 57% | 10,814 | 479 | 0 | 591 | 0 | 591 | 9,194 | 0 | 0 | 0 | 0 | |
| 28.2 | Roseland Rd. (Reg. Rd. 28) | Harmony Rd. to E. of Townline Rd. | Construct new 3 lane alignment to E. of Townline Rd., including new bridge crossing of Harmony Creek tributary | 1% | 21% | 0% | 21% | 57% | 21,242 | 0 | 0 | 439 | 1,172 | 1,758 | 293 | 8,790 | 8,790 | 0 | 0 | |
| 28.4 | Peter Matthews Dr. (Reg. Rd. 28) | Alexander Knox Rd. to Hwy 7 | Construct new alignment to 2 lanes | 0% | 19% | 0% | 21% | 60% | 20,255 | 0 | 0 | 0 | 0 | 0 | 1,814 | 4,302 | 0 | 1,163 | 12,976 | |
| 29.1 | Liverpool Rd. (Reg. Rd. 29) | Hwy 407 to Kingston Rd. | Widen from 5 to 7 lanes | 39% | 0% | 0% | 16% | 45% | 3,346 | 200 | 0 | 185 | 185 | 2,776 | 0 | 0 | 0 | 0 | 0 | |
| 31.1 | Westney Rd. (Reg. Rd. 31) | Bayly St. to Hwy 407 | Widen from 5 to 7 lanes to add HOV lanes | 54% | 0% | 0% | 12% | 34% | 3,397 | 0 | 0 | 106 | 0 | 106 | 3,184 | 0 | 0 | 0 | 0 | |
| 31.2 | Westney Rd. (Reg. Rd. 31) | Hwy 407 to S. of Kingston Rd. | Widen from 7 to 9 lanes to add HOV lanes, including structure widening | 3% | 0% | 0% | 26% | 71% | 5,723 | 0 | 0 | 365 | 255 | 5,104 | 0 | 0 | 0 | 0 | 0 | |
| 31.5 | Westney Rd. (Reg. Rd. 31) | S. of Greenwood to Hwy 407 | Construct new Greenwood bypass to 2 lanes | 8% | 0% | 0% | 24% | 68% | 14,638 | 0 | 0 | 280 | 1,051 | 1,051 | 350 | 11,907 | 0 | 0 | 0 | |

| TABLE E.1 - REGIONAL ROADS: CAPITAL COST SUMMARY - RESIDENTIAL (YEAR 2023 - 2032) | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|--|---------------------------------------|---------------------------|-------------------------------|------------------------|-----------|-----------|--|---------|--------|--------|--------|---------|---------|---------|---------|---------|---|---|
| ITEM # | LOCATION | DEVELOPMENT RELATED RESIDENTIAL SHARE SERVICE: REGIONAL ROADS | GROSS COST (2023 Estimated Cost) | BENEFIT TO EXISTING DEVELOP. | POST PERIOD BENEFIT | GRANTS, SUBSIDY & OTHER | DEVELOPMENT RELATED | | TOTAL | NET RESIDENTIAL GROWTH COST (2023 Estimated Cost) | | | | | | | | | | | |
| | | | | | | | NON- RESID. | RESID. | | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | | |
| | | | | | | | | | | | | | | | | | | | | % | % |
| | | | \$ 000's | % | % | % | % | % | | | | | | | | | | | | | |
| 33.5 | Hamory Rd. (Reg. Rd. 33) | Conlin Rd. to Britanni Ave. | 7,416 | 8% | 79% | 0% | 3% | 10% | 741 | 0 | 0 | 0 | 0 | 51 | 77 | 26 | 51 | 535 | 0 | 0 | |
| 35.1 | Wilson Rd. (Reg. Rd. 35) | Bloor St. to Olive Ave. | 19,761 | 15% | 0% | 0% | 22% | 63% | 12,388 | 0 | 313 | 1,291 | 646 | 969 | 9,169 | 0 | 0 | 0 | 0 | 0 | |
| 36.0 | Hopkins St. (Reg. Rd. 36) | Construct new Hopkins St overpass | 26,147 | 0% | 0% | 0% | 26% | 74% | 19,949 | 0 | 370 | 1,143 | 2,287 | 0 | 305 | 15,244 | 0 | 0 | 0 | 0 | |
| 36.1 | Hopkins St. (Reg. Rd. 36) | Construct new 4 lane overpass of Hwy 401 | 21,044 | 20% | 0% | 0% | 21% | 59% | 12,902 | 386 | 0 | 1,224 | 184 | 306 | 10,403 | 0 | 0 | 0 | 0 | 0 | |
| 37.1 | Finch Ave. (Reg. Rd. 37) | Altona Rd. to Brock Rd. | 37,535 | 22% | 0% | 0% | 21% | 57% | 21,536 | 1,148 | 0 | 2,068 | 591 | 0 | 8,865 | 8,865 | 0 | 0 | 0 | 0 | |
| 38.2 | Whites Rd. (Reg. Rd. 38) | N. of Kingston Rd. to Finch Ave. | 30,468 | 4% | 11% | 0% | 23% | 62% | 18,905 | 0 | 0 | 958 | 0 | 1,597 | 192 | 15,967 | 0 | 0 | 0 | 0 | |
| 38.3 | Whites Rd. (Reg. Rd. 38) | Finch Ave. to S. of Third Concession Rd. | 66,388 | 3% | 0% | 0% | 26% | 71% | 46,618 | 1,069 | 2,406 | 18,358 | 918 | 23,866 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 38.4 | Whites Rd. (Reg. Rd. 38) | S. of Third Concession Rd. to Taunton Rd. | 140,000 | 1% | 0% | 0% | 26% | 73% | 102,200 | 0 | 102,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 40.1 | Alexander Knox Rd. (Reg. Rd. 40) | York / Durham Line to Golf Club Rd. | 76,735 | 0% | 0% | 0% | 26% | 74% | 56,784 | 0 | 0 | 0 | 0 | 0 | 0 | 3,811 | 2,287 | 2,287 | 48,400 | 0 | |
| 40.25 | Alexander Knox Rd. (Reg. Rd. 40) | Construct new connection to 2 lanes, including new intersection | 24,100 | 0% | 0% | 0% | 26% | 74% | 17,834 | 0 | 518 | 1,480 | 10,366 | 14,800 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 41.1 | Salem Rd. (Reg. Rd. 41) | Hwy 401 to Kingston Rd. | 9,137 | 5% | 0% | 0% | 25% | 70% | 6,354 | 0 | 695 | 716 | 4,226 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 52.1 | Thornton Rd. (Reg. Rd. 52) | N. of Steilar Dr. to King St. | 19,158 | 16% | 0% | 0% | 22% | 62% | 11,867 | 0 | 0 | 510 | 191 | 319 | 0 | 10,846 | 0 | 0 | 0 | 0 | |
| 53.1 | Stevenson Rd. (Reg. Rd. 53) | CPR Belleville to Bond St. | 12,318 | 52% | 0% | 0% | 13% | 35% | 4,372 | 142 | 355 | 219 | 3,656 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 53.2 | Stevenson Rd. (Reg. Rd. 53) | Bond St. to Rossland Rd. | 20,043 | 35% | 0% | 0% | 17% | 48% | 9,621 | 192 | 480 | 0 | 297 | 8,652 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 55.3 | Townline Rd. (Reg. Rd. 55) | Beatrice Rd. to Taunton Rd. | 2,806 | 40% | 0% | 0% | 16% | 44% | 1,245 | 89 | 0 | 1,156 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 57.1 | Bowmanville Ave. (Reg. Rd. 57) | Baseline Rd. to N. of Stevens Rd. | 35,900 | 14% | 0% | 0% | 23% | 63% | 22,568 | 377 | 22,190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 57.2 | Bowmanville Ave. (Reg. Rd. 57) | N. of Stevens Rd. to Nash Rd. | 13,978 | 21% | 0% | 0% | 21% | 56% | 8,125 | 581 | 0 | 60 | 0 | 299 | 0 | 7,184 | 0 | 0 | 0 | 0 | |
| 58.1 | Manning Rd. / Adelaide Ave. (Reg. Rd. 58) | Construct new connection to 3 lanes, with new crossing of Cook Creek | 18,716 | 1% | 0% | 0% | 26% | 73% | 13,963 | 730 | 0 | 150 | 12,782 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 58.2 | Adelaide Ave. (Reg. Rd. 58) | Construct new bridge crossing of Farewell Creek and construct new 3 lane road. | 43,568 | 0% | 0% | 0% | 26% | 74% | 32,240 | 7,770 | 3,700 | 3,811 | 0 | 191 | 16,768 | 0 | 0 | 0 | 0 | 0 | |
| 59.1 | Glob St. (Reg. Rd. 59) | E. of Stevenson Rd. to Simcoe St. | 26,860 | 13% | 0% | 0% | 23% | 64% | 17,242 | 1,926 | 7,382 | 7,934 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 59.2 | Glob St. / Olive Ave. (Reg. Rd. 59) | Connection from Simcoe St. to Rison Rd. | 33,639 | 1% | 0% | 0% | 26% | 73% | 24,556 | 0 | 7,300 | 8,233 | 9,023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 102.2 | Kingston Rd. (Reg. Hwy 2) | Pickering / Toronto Boundary to Nation Rd. | 94,584 | 5% | 0% | 73% | 6% | 15% | 14,512 | 9,124 | 4,526 | 862 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 102.3 | Kingston Rd. (Reg. Hwy 2) | Nation Rd. to Westney Rd. | 54,590 | 28% | 0% | 0% | 19% | 53% | 29,077 | 0 | 0 | 0 | 0 | 0 | 29,077 | 0 | 0 | 0 | 0 | 0 | |
| 102.4 | Kingston Rd. - Dundas St. (Reg. Hwy 2) | Westney Rd. to Hwy 412 | 31,695 | 7% | 0% | 73% | 5% | 15% | 4,616 | 1,569 | 3,047 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 102.45 | Dundas St. (Reg. Hwy 2) | Des Newman Blvd. to Fothergill Ct. | 5,150 | 37% | 0% | 0% | 17% | 46% | 2,382 | 0 | 0 | 0 | 0 | 0 | 2,382 | 0 | 0 | 0 | 0 | 0 | |
| 102.5 | Hwy 2 | Townline Rd. to Courtesie Rd. | 6,695 | 50% | 0% | 0% | 13% | 37% | 2,477 | 0 | 0 | 191 | 305 | 0 | 76 | 1,906 | 0 | 0 | 0 | 0 | |
| 112.2 | Baldwin St. (Reg. Hwy 12) | N. of Taunton Rd. to N. of Garden St. | 29,252 | 24% | 0% | 0% | 20% | 56% | 16,517 | 0 | 0 | 872 | 291 | 814 | 14,540 | 0 | 0 | 0 | 0 | 0 | |
| 147.1 | Reg. Hwy 47 | York / Durham Line to Goodwood Rd. | 25,750 | 29% | 8% | 0% | 17% | 51% | 11,865 | 0 | 0 | 712 | 949 | 237 | 0 | 475 | 9,492 | 0 | 0 | 0 | |
| Sub-Total (Widenings, New Connections and Corridor Modifications) | | | 2,047,531 | 325,673 | 63,684 | 92,600 | 412,763 | 1,152,821 | 1,152,821 | 30,922 | 164,191 | 89,994 | 51,857 | 82,906 | 136,306 | 132,426 | 116,326 | 160,057 | 187,837 | 0 | |
| Intersection Modifications and Signal Installations | | | | | | | | | | | | | | | | | | | | | |
| ITEM # | LOCATION | | | | | | | | | | | | | | | | | | | | |
| 1.1 | Brock Rd. (Reg. Rd. 1) / Hwy 401 EB Ramp | | | | | | | | | | | | | | | | | | | | |
| 1.2 | Brock Rd. (Reg. Rd. 1) / Taunton Rd. (Reg. Rd. 4) | | | | | | | | | | | | | | | | | | | | |
| 1.3 | Brock Rd. (Reg. Rd. 1) / Seventh Concession Rd. | | | | | | | | | | | | | | | | | | | | |
| 1.4 | Brock Rd. (Reg. Rd. 1) / Goodwood Rd. (Reg. Rd. 21) | | | | | | | | | | | | | | | | | | | | |
| 1.5 | Brock Rd. (Reg. Rd. 1) / Reg. Hwy 47 | | | | | | | | | | | | | | | | | | | | |
| 1.6 | Simcoe St. (Reg. Rd. 2) / Russell Ave. | | | | | | | | | | | | | | | | | | | | |
| 1.7 | Simcoe St. (Reg. Rd. 2) / King St. - Oyer St | | | | | | | | | | | | | | | | | | | | |
| 1.8 | Simcoe St. (Reg. Rd. 2) / Sanfield Rd. | | | | | | | | | | | | | | | | | | | | |
| 1.9 | Simcoe St. (Reg. Rd. 2) / Whitfield Rd. | | | | | | | | | | | | | | | | | | | | |
| 1.10 | Winchester Rd. (Reg. Rd. 3) / Bridle Rd. | | | | | | | | | | | | | | | | | | | | |
| 1.11 | Regional Road 3 / Enfield Rd. (Reg. Rd. 34) | | | | | | | | | | | | | | | | | | | | |
| 1.12 | Regional Road 3 / Old Scugog Rd. | | | | | | | | | | | | | | | | | | | | |
| 1.13 | Taunton Rd. (Reg. Rd. 4) / Anderson St | | | | | | | | | | | | | | | | | | | | |
| 1.14 | Taunton Rd. (Reg. Rd. 4) / Courtesie Rd. (Reg. Rd. 34) | | | | | | | | | | | | | | | | | | | | |
| 1.15 | Taunton Rd. (Reg. Rd. 4) / Solina Rd. | | | | | | | | | | | | | | | | | | | | |
| 1.16 | Taunton Rd. (Reg. Rd. 4) / Regional Road 57 | | | | | | | | | | | | | | | | | | | | |
| 1.17 | Taunton Rd. (Reg. Rd. 4) / Dairlington - Clarke Townline (Reg. Rd. 42) | | | | | | | | | | | | | | | | | | | | |
| 1.18 | River St. (Reg. Rd. 10) / Lake Ridge Rd. (Reg. Rd. 23) | | | | | | | | | | | | | | | | | | | | |
| 1.19 | Liberty St. (Reg. Rd. 14) / Meadowview Blvd - Scottsville Dr. | | | | | | | | | | | | | | | | | | | | |
| 1.20 | Liberty St. (Reg. Rd. 14) / Freeland Ave - Bona Ave. | | | | | | | | | | | | | | | | | | | | |
| 1.21 | Liberty St. (Reg. Rd. 14) / Concession Rd. 3 | | | | | | | | | | | | | | | | | | | | |
| 1.22 | Rison Rd. (Reg. Rd. 16) / Bloor St (Reg. Rd. 22) | | | | | | | | | | | | | | | | | | | | |

Intersection Modifications and Signal Installations

| ITEM # | LOCATION | |
|--------|--|--------|
| 1.1 | Brook Rd. (Reg. Rd. 1) / Hwy 401 EB Ramp | 900 |
| 1.2 | Brook Rd. (Reg. Rd. 1) / Taunton Rd. (Reg. Rd. 4) | 144 |
| 1.3 | Brook Rd. (Reg. Rd. 1) / Seventh Concession Rd. | 6,091 |
| 1.4 | Brook Rd. (Reg. Rd. 1) / Goodwood Rd. (Reg. Rd. 21) | 8,169 |
| 1.5 | Brook Rd. (Reg. Rd. 1) / Reg. Hwy 47 | 6,283 |
| 1.6 | Smcoe St. (Reg. Rd. 2) / Russel Ave. | 6,283 |
| 1.7 | Smcoe St. (Reg. Rd. 2) / King St. - Oylar St. | 6,283 |
| 1.8 | Smcoe St. (Reg. Rd. 2) / Sainfield Rd. | 6,283 |
| 1.9 | Smcoe St. (Reg. Rd. 2) / Whitfield Rd. | 6,288 |
| 1.10 | Winchester Rd. (Reg. Rd. 3) / Birdie Rd. | 6,268 |
| 1.11 | Regional Road 3 / Enfield Rd. (Reg. Rd. 34) | 5,968 |
| 1.12 | Regional Road 3 / Old Scapog Rd. | 2,048 |
| 1.13 | Taunton Rd. (Reg. Rd. 4) / Anderson St. | 1,500 |
| 1.14 | Taunton Rd. (Reg. Rd. 4) / Courtes Rd. (Reg. Rd. 34) | 12,595 |
| 1.15 | Taunton Rd. (Reg. Rd. 4) / Solina Rd. | 5,000 |
| 1.16 | Taunton Rd. (Reg. Rd. 4) / Regional Road 57 | 4,500 |
| 1.17 | Taunton Rd. (Reg. Rd. 4) / Darlington - Clarke Towline (Reg. Rd. 42) | 5,662 |
| 1.18 | River St. (Reg. Rd. 10) / Lake Ridge Rd. (Reg. Rd. 23) | 6,268 |
| 1.19 | Liberty St. (Reg. Rd. 14) / Meadowview Blvd - Scottsdale Dr. | 4,108 |
| 1.20 | Liberty St. (Reg. Rd. 14) / Freeland Ave. - Bore Ave. | 610 |
| 1.21 | Liberty St. (Reg. Rd. 14) / Concession Rd. 3 | 1,000 |
| 1.22 | Risson Rd. (Reg. Rd. 16) / Bloor St. (Reg. Rd. 22) | 6,283 |

Appendix 2

Region Share Policy for Development

Appendix #2 – Region Share Policy

1. Introduction

The purpose of this policy paper is to examine the Regional policy of cost sharing with developers for the construction of sanitary sewers, watermains and Regional roads (including storm sewers) in conjunction with development.

2. Applicability

This policy is intended to be applicable to all development for the areas specified in this by-law.

3. Development Charges Act

The Development Charges Act (DCA), 1997, states that:

“ss.59(1) a municipality shall not, by way of a condition or agreement under section 51 or 53 of the *Planning Act*, impose directly or indirectly a charge related to a development or a requirement to construct a service related to development except as allowed in subsection (2).

(2) a condition or agreement referred to in subsection (1) may provide for:

- a) local services, related to a plan of subdivision or within the area to which the plan relates, to be installed or paid for by the owners as a condition of approval under section 51 of the *Planning Act*;
- b) local services to be installed or paid for by the owner as a condition of approval under section 53 of the *Planning Act*.”

The term "local services" is not specifically defined in the DCA, 1997 or the associated regulations.

The existing Region's share policy is consistent with the requirements referenced above.

3.1 Definition of "Local Service"

For the purposes of Region Share, “Local Service” may be defined as the linear components of the sanitary sewerage system, water supply system or Regional road system which conform to Regional design guidelines and are of the minimum size required to provide service to the proposed development in its entirety.

4. Current Policy

4.1 General Philosophy

There is a range of significantly different approaches which can be taken under the DCA, 1997 with respect to the provision of municipal services.

One end of the range is to use the Front-ending provisions of the Act or the equivalent and have willing developers pay the full cost of necessary infrastructure with eventual collection and reimbursement by the municipality from other benefiting, but not contributing, landowners. This approach works relatively well in municipalities with only a few developers controlling large areas of land and a housing market that can support large scale land development. The developers have control over the cost and timing of servicing and the municipality does not have to provide major capital funding and assume the associated risk that developers will not proceed in a timely fashion.

At the opposite end of the range of approaches is for the municipality to partner with developers and provide major infrastructure through its capital budget. Infrastructure (beyond local services) constructed by developers, under this approach, is limited and eligible for either a credit against development charges or a cash rebate from the municipality. This is a workable approach in municipalities with a multitude of developers controlling relatively small and fragmented parcels of property. It also results in more competition among developers, which should result in lower consumer costs, and allows development to proceed in a slower housing market.

Elements of the developer's capital requirements and risk are reduced, or rather, shifted to the municipality.

Due to the fragmented land ownership and the multitude of developers in much of Durham Region, the Region has traditionally tended toward the second approach to the provision of infrastructure. The existing Region Share policy has been crafted in accordance with this philosophy and has worked well within the economic and market realities faced by Durham Region.

4.2 Existing Regional Policy, Established 1991, Amended 1993, 1999 and 2003

The current Region Share policy covers all Regional sanitary sewers, watermains and roads (including storm sewers), constructed in conjunction with development. The Policy came into effect in November 1991 and has been subsequently amended in 1993, 1999 and 2003 by Regional Council.

The current Region Share policy is as follows:

| Category of Service | Source of Financing | |
|--|---------------------|------------------|
| | Developer | Region |
| Sequential and Non-Sequential External Works required by the Developer | Min. Size | Oversizing Share |
| Sequential and Non-Sequential External Works not required by the Developer | | 100% of the cost |
| Internal Works | Min. Size | Oversizing Share |
| Abutting Works | 50% of Min. Size | Remainder |

The definitions of the service categories may be found in Attachment #1.

4.3 Sequentiality

Sequentiality is defined as "something which follows something else, or something which occurs in a chronological order of events". In the context of subdivision development, it can be defined as the next subdivision (or phase in a larger development) which is either contiguous or in immediate proximity, and for which all necessary external infrastructure is in place.

In order for a development to be considered sequential, the following criteria must be satisfied:

- Adequate Water Pollution Control Plant capacity;
- Adequate Water Supply Plant capacity;
- Trunk sewers available;
- Feeder mains available;
- Sanitary Sewerage Pumping stations available;
- Water booster pumping station available;
- Reservoir storage available;
- Suitable Regional Road access is available.
- The development must be the next, closest, logical, geographic extension of service to allow development (extension of services over open spaces or other non-developable lands may be permitted depending on the site location).

For services to be "available," they must exist, be committed in a Council approved tender award, or be contained within an executed servicing agreement (backed by 100 per cent performance guarantees).

Development which does not fit the above criteria is non-sequential.

The Regional Commissioner of Works and Finance have historically been authorized to arrange up to \$500,000 in Regional financing for sequential development and up to \$100,000 in Regional financing for non-sequential development. For larger amounts,

Council authorization was required. Proposed updates to these dollar thresholds and reporting requirements have been provided in Section 5 of this policy paper.

4.4 Oversizing/external/abutting Services

The Region cost shares (with funding largely from development charge revenue) the portion of those services which are sized or located so as to benefit lands beyond the proposed development. These include: services which are oversized beyond the minimum size required by the development or the minimum size permitted by the Regional Design Guidelines, whichever is larger; services which are external to, or not required by the development; and services which abut the development and provide direct service to adjacent lands.

The developer funds the minimum size of services required for the subject development, or the Regional Design Guideline minimum size, whichever is larger, in the case of internal or external oversizing. The developer funds one half of the cost of the minimum size, or the Regional Design Guideline minimum size of services, in the case of abutting services of direct benefit to adjacent lands. The Region bears the remainder of the cost (one half of the cost of the minimum size plus oversizing).

No compensation is given to a developer for any extra cost incurred due to increased depth of service which is necessary to accommodate lands beyond the proposed development.

4.5 Timing of Payment

Currently, payment of the Region's share is made once the following are satisfied:

- a) All required works have been completed and received Regional approval, as evidenced by a Completion Acceptance Certificate; and
- b) The required documentation in a form satisfactory to the Region has been submitted.

The required documentation consists of:

- an invoice with actual cost backup data; and
- a Statutory Declaration satisfactory to the Region.

Documentation should normally be filed with the Region shortly after completion of construction.

4.6 Form of Payment

The Region's share can be paid in the form of Development Charge credits or cash.

Under the current extended timeframe for payment of the Region's share, credits are popular with developers as they effectively speed up repayment to the developer, who receives recovery upon obtaining building permits. Unfortunately, the Region usually cannot quantify the amount of the credit until i) the works are completed, ii) the

contractor has submitted the final invoice to the developer and iii) the developer has invoiced the Region for their share.

For this reason, payment of the Region's share by cash is preferred once the conditions in the agreement have been satisfied and a satisfactory invoice from the developer has been received.

5. Proposed Policy

No changes are being proposed to the actual Cost Sharing Policy for Regional Services (Attachment #1). However, several minor changes are being proposed to the policy procedures to ensure conformity with how the Cost Sharing Policy is being applied. Changes are also being proposed to the procedures for Council reporting.

First, the policy paper is being revised to clarify that the policy applies to both residential and non-residential developments. The previous policy paper was written specifically to address Region share in conjunction with residential development; however, in practice, the policy was also applied to non-residential development. In the past, Council approvals have been sought and acquired in instances where the Region cost shares with non-residential development. This procedural change enables the continuation of the current practice, without the need for individual Council approvals. This change would also provide additional financial certainty to prospective non-residential developers.

This policy paper is also proposing changes to both the financial limits, for which staff can approve without seeking Council approval, and to the procedure for Council reporting. These changes are summarized below:

- The financial limits for sequential and non-sequential development have not been revised since 2003, effectively eroding staff's authority to approve Region share payments without seeking individual Council approvals for each development. It is proposed that the Regional Commissioner of Works and Finance be authorized to arrange up to \$1,200,000 in Regional financing for sequential development and up to \$250,000 in Regional financing for non-sequential development without reporting to Regional Council, to account for inflationary increases (as per the non-residential Construction Price Index for the Toronto CMA) from 2003 to 2023. The increased thresholds will also apply to both subdivisions and servicing agreements. This will be incorporated into the next update to the Delegation of Authority By-Law 04-2023 Schedule A.
- For Region share projects that exceed the \$1,200,000 and \$250,000 limits for sequential and non-sequential development respectively, staff provide semi-annual information reports advising Council of the projects that exceed these thresholds. This reporting structure would replace the need for Council approval and would result in the need for fewer Council reports. This streamlined process will increase the speed at which the development could proceed.

5.1 External Services – Sequential and Non-Sequential

Under the current policy the Development Charge By-law requires the developer to pay for the minimum size of external sanitary sewers and watermains and the Region to pay only for over sizing. For an external service which is not required to service the subdivision, the Region shall pay 100 percent of the cost. It is proposed that this policy remain in effect.

5.2 Regional Roads and Storm Drainage

Under the current policy, the developer pays for Regional road improvements required to access a development and for the minimum size of Regional storm drainage works required to service a development.

The Region's cost sharing policy for Roads consists of paying for Regional road improvements over and above the cost of those required for the development and for the oversizing of Regional storm sewers. The Region also pays for its share of any non-Regional storm drainage works that are oversized to convey or treat runoff from Regional roads.

Historically, the Regional road improvements have primarily been focused on safe vehicular access to the lands. The "local service" definition relies on the minimum design which conforms to Regional design guidelines. Regional design guidelines are expanding to include active transportation facilities (e.g. sidewalk/MUP platforms, bike lanes, cross-rides, bike signals, etc.). As Regional design guidelines are expanded, the local services definition expands along with it, and as such more may be required from the developer to supply safe road access to sites for all modes of transportation.

5.3 Remaining Services

The current cost sharing policy with respect to internal and abutting services is a mechanism for equitably distributing the costs of network benefits over all other developments within the network. No revisions are proposed for these components of the policy.

5.4 Summary

The Region's share policy is proposed to remain unchanged as follows:

| Category Service | Source of Financing | |
|--|---------------------|------------------|
| | Developer | Region |
| Sequential and Non-Sequential External Works required by the developer | Min. size | Oversizing |
| Sequential and Non-Sequential External Works not required by the developer | | 100% of the cost |
| Internal Works | Min. Size | Oversizing |
| Abutting Works | 50% of Min. Size | Remainder |

Examples of the above are illustrated in Attachment #2.

6 Financial Impact

The estimated financial impact on the development charge quantum based on projections of sanitary sewer, watermain and road construction required to support the residential activity in the next 10 year period, is:

| Average Cost Per Single Detached Equivalent Unit (\$2023) | |
|--|-----------------------|
| Sanitary Sewers ¹ | \$500 |
| Water Supply ¹ | 556 |
| Regional Roads ² | <u>77</u> |
| TOTAL | <u>\$1,133</u> |

¹ Based on 41,578 single detached equivalent units (Appendix A - Schedule 2c – Without Seaton, Water & Sewer).

² Based on 54,016 single detached equivalent units (Appendix A - Schedule 2c – With Seaton, Roads & General).

7 Financing of Region Share Payments to Developers

The construction of municipal sewer, watermain and road services in conjunction with new residential development also provides capacity for new non-residential development and occasionally for existing residential or non-residential development.

The new residential development component of the rebate to the developer is funded from the Residential Development Charge Fund. A share (e.g. 12.4 per cent for water supply, 26.2 per cent for sanitary sewerage and 30.0 per cent for roads) is related to Non-residential Development Charges (Commercial, Institutional and Industrial) collected from non-residential growth. Shortfalls in the Non-residential Development Charge funding are typically financed from User Revenue for Water Supply and Sanitary Sewerage systems and Property Taxes for Regional Roads, with the allocation reviewed on an annual business planning basis.

Historically during years 2018 to 2022, the financing of the Region Share Payments to developers has been as follows:

| <u>Service</u> | Residential Development Charge <u>Reserve Fund</u> | Commercial Development Charge <u>Reserve Fund</u> | <u>Property Tax/ User Revenue</u> ¹ |
|-------------------|---|--|--|
| Water Supply | 87.60% | 2.20% | 10.20% |
| Sanitary Sewerage | 73.80% | 4.60% | 21.60% |
| Regional Roads | 70.00% | 8.00% | 22.00% |

¹ Due to the funding shortfalls with the institutional and industrial non-residential development charge shares

During the review of the Development Charges study, an updated analysis has been undertaken with respect to determining the percentage allocation attributable between the Regional Development Charge Reserve Funds.

The proposed attribution of financing is based on historic and projected data and is summarized in the Capital Cost Summary Tables as provided in Appendix E, F and G of the Development Charges Background Study.

8 Recommendations

It is recommended that, where applicable, the Region continue to cost share in the oversizing of infrastructure required for future development. It is recommended that the changes in Section 5 be implemented and that no further changes be made to the Region's Cost Sharing Policy for Regional Services.

Attachments

Attachment #1 – Cost Sharing Policy for Regional Services

Attachment #2 – Illustration of Region Share Calculation for Sewer and Water

Attachment #1

Cost Sharing Policy For Regional Services

SCHEDULE H

TO SUBDIVISION AGREEMENT dated the _____ day of _____

B E T W E E N:

-and-

THE REGIONAL MUNICIPALITY OF DURHAM

-and-

COST SHARING POLICY FOR REGIONAL SERVICES

A. DEFINITION OF TERMS

- | | | |
|------------------|---|--|
| Abutting service | - | shall include a service either existing or proposed, that is either located on a road allowance outside the limit of a subdivision but abuts the subdivision or located on a road allowance within the limit of a subdivision but abuts other lands outside the subdivision. |
| Cost | - | for an existing service, shall be the current cost, as determined by the Region, of constructing the service. |
| | - | for a proposed service, shall be the final cost of designing and constructing the service, as determined by the Region, after the construction is complete. |
| External service | - | shall include a service, either existing or proposed, that is located outside the limit of a subdivision but shall not include abutting service. |
| Internal service | - | shall include a service, either existing or proposed, that is located within the limit of a subdivision but shall not include an abutting service. |

| | | |
|---------------------------|---|---|
| Minimum size | - | shall be the size of a service of sufficient size, as determined by the Region, to service a subdivision provided that the minimum size shall not be less than a two lane urban cross section road for regional roads, 200 millimetres in diameter for sanitary sewers, 100 millimetres in diameter for sanitary sewer connections, 300 millimetres in diameter for storm sewers, 150 millimetres in diameter for storm sewer connections, 150 millimetres in diameter for watermains and 19 millimetres in diameter for water connections. |
| Regional road | - | shall be a road and related appurtenances that form part of the road system under the jurisdiction and control of the Regional Municipality of Durham and designed in accordance with Regional standards. |
| Regional road connection | - | shall be that portion of a road and related appurtenances designed in accordance with Regional standards that provide direct access from the travelled portion of the regional road to a road under or planned to be under the jurisdiction of a lower-tier municipality or to a private driveway issued in accordance with the Region's Entranceway policy and by-law. |
| Sanitary sewer | - | shall refer to a sanitary sewer system and related appurtenances designed in accordance with regional standards. |
| Sanitary sewer connection | - | shall refer to a sanitary sewer service connection and related appurtenances designed in accordance with regional standards. |
| Sequential development | - | the next development which may proceed geographically for which all necessary external regional service infrastructure is in place and capacity is available. |
| Service | - | shall be a sanitary sewer, sanitary sewer connection, storm sewer, storm sewer connection, watermain or water connection. |

Shared stormwater management facility

- shall refer to the portion of a storm sewer system, such as a storm water detention or retention pond, and related appurtenances that accommodates storm water drainage from a Regional Road, and may be shared with other benefiting users.

Storm sewer

- shall refer to a storm sewer system including catchbasins, connections, outfalls, inlets and related appurtenances under the jurisdiction and control of the Regional Municipality of Durham and designed in accordance with regional standards.

Storm sewer connection

- shall refer to a storm sewer service connection and related appurtenances under the jurisdiction and control of the Regional Municipality of Durham and designed in accordance with regional standards.

Subdivision

- shall mean the draft plan of subdivision approved, in accordance with the Planning Act, by the Regional Municipality of Durham, the Ministry of Housing or the Ontario Municipal Board subject to the conditions set out in Schedule C of this Agreement.

Water connection

- shall refer to a water service connection and related appurtenances designed in accordance with regional standards.

Watermain

- shall refer to a watermain system and related appurtenances designed in accordance with regional standards.

B. POLICY

1. Sanitary Sewer, Storm Sewer and Watermain

(a) Internal service

The cost of an internal service shall be shared between the Region and the Subdivider on the following basis:

- (i) For an internal service, which is not required to service the subdivision, the Region shall pay for 100 percent of the cost.
 - (ii) For an internal service, which is required to service the subdivision, the Subdivider shall pay for 100 percent of the cost for the minimum size required to service the subdivision and the Region shall pay for the balance of the cost.
- (b) Abutting service

The cost of an abutting service shall be shared between the Region and the Subdivider on the following basis:

- (i) For an abutting service, which is not required to service the subdivision, the Region shall pay for 100 percent of the cost.
 - (ii) For an abutting service which is required to service the subdivision as well as other lands which are located outside the limit of the subdivision and abut the service, the Subdivider shall pay 50 percent of the cost for the minimum size required to service the subdivision and the Region shall pay for the balance of the cost.
 - (iii) For an abutting service, which is required to service the subdivision, but will not service other lands which are located outside the limit of the subdivision and abut the service, the Subdivider shall pay for 100 percent of the cost for the minimum size required to service the subdivision and the Region shall pay for the balance of the cost.
- (c) External service

The cost of an external service shall be shared between the Region and the Subdivider on the following basis:

- (i) For an external service, which is required to service the subdivision, the Subdivider shall pay 100 percent of the cost for the minimum size required to service the subdivision and the Region shall pay for the balance of the cost.
 - (ii) For an external service, which is not required to service the subdivision, the Region shall pay for 100 percent of the cost.

2. Sanitary Sewer Connection, Storm Sewer Connection and Water Connection

The cost of sanitary sewer connections, storm sewer connections and/or water connections shall be shared between the Region and the Subdivider on the following basis:

- (a) For lands within the subdivision
The Subdivider's cost of sanitary sewer connections, storm sewer connections and/or water connections shall be the total cost of the connections to each lot, block or building site within the subdivision.
- (b) For lands external to the subdivision
The cost of sanitary sewer connections, storm sewer connections and/or water connections to lands external to the subdivision shall be 100 percent paid for by the Region.

3. Regional Road Connection

The cost of a regional road connection shall be shared between the Region and the Subdivider on the following basis:

- (a) The cost of Regional road improvements over and above the cost of those required for the development shall be 100 percent paid for by the Region.
- (b) All other costs necessary to provide safe and efficient access and egress to the subdivision, including, but not limited to, costs for turning lanes, tapers and traffic control measures, shall be 100 percent paid for by the Subdivider.

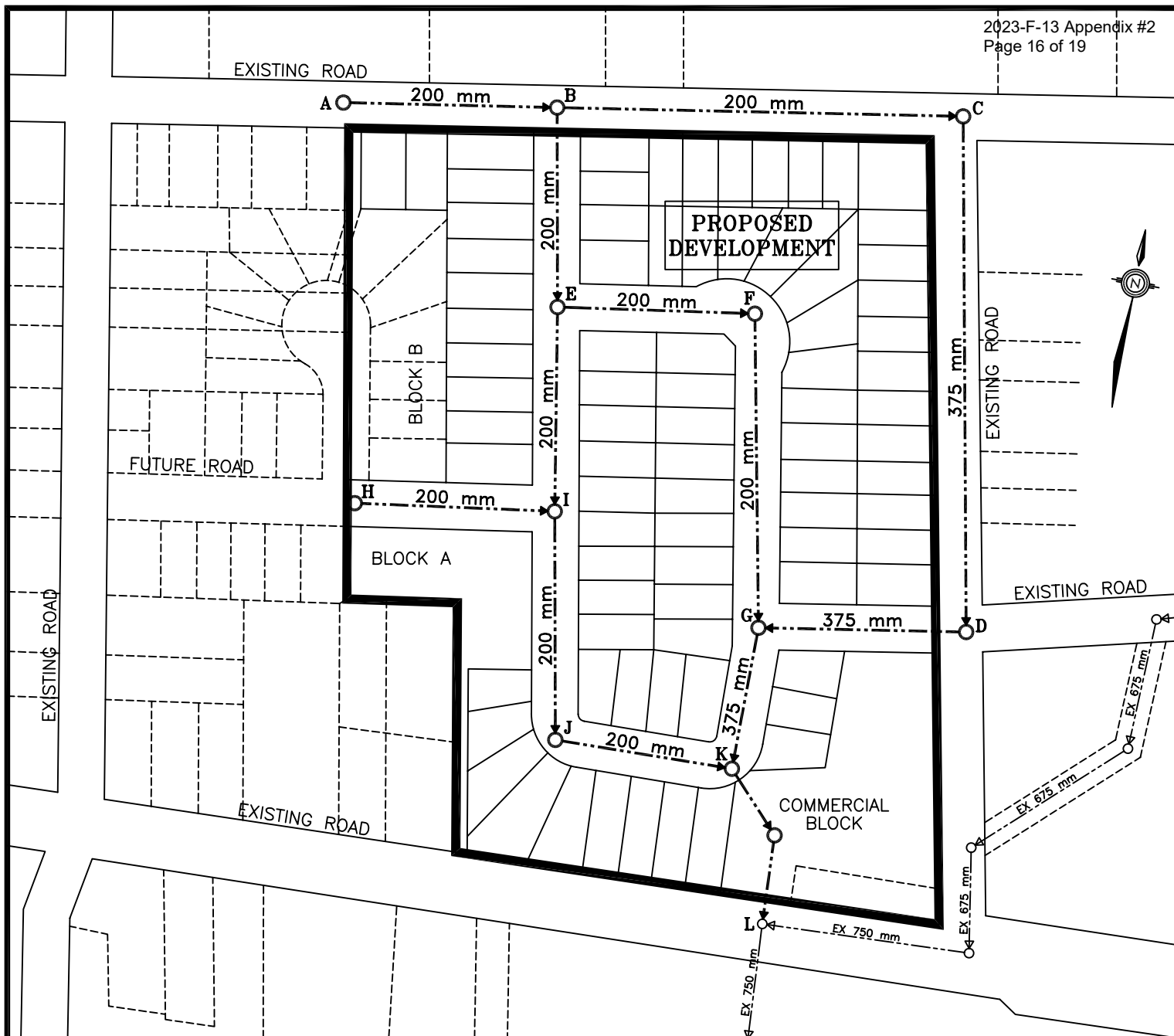
4. Shared Stormwater Management Facility

The cost of a shared stormwater management facility shall be shared between the Region and the Subdivider on the following basis:

- (a) The Subdivider shall pay for 100 percent of the cost of the minimum size required to service the subdivision and other contributing lands owned by the Subdivider.
- (b) The oversizing cost shall be attributed to other contributing parties, including the Region, based on each party's contributing area multiplied by runoff coefficient.
- (c) The Region shall pay for its share of the oversizing cost based on the Region's contributing area multiplied by runoff coefficient.

Attachment #2

Illustration of Region Share Calculation for Sewer and Water



| COST SHARING | | | |
|---------------|--------|----------------------|----------------|
| SECTION | SIZE | DEVELOPER'S SHARE | REGION'S SHARE |
| A-B, B-C | 200 mm | 50 % | 50 % |
| C-D | 375 mm | 50% OF MINIMUM SIZE | BALANCE |
| D-G, G-K, K-L | 375 mm | 100% OF MINIMUM SIZE | BALANCE |
| OTHERS | 200 mm | 100 % | -- |

Note: EXTERNAL AND ABUTTING INFRASTRUCTURE FINANCED BY THE REGION OF DURHAM WILL BE SUBJECT TO COLLECTIONS FROM FUTURE BENEFITING DEVELOPMENT OR LANDOWNERS.



LEGEND

EX 750 mm EXISTING SANITARY SEWER

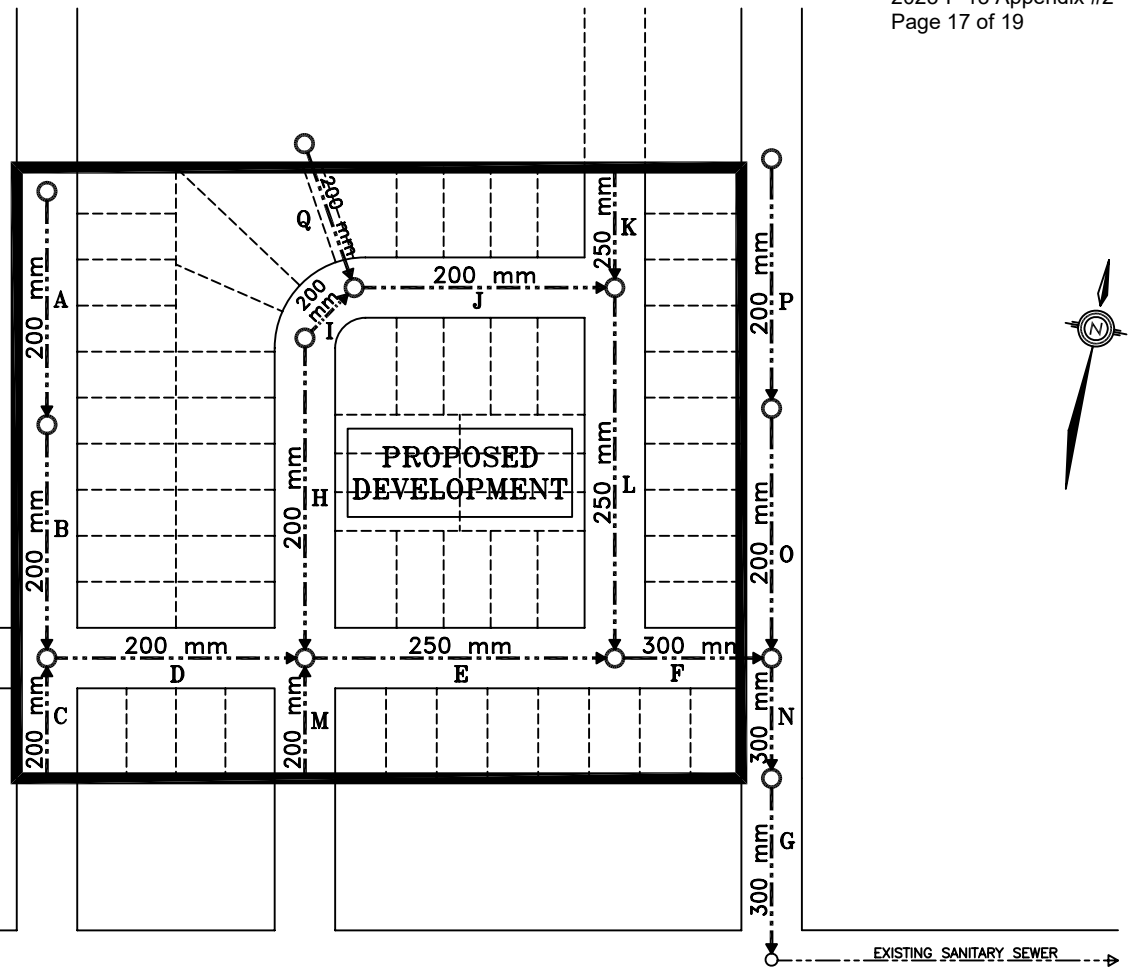
200 mm REQUIRED SANITARY SEWER

50 25 0 20 40 60 80 100 Metres

May 5, 2003

Page 51 of 523

TYPICAL EXAMPLE
COST SHARING
SANITARY SEWER SERVICING
Attachment No. 2 – Page 1



COST SHARING

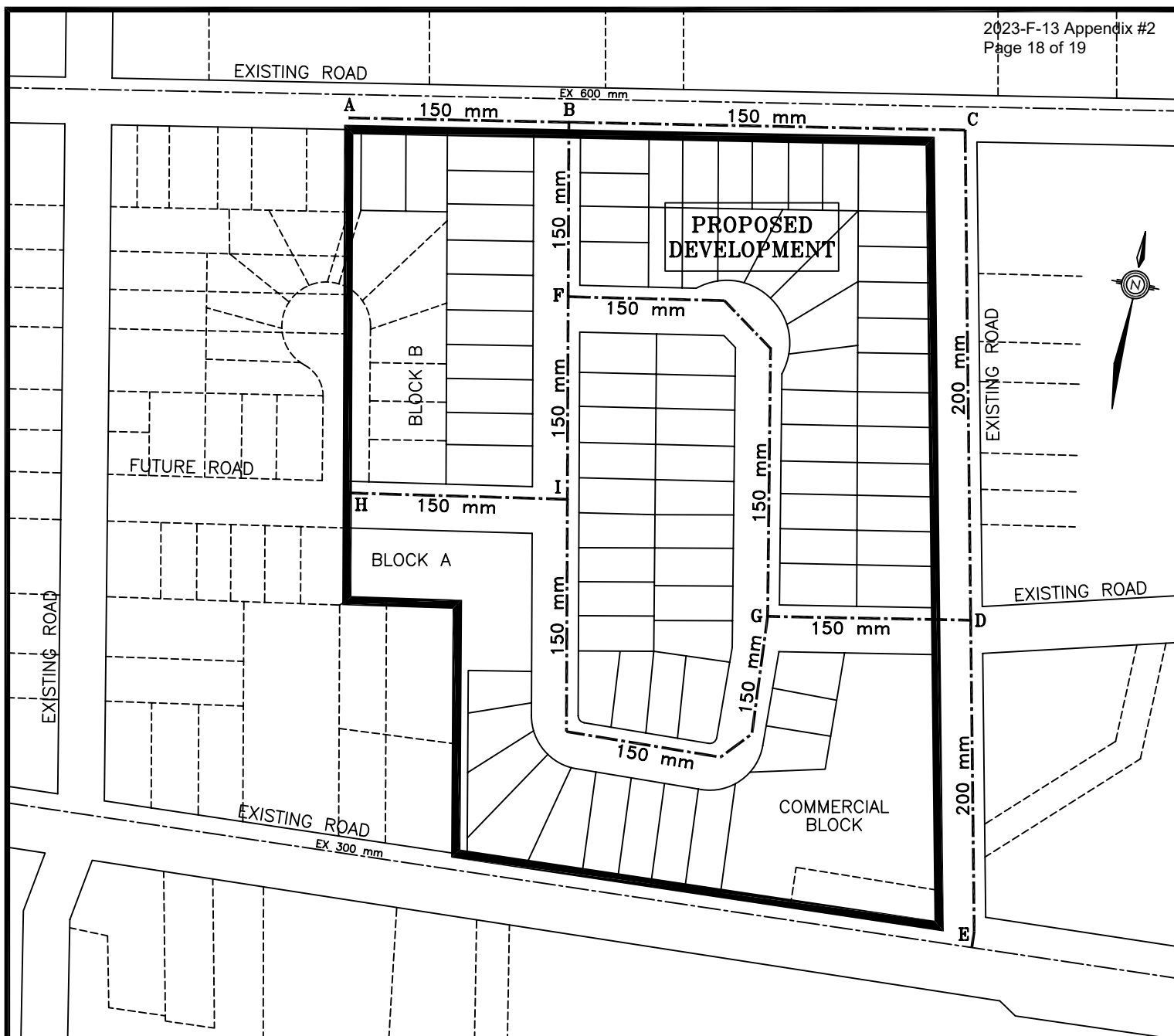
| SECTION | SIZE | DEVELOPER'S SHARE | REGION'S SHARE | SECTION | SIZE | DEVELOPER'S SHARE | REGION'S SHARE |
|---------|--------|----------------------|----------------|---------|--------|----------------------|----------------|
| A | 200 mm | 50% OF MINIMUM SIZE | 50 % | J | 200 mm | 100 % | -- |
| B | 200 mm | 50% OF MINIMUM SIZE | BALANCE | K | 250 mm | 100% OF MINIMUM SIZE | BALANCE |
| C | 200 mm | -- | 100% | L | 250 mm | 100% OF MINIMUM SIZE | BALANCE |
| D | 200 mm | 100 % | -- | M | 200 mm | -- | 100 % |
| E | 250 mm | 100% OF MINIMUM SIZE | BALANCE | N | 300 mm | 50% OF MINIMUM SIZE | BALANCE |
| F | 300 mm | 100% OF MINIMUM SIZE | BALANCE | O | 200 mm | -- | 100 % |
| G | 300 mm | 100% OF MINIMUM SIZE | BALANCE | P | 200 mm | -- | 100 % |
| H | 200 mm | 100 % | -- | Q | 200 mm | -- | 100 % |
| I | 200 mm | 100 % | -- | | | | |

Note: EXTERNAL AND ABUTTING INFRASTRUCTURE FINANCED BY THE REGION OF DURHAM WILL BE SUBJECT TO COLLECTIONS FROM FUTURE BENEFITTING DEVELOPMENT OR LANDOWNERS.



LEGEND

EX 750 mm EXISTING SANITARY SEWER
 200 mm REQUIRED SANITARY SEWER



| COST SHARING | | | |
|--------------|--------|---------------------|----------------|
| SECTION | SIZE | DEVELOPER'S SHARE | REGION'S SHARE |
| A-B, B-C | 150 mm | 50 % | 50 % |
| C-D | 200 mm | 50% OF MINIMUM SIZE | BALANCE |
| D-E | 200 mm | 100 % | -- |
| OTHERS | 150 mm | 100 % | -- |

Note: EXTERNAL AND ABUTTING INFRASTRUCTURE FINANCED BY THE REGION OF DURHAM WILL BE SUBJECT TO COLLECTIONS FROM FUTURE BENEFITTING DEVELOPMENT OR LANDOWNERS.



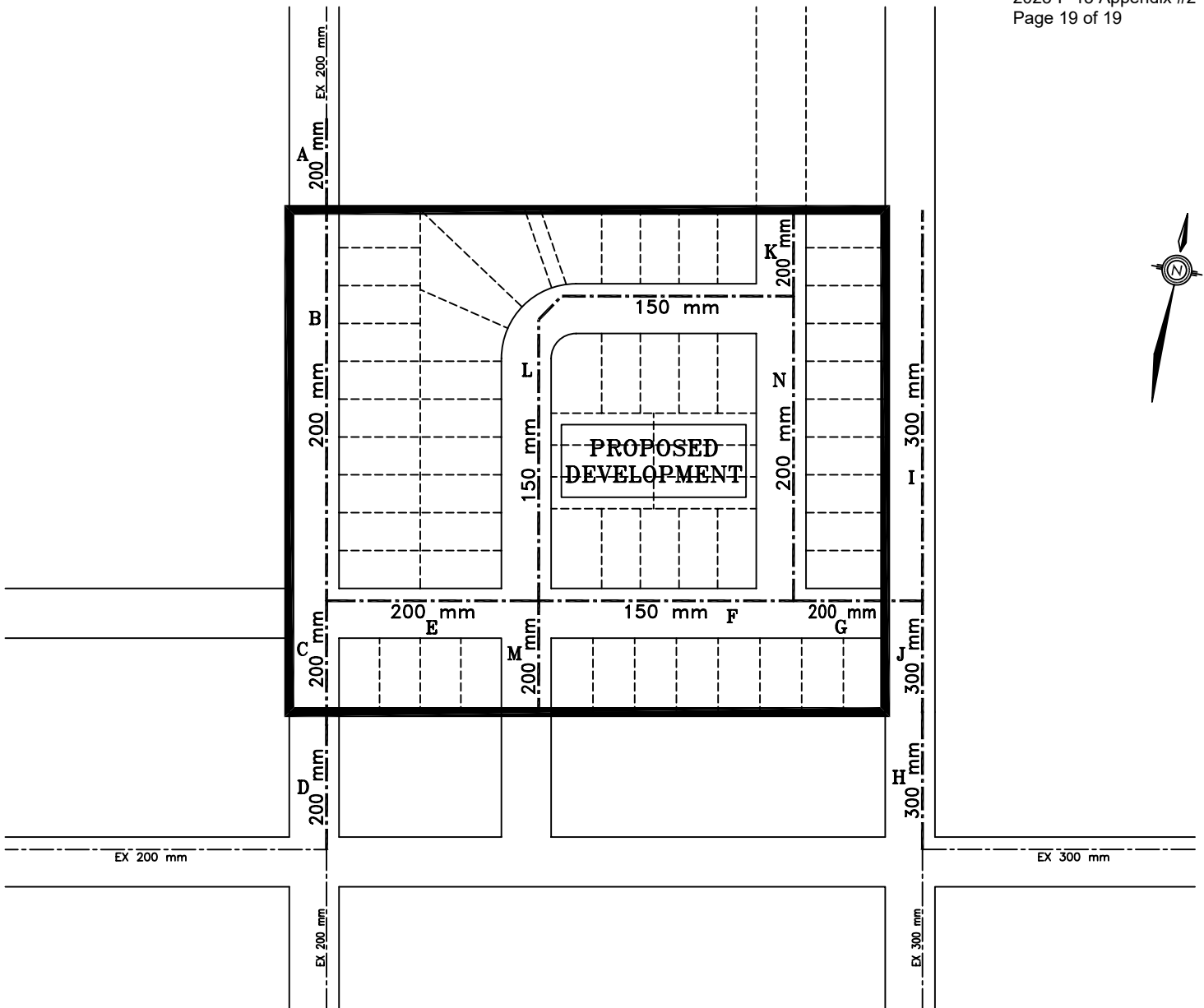
LEGEND

EX 200 mm EXISTING WATERMAIN
200 mm K REQUIRED WATERMAIN

50 25 0 20 40 60 80 100 Metres

May 5, 2003

TYPICAL EXAMPLE
COST SHARING
WATER SUPPLY SERVICING



COST SHARING

| SECTION | SIZE | DEVELOPER'S SHARE | REGION'S SHARE | SECTION | SIZE | DEVELOPER'S SHARE | REGION'S SHARE |
|---------|--------|----------------------|----------------|---------|--------|----------------------|----------------|
| A | 200 mm | 100% OF MINIMUM SIZE | BALANCE | H | 300 mm | 100% OF MINIMUM SIZE | BALANCE |
| B | 200 mm | 50% OF MINIMUM SIZE | BALANCE | I | 300 mm | -- | 100 % |
| C | 200 mm | 50% OF MINIMUM SIZE | BALANCE | J | 300 mm | 50% OF MINIMUM SIZE | BALANCE |
| D | 200 mm | 100% OF MINIMUM SIZE | BALANCE | K | 200 mm | 100% OF MINIMUM SIZE | BALANCE |
| E | 200 mm | 100% OF MINIMUM SIZE | BALANCE | L | 150 mm | 100 % | -- |
| F | 150 mm | 100 % | -- | M | 200 mm | -- | 100 % |
| G | 200 mm | 100% OF MINIMUM SIZE | BALANCE | N | 200 mm | 100% OF MINIMUM SIZE | BALANCE |

Note: EXTERNAL AND ABUTTING INFRASTRUCTURE FINANCED BY THE REGION OF DURHAM WILL BE SUBJECT TO COLLECTIONS FROM FUTURE BENEFITTING DEVELOPMENT OR LANDOWNERS.



LEGEND

EX 200 mm EXISTING WATERMAIN
200 mm K REQUIRED WATERMAIN

May 5, 2003

Appendix #3
Regional Well Interference Policy

Appendix #3 - Regional Well Interference Policy

1. Introduction

The purpose of this policy paper is to examine the existing Regional Well Interference Policy (Attachment #1).

The existing Regional Well Interference Policy provides relief to residential property owners in situations where their private well has potentially been negatively impacted by the construction of Regional services. The construction of Regional services does not include local servicing impacts due to grading, storm water management ponds, storm sewers, foundation drain collectors etc. The current policy has been Regional practice since 1999, with very few changes.

The existing Regional Well Interference Policy uses Development Charge revenue to:

- provide a temporary supply of water during construction of Regional Services to the affected homeowner unless the resident is unwilling to cooperate with the Region's investigation into the well interference claim, as determined by the Commissioner of Works; and,
- construct watermains and water services to homes (e.g. only to the front line of homes that have been or will potentially be negatively impacted). Work on private property remains at the homeowner's expense.

These costs are included in the Development Charge Study and are funded 100 per cent from water development charges.

2. Proposed Policy Revision

The Regional Well Interference Policy is shown in Attachment #1. There is one recommended change to the policy. The current policy requires Council approval for well interference work that exceeds \$100,000 and approval by the Commissioners of Finance and Works for well interference work under \$100,000. It is recommended that these thresholds be increased to \$250,000 to account for inflationary increases and to maintain consistency with the Region Share Policy.

3. Financial Impact

The number of units that will fall under the Well Interference Policy over the 2023-2032 forecast period is estimated at 353 units, resulting in a total residential cost of approximately \$17.04 million (average cost per unit is approximately \$48,280 per unit). The estimated financial impact of the \$17.04 million in well interference costs on the residential development charge quantum, over the next 10 year period (41,578 standard equivalent units), is approximately \$410 per new single detached dwelling unit.

There is no matching user rate contribution as 100 per cent of the cost associated with the well interference policy is funded by development charges.

4. Recommendations

It is recommended that the Region continue to address well interference in accordance with Attachment #1 and that the dollar thresholds triggering Council approval be indexed for inflation.

Attachment #1

Well Interference Policy

Well Interference Policy

A. Definition of Terms

| | |
|---------------------------|--|
| Affected Party | Shall be the owner of the property that is subject to a Well Impact. |
| Connection Fee | Shall be the fee paid by a homeowner for a Water Connection, as defined in the Region's Water System by-law. |
| Frontage Charge | Shall be the charge paid by a homeowner for a Watermain, as defined in the Region's Water System by-law. |
| Regional Service | Shall be a Watermain, Water Connection, sanitary sewer, sanitary sewer connection, Regional storm sewer, Regional storm sewer connection or Regional Road and for greater clarity, the construction of Regional services does not include local servicing impacts due to grading, storm water management ponds, storm sewers, foundation drain collectors etc. |
| Temporary Supply of Water | Shall be a system of supplying water to an Affected Party during the construction period by any method deemed appropriate by the Region. |
| Water Connection | Shall refer to a water service connection and related appurtenances designed in accordance with Regional standards and located within the road right-of way, between the Watermain and the private property line. |
| Watermain | Shall refer to a watermain system and related appurtenances designed in accordance with Regional standards. |
| Well Impact | Shall refer to negative influences on the performance of a well, as determined by the Region, that reasonably, and in light of all available data can be attributed to the construction of a Regional Service. |
| Works on Private Property | Shall refer to all works outside of the municipal road right-of-way including, but not limited to, underground piping, internal and external plumbing, and the abandonment of unused wells. |

B. Policy

1. Well Interference During Construction Provisions

- a) A Temporary Supply of Water will be provided to an Affected Party at no cost during the construction period where there is a direct impact on the existing private well supply. Once a Water Connection is constructed and available for use to the property, this provision no longer applies. This often takes the form of water deliveries and temporary above ground tanks. In order to invoke this aspect of the Policy, there needs to be some evidence of an actual impact related to the construction of Regional services as determined by Regional staff, such as:
 - Lowering of the water level in the well beyond a usable level; and/or
 - Negative impact on the quality of the water.
- b) In the event that the resident is unwilling to cooperate with the Region's investigation into the well interference claim, as determined by the Commissioner of Works, the "During Construction Provisions" of the well interference policy will no longer be available to provide relief to the subject property.

2. Well Interference Provisions Post Construction

- a) When Regional services are constructed, water services will be extended to adjacent properties that have private wells which potentially could be negatively impacted by construction which must be within the urban boundary or abutting the urban boundary and conform with the Region's water service request connection policy.
- b) Once the watermain and water service is constructed to the property line, the temporary water supply is removed and the affected homeowner is given the choice to connect to the Regional service. This offer never expires.
- c) The Region will waive the applicable Frontage Charges and Connection Fee for properties serviced by Regional Water supply under this policy.
- d) The costs of constructing the Works on Private Property, including any plumbing requirements and the abandonment of unused wells will be borne by the property owner.
- e) In the event that an Affected Party is located outside of the water supply service area (outside the urban boundary) or when it is not economically feasible to extend water services to the affected party, a new well may be constructed as an alternative method of addressing a well impact, subject to the approval of Committee of the Whole and Council.

3. Future Redevelopment of the Lands

- a) In the event that a property which has received the benefits of this policy is severed or subdivided in the future, Frontage Charges and Connection Fees will be payable to the Region for any new lots created at the rates in effect at the time of connection of the newly created lots to the Regional water supply system.
- b) In the event that a property which has received the benefits of this policy is rezoned or redeveloped in the future for a different use, Frontage Charges and Connection Fees will be payable to the Region for the property at the rates in effect at the time of rezoning or redevelopment application.

4. Other Matters

- a) Once connected to the Regional water supply system and provided the benefits of the Policy, the residents will be charged for water usage based on water meter readings and Regional water rate policies as approved by Council.
- b) Any existing unconnected properties that are experiencing impacts, where the watermain was previously constructed, will be granted the benefits of the Policy. The Policy is not retroactive to any previously connected properties that paid frontage and connection charges at the time of connection.
- c) Where the Region requests that the developer of a nearby development construct a watermain under the Well Interference Policy, the developer will be compensated for those works upon issuance of the "Completion Acceptance Letter" and provision of supporting documentation in accordance with the terms of the executed subdivision or servicing agreement.
- d) In the event that well monitoring is required, this work is to be completed by the Region and funded by the well interference program.
- e) In the event that there is a dispute with respect to the issue of actual well impact, the Region will request that the Ministry of the Environment, Conservation and Parks review the situation and provide a decision in the matter as a means of resolving the dispute.
- f) That Council approval be required for well interference work that exceeds \$250,000 and approval of the Commissioners of Works and Finance be required for works under \$250,000.

Appendix #4
Intensification Servicing Policy

Appendix #4 – Intensification Servicing Policy

1. Introduction

The intensification servicing policy was approved in the 2013 Development Charge Study by Regional Council. This policy was developed in response to an analysis of the costs of sanitary sewerage and water supply servicing associated with the intensification objectives of the Provincial Growth Plan for the Greater Golden Horseshoe and the implementation of the 40 per cent intensification requirement in the current Durham Regional Official Plan (ROP). The following provides a background of the intensification servicing policy, its applicability, and the proposed changes.

The following also provides a discussion on the increased intensification and density target requirements approved in the Growth Plan for the Greater Golden Horseshoe (2020) and the impact it may have on the intensification servicing policy.

1.1. Background

The current ROP requires that urban areas be planned to achieve the following growth management objective on a Region wide basis:

“By 2015, and each year thereafter, accommodate a minimum 40 per cent of all residential development occurring annually through intensification within built-up areas”.

Accordingly, the population forecasts contained in Appendix A have distributed 40 per cent of the population growth in the urban areas throughout the built-up areas, based on density considerations for key structural elements of the current Regional Official Plan (e.g. Urban Growth Centres, Regional Centres and Corridors, Commuter Stations and Waterfront Places). It is noted that the draft new Regional Official Plan includes a 50 per cent intensification target to align with the current Growth Plan for the Greater Golden Horseshoe.

Overall servicing of this intensification has been included in the water supply and sanitary sewerage analysis contained in Appendix F and Appendix G. However, even though the forecasted growth has been targeted to strategic areas on an average density basis, intensification projects may occur at specific locations at a density beyond the average estimated for a broader area, such as a Regional Corridor. In these instances, additional development charge works may be required to service the specific sites.

Because the location of intensification projects and the associated required development charge works are site or area specific, they cannot be predicted with certainty in advance. Therefore, it is necessary to include an allowance for such works required to support intensification and to reaffirm a policy to provide access to these allowances, based on the costs of recent experiences in Durham Region.

1.2 Approved Policy

In order to address the difficulty in anticipating where Regional development charge works will be required for intensification projects, Regional Council approved the intensification servicing policy in 2013. This policy created an intensification allowance within the sanitary sewage development charge quantum calculation.

Under the approved policy, developers apply to use the funds in this allowance if their proposed development meets the following conditions:

- The proposed development is located within the existing built-up area.
- The proposed development requires a development charge sanitary sewage work that is not already listed in the projects included in Appendix G.
- All local works as defined in Section 3.0 of this Appendix are to be funded by the developer.

Council approval is required for all expenditures from this allowance. For future updates to the development charge by-law, actual sanitary sewage development charge servicing costs within the built-up area would be continuously monitored and included in future analyses contained within this Appendix, and the charge per person updated.

2. Applicability

The Intensification Servicing Policy is applicable to development that includes residential, within the built-up area, whether the development proceeds by plan of subdivision or condominium, consent or issuance of a building permit on an existing vacant parcel or redevelopment site.

3. Development Charges Act

The Development Charges Act, 1997, states that:

“ss.59(1) a municipality shall not, by way of a condition or agreement under section 51 or 53 of the *Planning Act*, impose directly or indirectly a charge related to a development or a requirement to construct a service related to development except as allowed in subsection (2).

(2) a condition or agreement referred to in subsection (1) may provide for:

- a) local services, related to a plan of subdivision or within the area to which the plan relates, to be installed or paid for by the owners as a condition of approval under section 51 of the *Planning Act*;
- b) local services to be installed or paid for by the owner as a condition of approval under section 53 of the *Planning Act*.”

The term "local services" is not specifically defined in the DCA, 1997 or the associated regulations.

The proposed Intensification Servicing Policy is consistent with the requirements referenced above.

3.1 Definition of "Local Service"

For the purposes of intensification servicing, "Local Service" is defined as the linear components of the sanitary sewerage system and water supply system, which conform to Regional design guidelines and are of the minimum size required to provide service to the proposed development in its entirety.

4. Analysis of Previous Intensification Projects (2008 – 2017)

4.1. 2013 Development Charge Analysis

As part of the 2013 Development Charge Study, staff examined a number of large developments constructed or initiated in Durham that are representative of the type of intensification that is consistent with the policy directions of the ROP, and that had development charge funded works (i.e. costs) associated with them. These included:

- Simcoe Street Corridor, south of Durham College/UOIT, Oshawa
- San Francisco by the Bay, on Bayly Street, Pickering
- Vision at Pat Bayly Square at Bayly Street and Harwood Avenue (Medallion Corporation project), Ajax

A brief description of each project, along with the development charge works that were required to service these intensification sites, is provided below.

Simcoe Street Corridor

To address student housing pressures in this corridor, a provision was made within the sanitary sewerage system to provide housing for 6,800 additional people. To provide service to these lands, modifications were required to the Simcoe Street Sanitary Pumping Station and forcemain totaling an estimated development charge cost of \$548,000 (\$2013). There were no development charge funded water supply works required to service this intensification project.

San Francisco by the Bay

This project involved the redevelopment of an underutilized shopping plaza into condominium apartments and townhouses for an ultimate population of 1,200 people. This project required the replacement of undersized sanitary trunk sewers downstream at a development charge cost of \$1,565,000 (\$2013). There were no development charge funded water supply works required to service this intensification project.

Vision at Pat Bayly Square (Medallion Corporation project)

This project is under construction and will create six apartment blocks over several phases. The ultimate population is planned at 3,190 people. Sanitary sewerage servicing required for this development is the construction of a new sanitary sewage pumping station and forcemain. These works will be oversized to allow for further

intensification north of the subject site, which will accommodate an additional 4,800 people. The estimated development charge component of the cost of these works is \$2,555,000 (\$2013). There are no development charge funded water supply works required to service this intensification project.

Staff also looked at a number of smaller developments constructed that are representative of the type of intensification required by the ROP, including:

- 44 Bond Street, Oshawa: Redevelopment of an office building into condominiums for 229 people.
- 400 Bloor Street East, Oshawa: Redevelopment of an abandoned industrial property into apartments for 90 people.
- 50 Station Street, Ajax: Redevelopment of vacant surplus commercial property into apartments for 136 people.

As these projects occurred on much smaller sites and involved significantly fewer units, no development charge funded water supply works or sanitary sewage works were required to service these intensification projects.

None of the above projects required any upgrades to the water supply system. Regional water supply systems are designed to support domestic uses as well as fire fighting demands. Firefighting demands have a significant impact on the sizing of the systems as compared to increases in domestic uses resulting from intensification. It is, therefore, reasonable to only address sanitary sewerage servicing in this intensification policy.

The following table summarizes the additional sanitary sewerage servicing development charge costs, per person, required to service the intensification associated with the preceding examples (based on the 2013 analysis):

Table 1
Sanitary Sewer Development Charge Costs
Intensification Projects (2008-2013)
(per person)

| Project | Intensification Population | Sanitary DC Cost (\$2013) | Sanitary DC Cost / Person |
|------------------------|----------------------------|---------------------------|---------------------------|
| Simcoe Street Corridor | 6,800 | \$ 548,000 | \$ 81 |
| SF by the Bay | 1,200 | \$ 1,565,000 | \$ 1,304 |
| Bayly and Harwood | 7,990 | \$ 2,555,000 | \$ 320 |
| 44 Bond Street | 229 | \$ 0 | \$ 0 |
| 400 Bloor Street East | 90 | \$ 0 | \$ 0 |
| 50 Station Street | 136 | \$ 0 | \$ 0 |
| | | | |
| Total | 16,445 | \$ 4,668,000 | \$ 284 |

The 2013 analysis illustrates that servicing requirements of intensification projects within the built up area on these selected sites varies significantly and is very site specific. As noted above, some projects required significant development charges funded works while others did not require any.

The above table indicates that for every person planned to be added within the built boundary for this particular sample, it costs \$284 to provide sanitary sewerage servicing. However, at this time, 40 per cent of the Region wide growth is planned to be provided within the built-up area, therefore, on a Region wide basis, a cost of \$114/person ($\284×40 per cent) is the currently required sanitary servicing cost.

4.2. Additional Intensification Projects (2013-2022)

As part of the 2018 DC By-law review, Regional staff undertook an analysis to look at residential intensification projects within the built-up area that took place from 2013 to 2017. Staff had identified 16 apartment building developments from 2013-2017 with the number of units ranging from 25 to 239 units (staff included developments with 25 or more units). The analysis included a total of 1,578 units. No Regional sanitary sewer development charge capital works were required to accommodate these developments (i.e. only local works were required which are funded by the developer) and therefore there were no applications for this funding.

Regional staff undertook a similar analysis as part the 2023 DC Background Study to review residential intensification projects within the built-up area from 2018 to 2022. The 2023 analysis identified 28 high-density developments, consisting of 25 units or more, that were issued building permits between 2018 and 2022. The analysis included a total of 4,415 units across the various developments.

Although no intensification projects required sanitary sewerage development charge works since the policy was established in 2013, it is recommended that this policy be retained as it is possible that future projects may need such improvements. Further, during discussions with area municipal staff, they expressed interest in seeing this policy continue. The development industry has also supported this policy in the past, recognizing that infill projects may result in significant infrastructure costs.

The following table provides the updated sanitary sewer development charge costs per person for the intensification projects, incorporating the projects from 2013-2022. The project costs, in the table below, have all been indexed to bring the values from \$2018 to \$2023. An indexing rate of 41.5 per cent was obtained by utilizing the non-residential construction price index for the Toronto Census Metropolitan Area.

Table 2
Updated Sanitary Sewer Development Charge Costs
Intensification Projects (2008-2022)
(per person)

| Project | Intensification Population | Sanitary DC Cost (\$2023) | Sanitary DC Cost / Person |
|--------------------------------------|----------------------------|---------------------------|---------------------------|
| Simcoe Street Corridor | 6,800 | \$ 845,000 | \$ 124 |
| SF by the Bay | 1,200 | \$ 2,414,000 | \$ 2,012 |
| Bayly and Harwood | 7,990 | \$ 3,941,000 | \$ 493 |
| 44 Bond Street | 229 | \$ 0 | \$ 0 |
| 400 Bloor Street East | 90 | \$ 0 | \$ 0 |
| 50 Station Street | 136 | \$ 0 | \$ 0 |
| | | | |
| Sub-total | 16,445 | \$ 7,200,000 | \$ 438 |
| Projects from 2013-2017 ¹ | 2,367 | \$0 | \$0 |
| Projects from 2018-2022 ¹ | 6,623 | \$0 | \$0 |
| Total | 25,435 | \$ 7,200,000 | \$283 |

¹ Intensification population based on a PPU of 1.5, representing a rounded simple average of the PPU's for one and two-bedroom apartments.

5. Proposed Policy

It is recommended that the intensification policy continue and that an intensification allowance be provided within the sanitary sewage development charge quantum calculation. Building upon the analysis completed in 2018, and including the 28 additional apartment developments over 2018-2022, it is estimated that the cost per person to provide sanitary sewerage servicing is \$283. Based on 40 per cent of the Region wide growth being planned to be provided within the built-up area, the cost on a Region-wide basis is \$113 per person (e.g. 40 per cent x \$283) or \$371 per single detached unit (assuming 3.286 ppu).

Developers can apply to use the funds in this allowance if their proposed development meets the following conditions:

- The proposed development must be located within the existing built-up area;
- The proposed development must require a development charge sanitary sewage work that is not already listed in the projects included in Appendix G; and
- All local works as defined in Section 3.0 of this Appendix must be funded by the developer.

Council approval will be required for all expenditures from this allowance.

6. Financial Impact

The estimated financial impact on the development charge quantum based on the analyses contained in this Appendix is:

Average Cost Per
Dwelling Unit (3.286 ppu) (\$2023)

| | |
|-------------------|--------------|
| Sanitary Sewerage | <u>\$371</u> |
| TOTAL | <u>\$371</u> |

7. Future Intensification Analysis

As noted previously, the current Regional Official Plan currently requires that a minimum of at least 40 per cent of all new development occur within the built-up area. This policy direction serves to reduce the need for additional new growth (e.g. greenfield) areas while accommodating the population forecasts in the Plan.

The sanitary servicing analysis contained within this Background Study assumes that 60 per cent of the growth will occur within greenfield areas and 40 per cent will occur within the built-up area as intensification. This is consistent with the directions of the current ROP.

When the Province released the Growth Plan for the Greater Golden Horseshoe (2017), the residential intensification target was increased to 50 per cent within the designated built boundary.

The most recent Growth Plan for the Greater Golden Horseshoe (2020) kept the minimum density target for existing designated greenfield areas (e.g. urban lands outside of the built boundary) at 50 residents and jobs combined per hectare, whereas the 2017 Plan had increased the density for community area lands.

The Region is in the final stages of its municipal comprehensive review. The draft new Regional Official Plan was released for consultation in February 2023. The new Regional Official Plan will allocate growth of population and employment to the year 2051, including the identification of intensification targets, for each area municipality. Following adoption of the new Regional Official Plan (expected in mid-2023), work will commence on updating the Region's water and wastewater and transportation master plans to examine infrastructure requirements to support growth in both intensification and greenfield areas.

The infrastructure master plans will provide critical information related to servicing needs in intensification areas and whether this policy will be required. This will be examined during the next Development Charge Study.

8. Recommendations

It is proposed that the Region continue with an Intensification Servicing Policy, as outlined above, to address site specific sanitary sewage servicing requirements within the built-up area. It is recommended that the sanitary sewerage capital program continue to include a provision for the anticipated additional growth-related infrastructure costs in order to accommodate site specific, population-intense residential developments. The recently enacted More Homes, Built Faster Act may trigger greater intensification in the future, which could potentially increase the need for this program.

This intensification policy ensures that the Regional development charge is sized so as to cover the unknown additional sanitary sewerage costs that are not included in the sanitary sewerage capital program. This development charge component is addressed on an average Region-wide calculation basis, as with virtually all Regional servicing costs. Further, the development charge by-law provides an incentive for redevelopment via the redevelopment credit, which applies to non-exempt development being redeveloped.

This policy is designed to provide assistance to intensification projects that require substantial Regional sanitary sewerage capital works (due to the specific location and the infrastructure constraints of the development). This is similar to the Regional Revitalization Plan which targets developments that require financial assistance due to the locational and infrastructure characteristics of the proposal. These financial policies target the eligibility of specific developments in need of financial assistance, instead of applying a general discount or exemption to a specific area or specific class of development, which may result in providing financial assistance to development projects that are viable without Regional financial assistance.

Appendix #5

Report #2023-F-10: Public Meetings Regarding Proposed Development Charge By-laws and Supporting Background Studies

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2303



The Regional Municipality of Durham Report

To: Regional Council
From: Commissioner of Finance
Report: #2023-F-10
Date: April 12, 2023

Subject:

Public Meetings Regarding Proposed Development Charge By-laws and Supporting Background Studies

Recommendation:

- A) That Report #2023-F-10 be received for information; and
 - B) That all submissions received by Regional Council, including those opinions expressed verbally at the April 12, 2023 public meeting and any written submissions received by the Regional Clerk by 5 p.m. on May 5, 2023, be received and referred to Regional staff for consideration in the preparation of the final development charge (DC) recommendations and by-laws scheduled to be presented to Regional Council for approval at a special meeting held on June 14, 2023.
-

Report:

1. Purpose

- 1.1 The purpose of this report is to provide information regarding the three public meetings of Regional Council, being held on April 12, 2023, regarding proposed new and amending DC by-laws. The first meeting pertains to the new proposed Regional DC By-law, which imposes residential and non-residential development charges on a region-wide basis. The second meeting pertains to the proposed amendments to the current Regional Transit DC By-law (39-2022). The third meeting pertains to the proposed amendments to the current GO Transit DC By-law (86-2001).
- 1.2 The Development Charges Act, 1997 (DCA) permits public representations relating to the proposed by-laws from any person who attends the meetings, either virtually or in-person, on April 12, 2023.

- 1.3 The purpose of the public meetings is to fulfill the statutory requirement to solicit input from the public and provide the necessary background information on the new proposed Regional DC By-law and the proposed amendments to the Regional Transit and GO Transit DC By-laws. Input from the public and other interested parties will be received until to 5 p.m. on May 5. Discussion of the public input will occur at the special Regional Council meeting on June 14, where the final by-laws will also be presented for approval. This will ensure implementation of the new and amending by-laws on July 1.

2. Background

- 2.1 On June 13, 2018, Regional Council passed By-law 28-2018, which imposed DCs for eight services against four types of residential development (single / semi-detached, medium density multiples, two bedroom and larger apartments, and one bedroom or smaller apartments) and three non-residential uses (commercial, institutional, and industrial). This by-law applies to all lands within Durham Region, except for water and sanitary sewer services within Seaton (which fall under a separate area specific DC by-law).
- 2.2 Regional DC By-law 28-2018 was amended in 2021 to reflect changes to the Development Charges Act (DCA) that came into effect on January 1, 2020. This current by-law is set to expire on July 1, 2023.
- 2.3 The current Regional Transit DC By-law was passed by Regional Council on June 29, 2022 (effective July 1, 2022). This by-law imposes DCs for Regional transit services on new residential and non-residential development throughout the Region.
- 2.4 The Region imposes a DC for GO Transit purposes, pursuant to By-law 86-2001, which came into effect on December 5, 2001. This by-law has been extended numerous times through provincial legislation and is currently set to expire on December 31, 2025.
- 2.5 Regional Council directed staff, through Report #2023-F-2, to proceed with the public process required to have a new Regional DC By-law in place by July 1, 2023. The report also directed staff to undertake the public process necessary to amend the Regional Transit and GO Transit DC by-laws, and to have those amendments in place for July 1.
- 2.6 Notice of the public meetings were advertised in the Toronto Star on both March 17 and March 20 (Attachment #1). The same notice was advertised in local Metroland newspapers throughout the Region on March 23, March 30, and April 6. The notice has also been posted on the Regional website.
- 2.7 The proposed new and amending DC By-laws, along with their respective supporting Background Studies, have been available on the Regional website and through the Regional Clerk's Office, at no cost, since March 28.

3. Previous Reports and Decisions

- 3.1 Regional Council approved Report #2022-F-9 which provided staff authorization to undertake the renewal of the Regional DC By-law.
- 3.2 Regional Council subsequently approved Report #2023-F-2 which provided staff with the authorization to proceed with the public process required to renew the Regional DC By-law and amend the Regional Transit and GO Transit DC By-laws.
- 3.3 Regional Council passed the current Regional Transit DC by-law on June 29, 2022 through Report #2022-F-15.
- 3.4 Regional Council approved a GO Transit DC By-law in 2001, which has subsequently been amended four times. The most recent amendment occurred on June 23, 2021 through Report #2021-F-17.

4. Background Study – Proposed New Regional DC By-law

Growth Forecast

- 4.1 The Regional DC Background Study was prepared by a Regional interdepartmental working group, consisting of staff from Finance, Works, and Planning and Economic Development. Regional staff also worked in collaboration with Watson and Associates Economists. The purpose of the DC Background Study is to provide the prescribed background information used to develop the DC rates for both residential and non-residential development. The proposed development charges represent one source of funding for the growth-related capital expenditures included in the study.
- 4.2 The DC Background Study is based on a ten-year planning forecast, from mid-2023 to mid-2033. The forecasted population and employment growth, over this ten-year period, was used to forecast the growth-related capital infrastructure needs included in the study. The planning forecast (Appendix A of the Background Study) was prepared by Watson and Associates, in collaboration with staff from the Planning Division of the Planning and Economic Development Department. Table 1 provides a summary of the population and employment growth forecast.

Table 1
REGION OF DURHAM
GROWTH FORECASTS
Mid-2023 - Mid 2033

| TYPE OF GROWTH | INCREMENTAL AMOUNT |
|---|------------------------|
| Population Growth | 161,913 Persons |
| Household Unit Growth | 69,210 Households |
| Employment Growth ¹ | 58,334 Employees |
| Additional Non-Residential Floor Space ² | 38,180,700 Square Feet |

¹ Excludes No Fixed Place of Work. Includes primary and Work at Home.

² Includes primary

- 4.3 The growth forecast in the DC Study is based on the forecasts contained within the current Regional Official Plan (ROP), which includes a 2031 planning horizon. The DC study assumes that the full urban boundary build-out, contained in the current ROP, of 923,510 (960,000 less population associated with Northeast Pickering) people would occur in 2033. This is based on a review of growth that has occurred since the last DC Background Study in 2018. Employment is also expected to lag with approximately 320,600 jobs (approximately 92 per cent of the 2031 forecast of 350,000) anticipated by 2033.
- 4.4 The Region is currently in the process of finalizing its new ROP. As the new ROP has not yet been approved by the Province, the current ROP has been used as the basis for the DC Background Study growth forecast.
- 4.5 It is also important to note that the growth forecast contained in the DC Background Study does not fully reflect the recently announced provincial housing targets for the area municipalities within Durham (84,000 units across the five lakeshore municipalities), nor does it reflect the recent release of Greenbelt lands within Durham. These announcements were made by the Province late in the Background Study process and, given the length of the prescribed public process and the expiry of the current DC by-law on July 1, 2023, there was not sufficient time to include these in the forecast. Staff are also still analyzing the impacts from a servicing and financing perspective to determine the capital requirements and funding needed to service this increased growth.
- 4.6 Once the servicing and financing implications of the Greenbelt lands and provincial housing targets have been determined, an update of the Regional DC By-law will be considered. This may occur prior to the ten-year expiry date of the proposed By-law.

DC Services and Capital Programs

- 4.7 The proposed services for which a DC would be imposed are included in the following table. The table identifies which DC services would be imposed on residential and non-residential development.

Table 2
Proposed DC Service Areas

| Service Areas | Development Charges |
|--|---------------------------------|
| Water Supply Sanitary Sewer Regional Roads | Residential and Non-residential |
| Long-Term Care Paramedic Services Police Services Waste Diversion | Residential Only |

- 4.8 Housing Services, Development Related Studies, and Health and Social Services were included in the 2018 DC Background Study and By-law but have since been removed as a result of provincial legislation.
- 4.9 In consideration of the list of eligible DC services, the Region has calculated a new DC for Waste Diversion Services. Waste Diversion Services has not been included in previous Regional DC By-laws. The calculated charge is based on the need for an additional waste management facility to service growth in Durham. Approximately 50 per cent of the new facility will be dedicated toward waste diversion activities; therefore, only 50 per cent of the facility cost has been included in the calculation of the charge.
- 4.10 In addition to Waste Diversion, the newly eligible service areas of Childcare, Provincial Offences Act (POA), and Emergency Preparedness were also explored for possible inclusion in the DC By-law. Although all service areas expressed a need for capital infrastructure in the future, the details (timing, costs, the share that can be attributable to growth, etc) is still uncertain. It was determined that there was insufficient information to justify inclusion at this time. However, these service areas will be explored again for the next DC study.
- 4.11 The capital programs for each service area are included in Appendix E – H of the DC Background Study. The capital programs include the growth-related capital infrastructure required, over the next ten years, to accommodate the population and employment growth contained in the growth forecast. The capital costs included in the tables have all been expressed in current dollars (\$2023).

5. Proposed Rates

- 5.1 The proposed new Regional DC rates were derived using the prescribed methodology within the DCA. The following tables provide the calculated Regional residential and non-residential DCs for all development types.

Table 3
Proposed Residential Development Charges
Full Calculated Rate
(per unit)

| Service Category | Single / Semi Rate | Medium Density | 2 bdr apt | 1 bdr apt |
|---|-----------------------------------|---------------------------|----------------------|----------------------|
| Water Supply ⁽¹⁾⁽²⁾ | \$26,117 | \$20,800 | \$15,206 | \$9,340 |
| Sanitary Sewer ⁽¹⁾⁽²⁾ | \$23,858 | \$19,000 | \$13,890 | \$8,531 |
| Regional Roads | \$26,998 | \$21,501 | \$15,718 | \$9,654 |
| Regional Police Services | \$977 | \$778 | \$569 | \$349 |
| Long Term Care | \$548 | \$436 | \$319 | \$196 |
| Paramedic Services | \$441 | \$351 | \$257 | \$158 |
| Waste Diversion | \$94 | \$75 | \$55 | \$34 |
| Total ⁽³⁾ | \$79,033 | \$62,941 | \$46,014 | \$28,262 |
| Notes: | | | | |
| (1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan. | | | | |
| (2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law. | | | | |
| (3) Additional Regional development charges exist for GO Transit and Regional Transit under By-law #86-2001 and By-law #39-2022, respectively. | | | | |

Table 4
Proposed Non-Residential Development Charges
Full Calculated Rate
(\$ per square foot for Gross Floor Area)

| Service Category | Commercial | Industrial | Institutional |
|---|-------------------|-------------------|----------------------|
| Water Supply ⁽¹⁾⁽²⁾ | \$7.51 | \$4.86 | \$2.03 |
| Sanitary Sewer ⁽¹⁾⁽²⁾ | \$12.06 | \$7.06 | \$2.92 |
| Regional Roads | \$21.91 | \$7.59 | \$16.61 |
| Sub - Total | \$41.48 | \$19.51 | \$21.56 |
| Notes: | | | |
| (1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan. | | | |
| (2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law. | | | |

- 5.2 Recent changes to the DCA, resulting from the More Homes Built Faster Act (Bill 23), require any new DC by-law (passed on or after January 1, 2022) to phase-in the newly calculated rates over a five-year period. The phase-in provisions allow for a maximum of 80 per cent of the calculated rates to be imposed in the first year of a new DC by-law. The maximum rate increases by 5 per cent annually until reaching the full 100 per cent of the calculated rate in year five of the new DC by-law. This phase-in provision applies to both residential and non-residential rates.
- 5.3 The tables below provide the proposed Regional residential and non-residential DCs, for all development types, which are recommended to be implemented as of July 1, 2023 (inclusive of the 80 per cent phase-in).

Table 5
Proposed Residential Development Charges with Phase In
For July 1, 2023
(per unit)

| <u>Service Category</u> | <u>Phase In</u> | <u>Single / Semi Rate</u> | <u>Medium Density</u> | <u>2 bdr apt</u> | <u>1 bdr apt</u> |
|----------------------------------|------------------------|----------------------------------|------------------------------|-------------------------|-------------------------|
| Water Supply ⁽¹⁾⁽²⁾ | 80% | \$20,894 | \$16,640 | \$12,165 | \$7,473 |
| Sanitary Sewer ⁽¹⁾⁽²⁾ | 80% | \$19,086 | \$15,200 | \$11,112 | \$6,825 |
| Regional Roads | 80% | \$21,598 | \$17,201 | \$12,574 | \$7,723 |
| Regional Police Services | 80% | \$782 | \$622 | \$455 | \$279 |
| Long Term Care | 80% | \$438 | \$349 | \$255 | \$157 |
| Paramedic Services | 80% | \$353 | \$281 | \$206 | \$126 |
| Waste Diversion | 80% | \$75 | \$60 | \$44 | \$27 |
| Total ⁽³⁾ | | \$63,226 | \$50,353 | \$36,811 | \$22,610 |

Notes:

- (1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan.
- (2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law.
- (3) Additional Regional development charges exist for GO Transit and Regional Transit under By-law #86-2001 and By-law #39-2022, respectively.

Table 6
Proposed Non-Residential Development Charges with Phase In
For July 1, 2023
(\$ per square foot for Gross Floor Area)

| Service Category | Phase In | Commercial | Industrial | Institutional |
|---|-----------------|-------------------|-------------------|----------------------|
| Water Supply ⁽¹⁾⁽²⁾ | 80% | \$6.01 | \$3.89 | \$1.62 |
| Sanitary Sewer ⁽¹⁾⁽²⁾ | 80% | \$9.65 | \$5.65 | \$2.34 |
| Regional Roads | 80% | \$17.53 | \$6.07 | \$13.29 |
| Total | | \$33.19 | \$15.61 | \$17.25 |
| Notes: (1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan. (2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law. | | | | |

- 5.4 Attachment #2 provides a comparison of the proposed rates for July 1, 2023, with the current rates for a single/semi-detached residential unit. The proposed rates represent an increase of \$25,367 per unit (including Regional Transit and GO Transit), or approximately a 63 per cent increase.
- 5.5 The increased rates are due in part to significantly higher capital costs relative to the last DC study from 2018. Pandemic related supply chain issues and labour shortages have led to significant inflationary pressures over the past couple years. Also, the lower population growth forecast and higher proportion of high-density units translates into a lower forecast for single-detached equivalent units (on which the rates are based). Significantly higher costs and a slower growth forecast are combining to increase the rates.
- 5.6 Attachment #3 provides a comparison of the proposed non-residential rates, for July 1, 2023, with the current rates (including Regional Transit). The proposed rates are increasing by \$9.78 per sq. ft. (40 per cent) for commercial development, \$3.35 per sq. ft. (26 per cent) for industrial, and \$5.43 per sq. ft. (43 per cent) for institutional.
- 5.7 The increased rates are due in part to the same significantly higher capital costs impacting residential DCs. Forecasted employment growth is lower than what was forecasted in 2018 and the composition of employment has also shifted. These factors are contributing to larger and varying increases among the non-residential categories.

- 5.8 It is proposed that the full phased-in rates, for both residential and non-residential development (Tables 5 and 6), be implemented on July 1, 2023.

6. Comparison of Residential and Non-residential Development Charges

- 6.1 The table below compares Durham's proposed residential DCs to the current rates of other Upper Tier Regional Municipalities in the Greater Toronto Area (GTA). York and Halton Region recently updated their DC By-laws in 2022 and are therefore subject to the same phase-in provisions as the Durham Regional DC By-law. The rates for Durham, Halton, and York include the mandatory phase-in provisions.

Table 7
Residential Development Charges across GTA Upper Tier Regional Municipalities
Per single detached unit (as of April 1, 2023)

| Upper Tier Municipality | \$ Per Single Detached Unit ⁽¹⁾ |
|--|--|
| Peel Region | 74,772 |
| Durham Region (proposed) | 65,896 |
| York Region | 61,330 |
| Halton Region (Greenfield Recovery Area) | 57,578 |
| Halton Region (Urban Built Boundary) | 39,870 |
| Upper Tier Average | 57,451 |
| Note: (1) Includes all applicable Regional Transit and GO Transit DC's. | |

- 6.2 The Region of Durham has the second highest residential rates for single and semi-detached units of the upper-tier municipalities in the GTA. It should be noted that the capital costs in the Region of Durham's Background Study are all in current (\$2023) dollars, meaning they fully incorporate all recent inflationary increases.
- 6.3 The table below compares Durham's proposed non-residential development charges to the current rates of other Upper Tier Regional Municipalities in the GTA. The same phase-in provisions are included for York, Halton and Durham as were included in the residential comparison.

Table 8
Non-residential Development Charges across GTA Upper Tier Regional
Municipalities
As of April 1, 2023
(\$ per square foot of gross floor area)

| | Commercial | Industrial | Institutional |
|--|---------------------------|-----------------------|---------------------------|
| York Region | 48.40 (retail) | 19.52 (non-retail) | 19.52 (non-retail) |
| Halton Region Greenfield | 50.79 (retail) | 16.51 | 16.51 |
| Halton Region Built Boundary | 45.52 (retail) | 11.24 | 11.24 |
| Durham Region (proposed) | 34.03 | 16.45 | 18.09 |
| Peel Region | 27.78 (non-industrial) | 21.49 | 27.78 (non-industrial) |
| Note: Durham Region includes all applicable Regional Transit DC's. | | | |

6.4 Durham Region's commercial DC rates are still among the lowest in the GTA. The Region's industrial and institutional rates are among the average.

7. Changes to Regional Development Charge By-law

7.1 The main changes to the proposed new DC By-law include the following:

- Adding the additional DC service of Waste Diversion;
- Broadening the definition of a bedroom to meet the area requirements of the Ontario Building Code;
- Broadening the definition of apartment building to include stacked townhouses;
- Eliminating the expiry clause to comply with Provincial legislation (extending the by-law duration from five to ten years); and,
- Reducing the timeframe for which redevelopment credits are applied from within ten years after the date of the first demolition permit to within five years.

7.2 Further changes to definitions have been proposed to better define terms and to ensure compliance with legislation. A summary of the policy change recommendations are included in Table ES-9 of the Background Study Executive Summary.

- 7.3 Minor administrative changes have also been proposed to the Region Share Policy (Appendix B of the Background Study) and the Well Interference Policy (Appendix C of the Background Study). The changes are related to increasing the dollar thresholds required for Council reporting to account for inflation. It is also recommended that Council reporting under the Region Share policy be done for information purposes as opposed to for Council approval. This is intended to expedite the approval process.
- 7.4 No changes have been proposed to the Intensification Servicing Policy (Appendix D of the Background Study).

8. Amending Background Studies and Proposed By-laws

- 8.1 The proposed amendments to both the Regional Transit and GO Transit DC By-laws are recommended to ensure policy consistency among the three by-laws. The proposed new Regional DC By-law includes changes to definitions and other policies, which are being reflected in the Regional Transit and GO Transit by-laws by way of these amendments. The amendments are only being done to ensure policy consistency and there are no proposed changes to either of the rates.

9. Staff Consultations

- 9.1 Prior to the public release of the Background Study and proposed By-law, letters were sent to the Greater Toronto Area (GTA) Chapter of the Building Industry and Land Development Association (BILD), as well as the Durham Region Home Builders Association (DRHBA), advising of the public process for completing a new Regional DC Background Study and By-law. The letter also offered an opportunity for the organizations to meet with Regional staff to discuss the pending study. Copies of the DC Background Study and proposed DC By-law were subsequently sent to the development organizations after the public release of the study, along with another invitation to meet with staff.
- 9.2 Both BILD and DRHBA had expressed an interest to meet after the public release of the new DC Background Study and proposed By-law on March 28. Regional staff will be meeting with representatives from the two organizations in early April.
- 9.3 Similar correspondence was sent to the various Boards of Trade and Chambers of Commerce within Durham Region, as well as various Business Improvement Associations within the Region. The letters also offered an opportunity to meet with staff to discuss the details of the Background Study and By-law. As of the time of writing, none of these organizations have requested a meeting.
- 9.4 Throughout the development of the DC Background Study, Regional staff had consulted with an inter-departmental group of local area municipal staff. In particular, the proposed policy modifications have been discussed and supported.

10. Next Steps

- 10.1 All comments received at the April 12, 2023 Public Meeting and any written submissions from the public received by the Regional Clerk by 5 p.m. on May 5 will be considered in preparing the final Regional DC By-law and the final amending by-laws for Regional Transit and GO Transit. The final By-laws will be presented to Regional Council at a special meeting on June 14.
- 10.2 If any changes to the by-law are proposed following the April 12 Public Meeting, Regional Council must also formally consider whether a second public meeting is required.

11. Relationship to Strategic Plan

- 11.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
 - a. Ensuring the Region's DC By-law is in conformity with the DCA, supporting Goal 5 (Service Excellence).

12. Conclusion

- 12.1 In accordance with the public consultation process previously approved by Regional Council, it is recommended that this report be received for information. The final recommendations regarding the proposed Regional DC By-law and the proposed amending DC By-laws for Regional Transit and GO Transit are to be presented to Regional Council on June 14.
- 12.2 It is recommended that all submissions received by Regional Council, including those opinions expressed verbally at the April 12 public meeting, and any written submissions received by the Regional Clerk by 5 p.m. on May 5 be received and referred to Regional staff for consideration in the preparation of the final Regional DC By-law and final amending DC By-laws for Regional Transit and GO Transit.

13. Attachments

- | | |
|----------------|---|
| Attachment #1: | Public Notice |
| Attachment #2: | Comparison of Current and Proposed Residential Development Charges |
| Attachment #3: | Comparison of Current and Proposed Non-Residential Development Charges |
| Attachment #4: | Comparison of Residential and Non-Residential Development Charges (Greater Toronto Area Municipalities) |

Respectfully submitted,

Original Signed By

N. Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer



**REGIONAL MUNICIPALITY OF DURHAM
NOTICE OF PUBLIC MEETINGS
REGARDING REGIONAL DEVELOPMENT CHARGES**

On April 12, 2023, Durham Regional Council will hold three public meetings, pursuant to Section 12 of the Development Charges Act, 1997. These meetings were originally scheduled for March 29 but have now been rescheduled for April 12.

The first public meeting will be held to present a new by-law to replace Regional Development Charge By-law No. 28-2018. The second public meeting will be held to present the proposed amendments to Regional Transit Development Charge By-law No. 39-2022. The third public meeting will be held to present the proposed amendments to GO Transit Development Charge By-law No. 86-2001. These meetings will be held to present the proposed underlying background studies and obtain public input on these proposed by-laws and studies.

The public meetings are to be held on:

Wednesday, April 12, 2023
9:30 a.m.
The Regional Municipality of Durham Headquarters
Council Chambers
605 Rossland Road East
Whitby, Ontario

To ensure sufficient information is made available to the public, copies of the proposed by-laws and background studies will be made available as of Tuesday, March 28, upon request. The documents will also be posted on the Regional website, at durham.ca, on March 28.

To submit written correspondence to Regional Council, contact Legislative Services by email at clerks@durham.ca, or mail your comments to the Regional Clerk, Regional Municipality of Durham, 605 Rossland Road East, Whitby, ON L1N 6A3 by 5 p.m. on Friday, May 5.

If you wish to make a delegation before Regional Council at the public meeting, submit your request in writing to delegations@durham.ca by noon on Tuesday, April 11. Members of the public who register in advance of the meeting will be provided with the details to delegate electronically. Please note that this meeting will be held in a hybrid meeting format with electronic and in-person participation.

Members of the public are strongly encouraged to view the meeting via live streaming at www.calendar.durham.ca/meetings as an alternative to attending the meeting in person. Information you provide or present during the public meeting, including your name, are subject to the requirements of the Municipal Freedom of Information and Protection of Privacy Act. This will form part of the public record and may be made available to the public.

All submissions received in writing, as well as those opinions expressed at the Public Meeting, will be considered prior to Council's decision. Council's decision is anticipated during a special Regional Council meeting on Wednesday, June 14.

Further information may be obtained by contacting Mary Simpson, Director of Risk Management, Economic Studies and Procurement, Regional Finance Department at 905-668-4113 (ext. 2301) or mary.simpson@durham.ca.

Alexander Harras
Director of Legislative Services / Regional Clerk

Attachment #2
Changes in Residential Development Charges
(per Single Detached/Semi Unit)

| <u>Service Category</u> | Current Rate as of January 1, 2023 | Proposed Rate for July 1, 2023 ⁽¹⁾ | \$ Increase/ (Decrease) |
|--|---|--|--|
| Water Supply ⁽²⁾⁽³⁾ | \$12,342 | \$20,894 | \$8,552 |
| Sanitary Sewer ⁽²⁾⁽³⁾ | \$12,013 | \$19,086 | \$7,073 |
| Regional Roads | \$12,119 | \$21,598 | \$9,479 |
| Regional Police Services | \$936 | \$782 | \$(154) |
| Long Term Care | \$312 | \$438 | \$126 |
| Paramedic Services | \$246 | \$353 | \$107 |
| Waste Diversion | \$0 | \$75 | \$75 |
| Sub - Total | \$37,968 | \$63,226 | \$25,258 |
| GO Transit ⁽⁴⁾ | \$814 | \$814 | \$0 |
| Regional Transit ⁽⁴⁾ | \$1,747 | \$1,856 | \$109 |
| Total | \$40,529 | \$65,896 | \$25,367 |
| Notes: | | | |
| (1) Mandatory phase in applied according to phase in schedule. Rates do not include annual indexing. | | | |
| (2) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan. | | | |
| (3) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law. | | | |
| (4) These charges are imposed under separate Development Charge by-laws but are shown in this table for the purposes of presenting a total quantum of Development Charges. | | | |

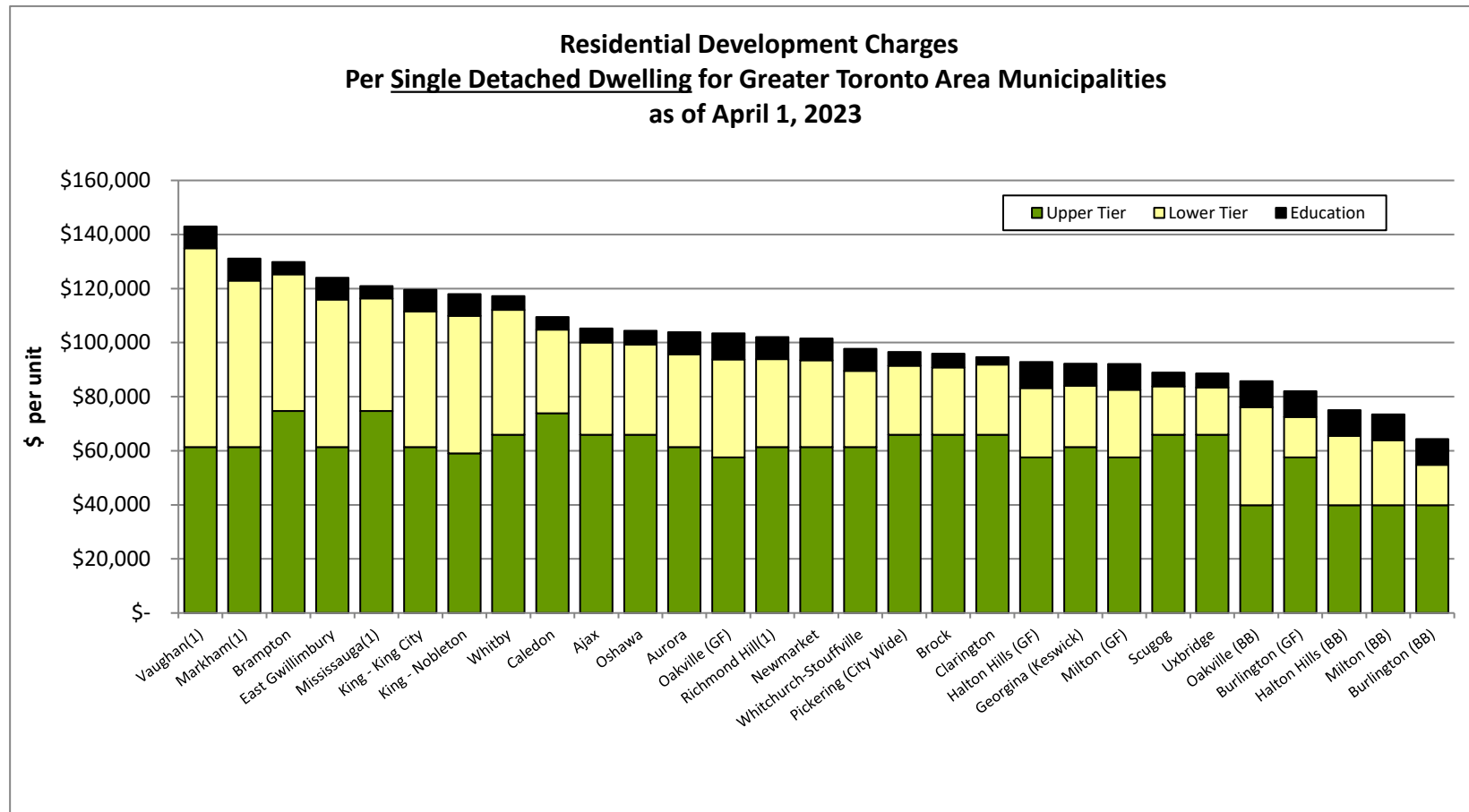
Attachment #3
Changes in Non-Residential Development Charges
(\$ per square foot of Gross Floor Area)

| Service Category | Rates as of January 1, 2023 | | | Proposed Rate July 1, 2023 ⁽¹⁾ | | | \$ Increase / (Decrease) per sq. ft. | | |
|----------------------------------|-----------------------------|-----------------------|-----------------------|---|-----------------------|-----------------------|--------------------------------------|----------------------|----------------------|
| | Commercial | Industrial | Institutional | Commercial | Industrial | Institutional | Commercial | Industrial | Institutional |
| Water Supply ⁽²⁾⁽³⁾ | \$4.59 | \$3.66 | \$1.11 | \$6.01 | \$3.89 | \$1.62 | \$1.42 | \$0.23 | \$0.51 |
| Sanitary Sewer ⁽²⁾⁽³⁾ | \$7.71 | \$4.41 | \$1.36 | \$9.65 | \$5.65 | \$2.34 | \$1.94 | \$1.24 | \$0.98 |
| Regional Roads | \$11.16 | \$4.24 | \$9.40 | \$17.53 | \$6.07 | \$13.29 | \$6.37 | \$1.83 | \$3.89 |
| Sub Total | \$23.46 | \$12.31 | \$11.87 | \$33.19 | \$15.61 | \$17.25 | \$9.73 | \$3.30 | \$5.38 |
| Regional Transit ⁽⁴⁾ | \$0.79 | \$0.79 | \$0.79 | \$0.84 | \$0.84 | \$0.84 | \$0.05 | \$0.05 | \$0.05 |
| Total | <u>\$24.25</u> | <u>\$13.10</u> | <u>\$12.66</u> | <u>\$34.03</u> | <u>\$16.45</u> | <u>\$18.09</u> | <u>\$9.78</u> | <u>\$3.35</u> | <u>\$5.43</u> |

Notes:

- (1) Mandatory phase in applied according to phase in schedule. Rates do not include annual indexing.
- (2) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan.
- (3) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law.
- (4) These charges are imposed under a separate Development Charge By-law 39-2022

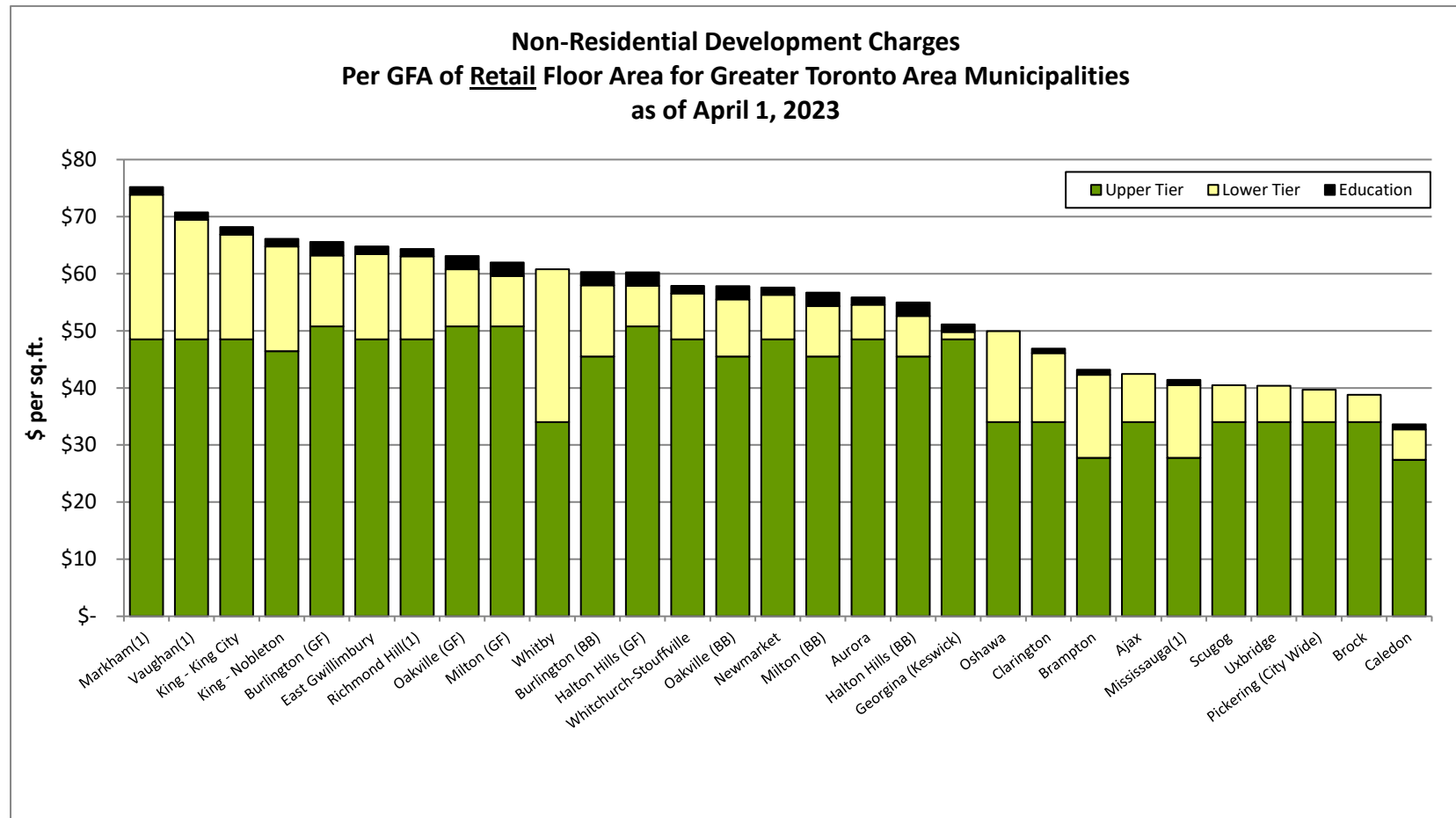
Attachment #4 - Figure 1



BB=Built Boundary & GF=Greenfield.

1. A component of the charge has been converted from a per hectare charge to a hypothetical single detached unit.

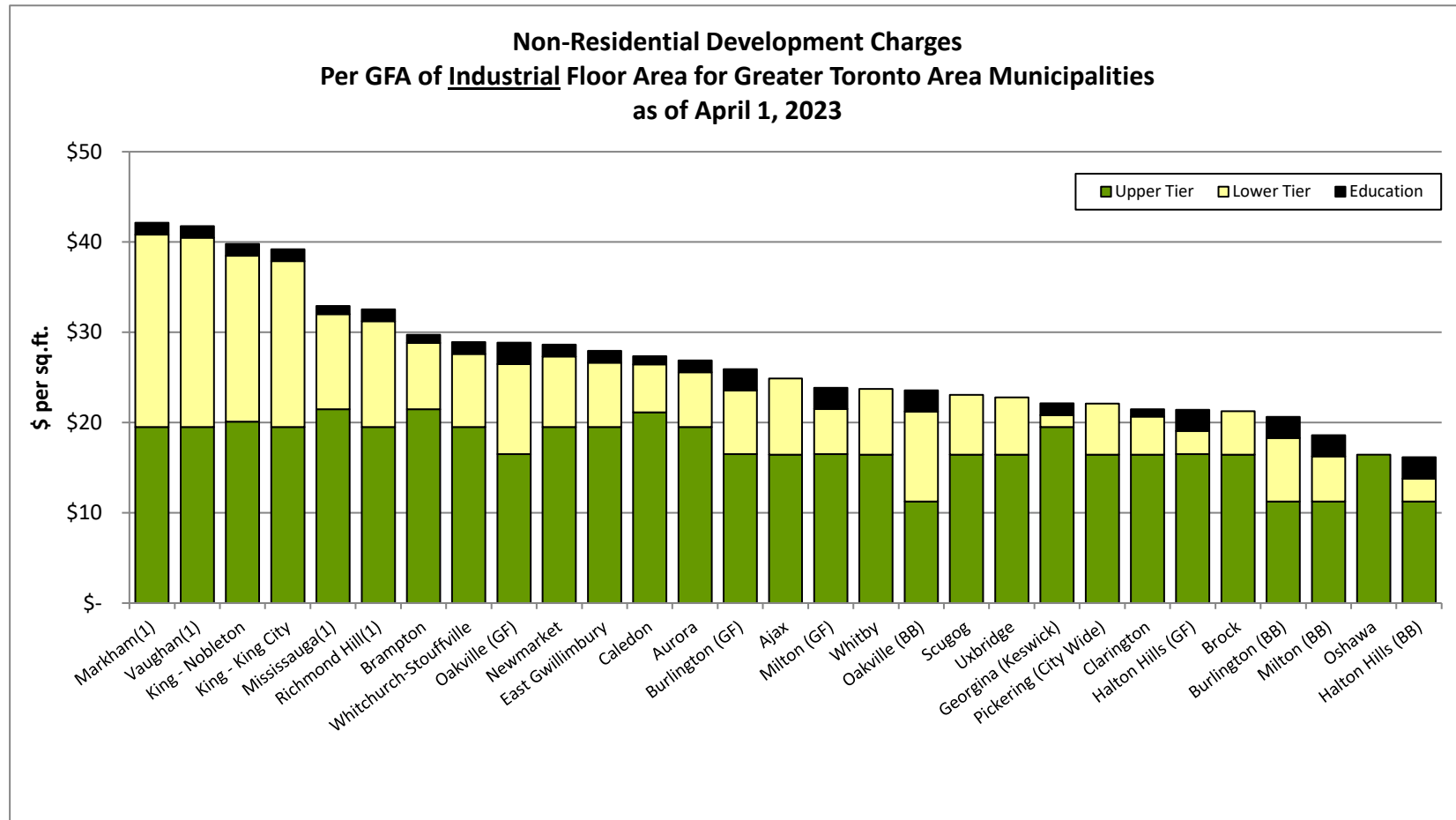
Attachment #4 - Figure 2



BB=Built Boundary & GF=Greenfield.

1. A portion of the charge has been converted from a per hectare charge to a hypothetical GFA charge assuming 30% coverage.

Attachment #4 - Figure 3



BB=Built Boundary & GF=Greenfield.

1. A portion of the charge has been converted from a per hectare charge to a hypothetical GFA charge assuming 30% coverage.

Appendix #6

Written Public Submissions and Staff Responses

April 24, 2023

Memorandum to: Victoria Mortelliti, BILD
Stacey Hawkins, DRHBA

From: Daryl Keleher, Senior Director
Altus Group Economic Consulting

Subject: Durham Region DC
Our File: P-7014

Altus Group Economic Consulting was retained by BILD and Durham Region Home Builders' Association (DRHBA) to review the Region of Durham's 2023 Development Charge Background Study. This memorandum presents the questions and comments stemming from our initial review.

CHANGES TO PROPOSED DC RATES

The Region's residential DC rates (per single-detached unit or per "SDU") are proposed to increase by 108% or \$41,065 per SDU. The non-residential DC rates are proposed to increase by 49% for industrial, and 70-71% for commercial and institutional. The rates shown in Figure 1 below do not include GO Transit or Regional Transit DC rates.

In year one of the Region's forthcoming DC by-law, the DC rates will be 80% of the calculated DC rate, which would equate to \$63,226 per SDU.

Current and Full Proposed DC Rates, Durham Region

| Service | Current | Full Proposed | Change | % Change |
|---|---------|------------------|--------|----------|
| <i>Dollars per Single-Detached Unit</i> | | | | |
| Water | 12,342 | 26,117 | 13,775 | 112% |
| Sewer | 12,013 | 23,858 | 11,845 | 99% |
| Regional Roads | 12,119 | 26,998 | 14,879 | 123% |
| Regional Police | 936 | 977 | 41 | 4% |
| Long Term Care | 312 | 548 | 236 | 76% |
| Paramedic | 246 | 441 | 195 | 79% |
| Waste Diversion | - | 94 | 94 | n.a. |
| Total | 37,968 | 79,033 | 41,065 | 108% |
| Non-Residential DC Rates | | | | |
| Commercial | 24.25 | 41.48 | 17.23 | 71% |
| Industrial | 13.10 | 19.51 | 6.41 | 49% |
| Institutional | 12.66 | 21.56 | 8.90 | 70% |

Source: Altus Group Economic Consulting based on Durham Region 2023 DC Background Study

QUESTIONS AND COMMENTS

Household, Population and Employment Forecasts

- 1) Each of the Region's 2018 and 2023 DC studies use a 10-year forecast. Compared to the 10-year forecasts in the 2018 DC Study, the forecasts in the 2023 DC Study are 30% lower as expressed on a Gross Population basis, 26% lower on a SDE basis, but only 12% different on a Net Population basis, suggesting that more than half of the decrease is due to significant changes in the forecast change in existing unit population.

Given the above observations (and table below), we have the following questions:

- a. What is the basis for the Existing Unit Population Change over a 10-year period falling from a decline of 68,454 persons in the 2018 DC Study to a decline of just 15,577 persons?
- b. That the Region saw less housing built than forecast causing existing PPUs to decline more slowly is only an indication of pent-up demand for new housing, not indicative of a reduced demand for housing going forward, and people remaining in their existing homes for longer than forecast (young adults, etc.). Have the calculated BTEs been estimated to account for the increased usage of Regional infrastructure from existing homes compared to what was forecast in the 2018 DC Study?
- c. Given that the forecast population growth over the 10-year period is 26-30% lower than in the 2018 DC Study, how has the Region adjusted the scope and funding allocations made in the DC Study between in-period growth and post-period growth? What projects have been delayed or have seen increased funding allocation to post-period benefit?

Figure 1

| 10-Year Forecast Element | 2018 DC Study | 2023 DC Study | % Change |
|----------------------------------|--|---|-------------------------|
| Single-Detached Equivalent Units | With Seaton: 72,667 SDE (Table A-11) | With Seaton: 54,016 SDE (Schedule 2c) | With Seaton: -26% |
| | Without Seaton: 57,884 SDE (Table A-11) | Without Seaton: 43,396 SDE (Schedule 2c) | Without Seaton: -25% |
| Net Population Growth | With Seaton: 182,955 persons (Table A-4) | With Seaton: 161,913 persons (Schedule 2) | With Seaton: -12% |
| | Without Seaton: 132,600 persons (Table A-4) | Without Seaton: not shown | |

| | | | |
|---------------------------------|---|---|----------------------|
| Gross Population in New Units | With Seaton: 251,409 persons (calculated) Without Seaton: 200,275 persons (calculated) | With Seaton: 175,874 persons (Schedule 2) Without Seaton: not shown | With Seaton: -30% |
| Existing Unit Population Change | With Seaton: -68,454 persons Without Seaton: -67,675 persons (difference between Gross and Net populations shown above) | -15,577 persons (Schedule 2) | |

- 2) The PPU assumption of 3.29 persons per unit for singles/semis, which is based on the 20-year historic average does not appear to correspond with the data shows on Schedule 9 of Appendix A, where the respective averages across the four five-year periods are 3.50, 3.53, 3.41 and 3.26, which if they were uniformly distributed would equate to an average PPU of 3.43. The Schedule 8B shows the average based on 20 years, but Schedule 7 shows the 3.286 average calculated based on a 25-year average. Can the Region's consultant clarify what the intended horizon was for calculating PPUs?

Maintenance Facilities

- 3) The 2018 DC Study included \$55.7 million for various maintenance facilities and vehicles, as distributed across the Roads, Water and Sewerage DCs. The 2023 DC Study increases this provision to \$157.7 million (not including costs attributed to Seaton).
- Can the detail behind these capital works be provided, and why the provision for these facilities has increased significantly?

Roads

- 4) Item O.2 shows a stand-alone line item of \$1.8 million for Property Acquisitions, appearing to indicate that each individual road project would have land acquisition costs embedded within the gross costs of each line item.
- Can the Region provide a breakdown of how much assumed property acquisition costs have been included in the gross capital costs, on a project-by-project basis?
 - What land values have been assumed?
 - If the Region receives land via dedication for a DC eligible project for which land acquisition costs have been assumed, will the Region provide a DC credit for the dedication?
- 5) Can the Region provide a breakdown of contingency costs and other adjustments made to base capital cost assumptions?

- 6) Can the rationale for the 0% BTE for several realignment projects be provided?:
- a. project Item 17.1 – Realignment of Regional Road 17 (North of CPR to Concession Rd. 3) including the Widening from 2 to 3 Lanes;
 - b. project 22.8 – Bloor Street - Construct new alignment to 4 lanes, with new CPR grade separation and bridge crossing of Farewell Creek.
 - c. Project 28.4 – Peter Matthews Drive – Construct new alignment to 2 lanes

Water Supply

- 7) There are several projects that involve the demolition of an existing facility and replacement with a new facility for which no BTE is allocated:
- a. Project #301 for a New Liberty St. Zone 1 Reservoir and Demolish Existing Elevated Tank has a capital cost of \$18.7 million, however no costs are allocated to BTE;
 - b. Project #311 for a New Zone 1 Reservoir including Demolition of Existing Reservoir has a capital cost of \$22.5 million with no BTE allocation;
 - c. Can the rationale for the lack of BTE be provided?

By comparison the expansion of the Newcastle WSP (project #310) which includes the demolition of the existing plant has a BTE of 34.5%.

- 8) Why would project #600 (new well for Cannington) have no BTE, but additional water storage for Cannington (project #605) has a BTE of 25%?
- 9) What is the nature of project #700 – “Allowance for Private Well Interference”?
- 10) In total, the gross costs of \$1,679,732,000 are reduced for Post Period Benefit by only \$103,955,000, or 6.2%. Is the expectation that the capacity being constructed to 2033 will utilize 93.8% of the built capacity included in the DC capital program?

Sanitary Sewerage

- 11) For project #500 – Uxbridge WPCP – Optimization Study and Upgrades, can the rationale for assigning none of \$10.6 million in costs to existing development be provided?
- 12) What are the nature of the modifications being done for project #201 (“Modifications at Corbett Creek WPCP), and should those costs be assigned a consistent amount of Post-Period Benefit (57%) as the expansion of the Corbett Creek WPCP (project #200)?
- 13) There are numerous ‘twinning’ projects which are presumably being planned in-part to provide redundancy to existing sewers, but for which no BTE has been assigned:
- a. Project 103 – YDSS – Primary Trunk Sanitary Sewer Twinning – Pickering (Region Share) - \$50.61 million – 0% BTE
 - b. Project 205 – Expansion of Harmony SSPS and Forcemain Twinning – Oshawa - \$59 million – 0% BTE
 - c. Project 237 – Twinning of Sanitary Sewer from Central Park Blvd. & Hillcroft Street to Beatrice Street, Oshawa - \$4.0 million – 0% BTE

- d. Project 302 – Twinning of Sanitary Sewer on Spry Avenue from Highway 401 to N/L Spry Ave - \$1.7 million – 0% BTE;

Regional Police

- 14) Can documentation be provided that supports the 120% increase in the cost of police facilities from \$588 per square foot (inclusive of the 75 acres of land valued at \$530,000 per acre) included in the Region's 2018 DC Study to \$1,296 per square foot (including land value)?

Figure 2 **Change in Value of Facilities and Land - Regional Police Services, Durham 2018 and 2023 DC Studies**

| 2018 DC Study - Value of Existing Inventory (2017) | Value | Asset Value | Calculated Value |
|--|--------------|--------------------|-------------------------|
| Land | 75 acres | 530,000 \$/acre | \$ 39,750,000 |
| Total GFA | 448,261 sf | | |
| GFA valued at \$271/sf | 875 sf | 271 \$ / sf | \$ 237,125 |
| GFA valued at \$500/sf | 447,386 sf | 500 \$ / sf | \$ 223,693,000 |
| Total Value (incl. land) | | 588 \$ / sf | \$ 263,680,125 |
| 2023 DC Study - Value of Existing Inventory (2017 values) | | | |
| Total GFA | 442,817 sf | | |
| GFA valued at \$746/sf (incl. land) | 875 sf | 746 \$ / sf | \$ 652,750 |
| GFA valued at \$1296/sf (incl. land) | 441,942 sf | 1,296 \$ / sf | \$ 572,756,832 |
| Total Value | | 1,295 \$ / sf | \$ 573,409,582 |
| % Increase | | | 120% |

Source: Altus Group Economic Consulting based on Durham Region 2023 DC Study

- 15) The footnotes on page H-6 indicate that \$3.1 million of the costs for the North Division Expansion is to "bring serviced water to site", but that "costs are 100% growth related". Wouldn't there be existing benefit for the servicing of an existing building even if it is subject to an expansion?
- 16) The 2018 DC Study shows \$14.5 million in debt expected to be issued for the Regional Support Centre (\$10.0 million for 2020-2021) and the Durham North West Seaton facility (\$4.5 million for 2023-2024), while the 2023 DC Study makes no reference to any such debt – does the Region no longer anticipate needing debt to fund those or other facilities?
- 17) While I appreciate that the Region has calculated the Residential DC for police services as if there was 74%/26% res/non-res split, rather than apply 100% of costs to the residential sector, can the Region provide the rationale for why no non-residential DC for police services is being imposed?

18) The 'design' costs for the various new police facilities appear to be inconsistent. For the North Division Expansion the costs for design are \$610,200 (combined) and are \$472,000 for the Central East facility. However, for the Durham North West Seaton facility, the 'design' costs are \$3.86 million, while they are \$3.7 million for the Operations Training Centre. Can the Region provide a breakdown of what is included in the design costs for the Seaton facility and the Training Centre?

Paramedic Services

19) Can documentation be provided that supports the 94% increase in the cost of paramedic facilities from \$631 per square foot (inclusive of the 16 acres of land valued at \$530,000 per acre) included in the Region's 2018 DC Study to \$1,228 per square foot (including land value) in the 2023 DC Study?

Figure 3 **Change in Value of Facilities and Land - Paramedic Services, Durham 2018 and 2023 DC Studies**

| 2018 DC Study - Value of Existing Inventory (2017) | Value | Asset Value | Calculated Value |
|--|--------------|--------------------|-------------------------|
| Land | 16 acres | 530,000 \$/acre | \$ 8,480,000 |
| Total GFA | 73,373 sf | | |
| GFA valued at \$204/sf | 9,100 sf | 204 \$ / sf | \$ 1,856,400 |
| GFA valued at \$560/sf | 64,273 sf | 560 \$ / sf | \$ 35,992,880 |
| Total Value | | 631 \$ / sf | \$ 46,329,280 |
| 2023 DC Study - Value of Existing Inventory (2017 values) | | | |
| Total GFA | 73,411 sf | | |
| GFA valued at \$577/sf (incl. land) | 9,100 sf | 746 \$ / sf | \$ 6,788,600 |
| GFA valued at \$1404/sf (incl. land) | 64,311 sf | 1,296 \$ / sf | \$ 83,347,056 |
| Total Value | | 1,228 \$ / sf | \$ 90,135,656 |
| % Increase | | | 94% |

Source: Altus Group Economic Consulting based on Durham Region 2023 DC Study

20) Can the rationale for assigning no benefit to existing allocation to the South Whitby and Northeast Oshawa paramedic stations be provided?

21) The 2018 DC Study shows \$3.8 million in debt (residential share) expected to be issued for the Additional Paramedic Stations in Clarington, Uxbridge and Northwest Whitby, while the 2023 DC Study makes no reference to any such debt – does the Region no longer anticipate needing debt to fund those or other facilities?

- 22) The Additional Paramedic Station in Uxbridge is shown in the footnotes to be 'replacing an existing facility', but the costs for the facility include \$1.9 million for 'land and design' – is there a planned land acquisition necessary for the expansion?
- 23) While the Region is not imposing a non-residential DC for Paramedic Services, it has calculated the res/non-res splits for purposes of calculating the residential charge. However, this calculation is done by weighting the population side of the calculation by 3x, which is stated in the DC Study to "reflect increased per capita needs related to age and time spent in residence". Without this 3x factor, the residential share would be 73.5%, instead of the 89%.
- Does this approach reflect true 'risk' in needing paramedic services given that time spent at work (particularly in certain sectors) or travelling for work (particularly on highways) is much riskier than time spent at home?
 - Has the Region collected data on the location and source of paramedic calls and what proportion of them were in-home versus 'at-large' calls?

Long-Term Care

- 24) Can documentation be provided that supports the 175% increase in the cost of long-term care facilities from \$274 per square foot (inclusive of the 33 acres of land valued at \$530,000 per acre) included in the Region's 2018 DC Study to \$755 per square foot (including land value) in the 2023 DC Study?

Figure 4

Change in Value of Facilities and Land - Long-Term Care, Durham 2018 and 2023 DC Studies

| 2018 DC Study - Value of Existing Inventory (2017) | Value | Asset Value | Calculated Value |
|--|--------------|--------------------|-------------------------|
| Land | 33 acres | 530,000 \$/acre | \$ 17,490,000 |
| Gross Floor Area | 723,980 sf | 250 \$ / sf | \$ 180,995,000 |
| Total Value | | 274 \$ / sf | \$ 198,485,000 |
| 2023 DC Study - Value of Existing Inventory (2017 values) | | | |
| Gross Floor Area (incl. land) | 720,911 sf | 755 \$ / sf | \$ 544,287,805 |
| % Increase | | 755 \$ / sf | 175% |

Source: Altus Group Economic Consulting based on Durham Region 2023 DC Study

- 25) Footnote number 2 on page H-16 indicates that the Province approved a 200 long-term care beds in a March 18, 2021 letter to the Region. Can a copy of that letter be provided?

- 26) The \$35.6 million in grants are based on the calculations summarized on page H-14, where the construction subsidy of \$23.78 per bed per day over a 25-year span was converted to a total subsidy of \$12.2 million, similar to the Construction Subsidy Supplement of \$35 per bed per day over 25-years was converted to a total subsidy of \$18.0 million.
- a. Can the rationale for discounting these grants by 5% per annum over a 25-year period be provided? Are these grants paid out over time, up-front or both? An article in the Globe and Mail indicates that \$15 of the \$35 per day construction subsidy supplement would be payable when construction starts, which if this is the case, the up-front portion of the funds should not be discounted in the manner the remainder of the grants are.¹
 - b. The calculations of \$35.6 million in grants are based on 100 LTC beds being growth-related, but the DC capital program shows a 200-bed LTC home, while the \$35.6 million grants are applied. Should the grant calculations be based on a 200-bed count?

Waste Diversion

- 27) What land value assumption has been made for the various Waste Diversion facilities as incorporated into the \$1,089 per sf blended average of building and land value?
- 28) What costs are included in the \$9.75 million gross capital cost for the Additional Waste Management Facility?

¹ <https://www.theglobeandmail.com/canada/article-ontario-government-more-than-doubles-construction-funding-for-nursing/>



**The Regional
Municipality
of Durham**

Finance Department

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N. Taylor, BBA, CPA, CA
Commissioner of Finance

May 3, 2023

Daryl Keleher
Senior Director
Altus Group Economic Consulting
33 Yonge Street, Suite 500,
Toronto, Ontario
M5E 1G4

Dear Mr. Keleher:

RE: Response to Comments Related to the 2023 Regional
Development Charge Background Study

Thank you for your memo dated April 24, 2023, which included several questions on the 2023 Regional Development Charge (DC) Background Study. Please find responses to the questions below.

HOUSEHOLD, POPULATION, AND EMPLOYMENT FORECAST

1. The memo asked three questions regarding the forecast change in existing unit population.
 - a) What is the basis for the Existing Unit Population Change over a 10-year period falling from a decline of 68,454 persons in the 2018 DC Study to a decline of just 15,577 persons?
 - b) Have the calculated BTEs been estimated to account for the increased usage of Regional infrastructure from existing homes compared to what was forecast in the 2018 DC Study?
 - c) How has the Region adjusted the scope and funding allocations made in the DC Study between in-period growth and post-period growth? What projects have been delayed or have seen increased funding allocation to post-period benefit?
2. Can the Region's consultant clarify what the intended horizon was for calculating PPUs?

Regional staff, along with Watson and Associates, are reviewing questions one and two in more detail, based on the subsequent memo received on May 2. A response will be provided as soon as

possible. Both Regional staff and Watsons will be available to meet and discuss further after a formal written response has been provided.

MAINTENANCE FACILITIES

3. Details have been requested regarding the increase in the maintenance facility and vehicle costs, for Water, Sewer, and Roads, between the 2018 DC study and the 2023 DC study.

The 2018 DC Study included an allowance for future maintenance depot expansion. The Region has since completed a Regional Works Depot rationalization study to better define the needs and to determine the most effective and efficient means of operation. The study recommended expansions and relocations of specific facilities, as well as detailed cost estimates. The specific locations and costs have been included in the 2023 DC capital programs for Roads, Water, and Sewer as the costs are to be split evenly among the three service areas.

ROADS

4. Three questions were asked regarding property and acquisition costs.

a) Can the Region provide a breakdown of how much assumed property acquisition costs have been included in the gross capital costs, on a project-by-project basis?

Given the nature of the question, more time is required to extract the data. We will provide the requested information as soon as possible.

It should be noted that the \$1.8 million in item O.2, in the Roads capital program, is a provision for unexpected land acquisition where required and not an inclusion for each project.

b) What land values have been assumed?

A follow up response will be included with the response to 4a).

c) If the Region receives land via dedication for a DC eligible project for which land acquisition costs have been assumed, will the Region provide a DC credit for the dedication?

The Region will not be providing DC credits, but rather the cost of the project would be reduced by the cost of the land acquisition. The result would be that the DC's collected for the land portion would remain in the DC reserve fund and would be included in the reserve fund opening balance for the subsequent DC study. This would have the effect of reducing future DC's.

5. Can the Region provide a breakdown of contingency costs and other adjustments made to base capital cost assumptions?

Given the nature of the question, more time is required to extract the data. We will provide the requested information as soon as possible.

6. Can the rationale for the 0% BTE for several realignment projects be provided?

- a) **Project Item 17.1 – Realignment of Regional Road 17 (North of CPR to Concession Rd. 3) including the Widening from 2 to 3 Lanes.**
- b) **Project 22.8 – Bloor Street - Construct new alignment to 4 lanes, with new CPR grade separation and bridge crossing of Farewell Creek.**
- c) **Project 28.4 – Peter Matthews Drive – Construct new alignment to 2 lanes**

Appendix E, Section 3.3 notes: ““Benefit to Existing Development”, which is the anticipated value of new capital works attributable to existing development. This deduction is assessed on a project-by-project basis and is primarily applicable to reconstruction, rehabilitation and replacement portion of project construction. As an example, in widening an existing 2-lane road to 4 lanes, the construction work may involve either rehabilitation or reconstruction of the two centre lanes. On this basis, the share of the total project cost associated with rehabilitating or reconstructing the existing two centre lanes was calculated and deemed to be beneficial to the existing community.”

Based on the above and the approach Durham has undertaken for several DC Studies, new roads and projects with new road alignments are attributed entirely to growth (vs existing roads and existing road alignments), therefore no BTE is provided. All the

above projects are new and none of the projects require any rehabilitation work to existing infrastructure.

WATER SUPPLY

7. Three questions were asked regarding the Benefit to Existing for projects including the demolition and replacement of an existing facility:

a) Project #301 for a New Liberty St. Zone 1 Reservoir and Demolish Existing Elevated Tank has a capital cost of \$18.7 million, however no costs are allocated to BTE?

The purpose of this project is to service population growth. The existing facility could have remained as-is as the facility remains good condition and is adequate for the existing service population. However, the proposed growth requires a larger storage volume of water and it is not practical to operate the two separate storage facilities. The existing service population did not need this project.

b) Project #311 for a New Zone 1 Reservoir including Demolition of Existing Reservoir has a capital cost of \$22.5 million with no BTE allocation?

The purpose of this project is to service population growth. The existing facility could have remained as-is as the facility remains in good condition and is adequate for the existing service population. The proposed growth requires a larger storage volume of water. In this case it is important to note that the existing reservoir was not at the proper elevation to provide service to the proposed greenfield lands within Pressure Zone 1 of the Newcastle Water system and therefore the existing storage facility cannot reasonably be used to provide service to the new limits of the Pressure Zone 1 of the Newcastle Water system. The existing service population did not need this project.

c) Can the rationale for the lack of BTE be provided?

The existing facilities could have remained as-is as the facility remains in good condition and is adequate for the existing service population. Therefore, we have not included any BTE for these projects.

d) By comparison the expansion of the Newcastle WSP (project #310) which includes the demolition of the existing plant has a BTE of 34.5%?

The Newcastle WSP has a BTE because the poor condition of the existing plant was a major component in the decision to include the replacement of the existing facility with the need for capacity expansion into one new facility.

8. Why would project #600 (new well for Cannington) have no BTE, but additional water storage for Cannington (project #605) has a BTE of 25%?

The 2018 DC included two projects for new wells in Cannington. The first project had a BTE of 98.5% as the primary purpose was to replace some lost water supply capacity. This project is complete and not included in the 2023 DC. The second project from the 2018 DC (#601) is now identified as project #600 and this additional water capacity is entirely for growth. The 2023 DC program continues to show 50% PPB (same as 2018) as the growth and demands in Brock Township have continued to exceed the population forecast but the timing for the full build out of the existing urban area is expected to be beyond 2033.

With respect to water storage (Item 605) our assumptions are as follows:

- Additional water storage will be required for growth.
- The volume of water and the elevations of the storage do not meet the modern design criteria for the existing service population, so there is some BTE to be considered.
- The opposite view is that if there was no growth, the existing standard would stay as-is (e.g., with less than current design criteria).
- As noted above, the growth and demands in Brock Township have continued to exceed the population forecast but the timing for the full build out of the existing urban area is expected to be beyond 2033.
- In our opinion, the allowances for 25% BTE and 25% PPB are fair for this scenario.

9. What is the nature of project #700 – “Allowance for Private Well Interference”?

This allowance is needed to fund the construction of the necessary watermains and service connections required to meet the needs of the Well Interference Policy which is in Appendix C of the Regional DC Background Study.

10. In total, the gross costs of \$1,679,732,000 are reduced for Post Period Benefit by only \$103,955,000, or 6.2%. Is the expectation that the capacity being constructed to 2033 will

utilize 93.8% of the built capacity included in the DC capital program.

With respect to greenfield development areas, the water and sanitary servicing programs are proposing to provide service to 100% of the lands within the existing urban area. This is consistent with our understanding of the needs of the development community and active development applications. All lands within the urban area have approved and / or active Secondary Plans at this time.

In the 2023 DC scenario, all of the land is proposed to be serviced and there is no greenfield population growth proposed within the existing urban area beyond 2033. As noted above, the servicing scenario has assumed that 100% of the lands within the existing urban area need to be serviced.

SANITARY SEWERAGE

11. For project #500 – Uxbridge WPCP – Optimization Study and Upgrades, can the rationale for assigning none of \$10.6 million in costs to existing development be provided?

This is an active project at the WPCP and was included in the 2018 DCBS. The project will increase the service population for the plant from 15,000 to 16,480, which is the 2031 OP projected population. As such, there is no benefit to the existing service population.

12. What are the nature of the modifications being done for project #201 (“Modifications at Corbett Creek WPCP), and should those costs be assigned a consistent amount of Post-Period Benefit (57%) as the expansion of the Corbett Creek WPCP (project #200)?

Sanitary Project 201 is an active project to increase the solids handling capacity to match hydraulic capacity of the plant (84 MLD). This project was identified in the 2018 DC Study. This increase in solids handling capacity has always only been required to accommodate the needs of growth. The project is identified separately to reflect the different timing from the liquid capacity expansion project.

Sanitary Project 200 is for the larger capacity increase at the Corbett Creek WPCP. The magnitude of the capacity increase is 25 MLD (from 84 to 109 MLD) and we estimate that 10.775 MLD (43%) is for growth up to 2033 and the remainder would be available for future growth beyond 2033 (57%) and is deducted as PPB.

13. There are numerous ‘twinning’ projects which are presumably being planned in-part to provide redundancy to existing sewers, but for which no BTE has been assigned:

- a) Project 103 – YDSS – Primary Trunk Sanitary Sewer Twinning – Pickering (Region Share) - \$50.61 million – 0% BTE.**
- b) Project 205 – Expansion of Harmony SSPS and Forcemain Twinning – Oshawa - \$59 million – 0% BTE.**
- c) Project 237 – Twinning of Sanitary Sewer from Central Park Blvd. & Hillcroft Street to Beatrice Street, Oshawa - \$4.0 million – 0% BTE.**
- d) Project 302 – Twinning of Sanitary Sewer on Spry Avenue from Highway 401 to N/L Spry Ave - \$1.7 million – 0% BTE.**

All of these sanitary sewers are being twinned in order to provide more sanitary sewer capacity for growth. There is no BTE applied for any benefits related to redundancy or security. Some specific notes for each item are as follows:

#103 – YDSS Primary Trunk Twinning. Significant growth is planned in York Region, Pickering, and Ajax. The existing sanitary sewer needs to be twinned are required for development to continue. The existing service population does not directly benefit from the new sewer pipe. The new development does not pay for any redundancy that the existing sanitary sewer provides once the pipe is twinned. The timing and need for the twinned primary trunk sanitary sewer is close in time and it makes sense to time all of the rehabilitation work in the existing sanitary sewer to take place as soon as the new sewer is available. All rehabilitation work in the existing primary trunk sanitary sewer is funded by user rates with no DC component.

#205 - Expansion of Harmony SSPS and forcemain twinning, Oshawa. Growth in Oshawa will exceed the capacity of the existing Harmony Sanitary Sewage Pumping Station and Forcemain. The pumping station capacity needs to be increased and the forcemain needs to be twinned. There is no benefit to the existing service population and if there was no growth the pumping station and forcemain would remain as-is.

#237 - Twinning of sanitary sewer from Central Park Blvd N. & Hillcroft St. to Beatrice St., Oshawa is being proposed to provide service to the significant intensification area located along the east and west side of Simcoe Street North between Beatrice Street and

Taunton Road. There is no benefit to the existing service population and if there was no growth this item would not be required.

#302 - Twinning of sanitary sewer on Spry Ave. from Highway 401 to N/L Spry Ave. is being proposed to increase sanitary sewer capacity for a section of the sanitary sewer near the Bowmanville Creek valley. This is required for the growth within the Brookhill Secondary Plan Area and to support intensification on the west side of the Bowmanville downtown area. There is no benefit to the existing service population and if there was no growth this item would not be required.

REGIONAL POLICE

14. Can documentation be provided that supports the 120% increase in the cost of police facilities from \$588 per square foot (inclusive of the 75 acres of land valued at \$530,000 per acre) included in the Region's 2018 DC Study to \$1,296 per square foot (including land value)?

The breakdown between construction costs and land costs (per sq. ft) are provided below. Both the land and the construction costs are based on estimates from recent projects.

| | |
|--------------------------------|---------------|
| Construction (main facilities) | \$1200/sq. ft |
| Construction (airport hanger) | \$650/sq. ft |
| Land | \$96/sq. ft |
| Weighted Total | \$1295/sq. ft |

15. The footnotes on page H-6 indicate that \$3.1 million of the costs for the North Division Expansion is to "bring serviced water to site", but that "costs are 100% growth related". Wouldn't there be existing benefit for the servicing of an existing building even if it is subject to an expansion?

The costs for the North Division Expansion include only the costs associated with the expansion portion. The cost to bring serviced water to the site is being triggered by the expansion and would not be undertaken if the expansion was not being completed.

16. The 2018 DC Study shows \$14.5 million in debt expected to be issued for the Regional Support Centre (\$10.0 million for 2020-2021) and the Durham North West Seaton facility (\$4.5 million for 2023-2024), while the 2023 DC Study makes no reference to any such debt – does the Region no longer anticipate needing debt to fund those or other facilities?

The Region has changed how it approaches the treatment of debt in the DC cash flow tables. Rather than breaking out the debt portion, the debt costs have been calculated based on the year-end balances, whereby deficits would be allocated interest costs. The net result is the same under both approaches and addresses debt timing concerns provided by the DRHBA in the 2018 DCBS review.

17. Can the Region provide the rationale for why no non-residential DC for Police Services is being imposed?

The Region's long-standing policy has been not to impose soft service DC's (e.g. Police, Paramedic, etc) on non-residential development. This has no impact on the residential DC's as the non-residential portion of the soft services is funded by the Region from non-DC sources.

18. The 'design' costs for the various new police facilities appear to be inconsistent. For the North Division Expansion the costs for design are \$610,200 (combined) and are \$472,000 for the Central East facility. However, for the Durham North West Seaton facility, the 'design' costs are \$3.86 million, while they are \$3.7 million for the Operations Training Centre. Can the Region provide a breakdown of what is included in the design costs for the Seaton facility and the Training Centre?

The Seaton Facility and the Operations Training Centre represent large facilities that require a large amount of detailed design work. The North Division expansion is a much smaller project and does not require the same level of design work. The design work for the Central East Facility represents pre-consultation design.

PARAMEDIC SERVICES

19. Can documentation be provided that supports the 94% increase in the cost of paramedic facilities from \$631 per square foot (inclusive of the 16 acres of land valued at \$530,000 per acre) included in the Region's 2018 DC Study to \$1,228 per square foot (including land value) in the 2023 DC Study?

The breakdown between construction costs and land costs (per sq. ft) are provided below. Both the land and the construction costs are based on estimates from recent projects.

| | |
|-----------------------------------|---------------|
| Construction (main facilities) | \$1300/sq. ft |
| Construction (storage facilities) | \$474/sq. ft |
| Land | \$104/sq. ft |
| Weighted Total | \$1299/sq. ft |

20. Can the rationale for assigning no benefit to existing allocation to the South Whitby and Northeast Oshawa paramedic stations be provided?

The South Whitby and Northeast Oshawa stations are new facilities being provided to meet the demands of growth and are not replacing existing facilities. Therefore, no BTE has been included, consistent with the Region's approach of applying BTE only to the replacement portion of a new facility expansion.

21. The 2018 DC Study shows \$3.8 million in debt (residential share) expected to be issued for the Additional Paramedic Stations in Clarington, Uxbridge and Northwest Whitby, while the 2023 DC Study makes no reference to any such debt – does the Region no longer anticipate needing debt to fund those or other facilities?

See response to Question 16.

22. The Additional Paramedic Station in Uxbridge is shown in the footnotes to be 'replacing an existing facility', but the costs for the facility include \$1.9 million for 'land and design' – is there a planned land acquisition necessary for the expansion?

Yes, land acquisition is planned for this new facility, in a new location, and this land acquisition has been triggered by growth. The current space is leased and cannot accommodate future growth.

23. Two questions were asked with respect to the Region's methodology for determining the res/non-res splits, specifically regarding the Region's practice of applying a 3x factor to residential:

a) Does this approach reflect true 'risk' in needing paramedic services given that time spent at work (particularly in certain sectors) or travelling for work (particularly on highways) is much riskier than time spent at home?

Yes, we believe this is the correct approach as the majority of paramedic calls are residential in nature.

b) Has the Region collected data on the location and source of paramedic calls and what proportion of them were in-home versus 'at-large' calls?

Yes, the Region does collect data on paramedic calls received. The table below provides the share of residential and non-residential calls, based on the most recent data (2022).

| | | |
|-----------------------|--------|--------|
| Residential Calls | 53,595 | 93.66% |
| Non-residential Calls | 3,629 | 6.34% |
| Total | 57,224 | |

LONG-TERM CARE

24. Can documentation be provided that supports the 175% increase in the cost of long-term care facilities from \$274 per square foot (inclusive of the 33 acres of land valued at \$530,000 per acre) included in the Region's 2018 DC Study to \$755 per square foot (including land value) in the 2023 DC Study?

The breakdown between construction costs and land costs (per sq. ft) are provided below. Both the land and the construction costs are based on estimates from a current project.

| | |
|--------------|--------------|
| Construction | \$725/sq. ft |
| Land | \$30/sq. ft |
| Total | \$755/sq. ft |

25. Footnote number 2 on page H-16 indicates that the Province approved a 200 long-term care beds in a March 18, 2021 letter to the Region. Can a copy of that letter be provided?

The letter from the Province is not a public document and can not be provided. However, a copy of the latest Council report on the Seaton LTC Home has been attached with this letter.

26. Two questions were asked regarding the calculation of the grants included in the capital tables:

- a) Can the rationale for discounting these grants by 5% per annum over a 25-year period be provided? Are these grants paid out over time, up-front or both? An article in the Globe and Mail indicates that \$15 of the \$35 per day construction subsidy supplement would be payable when construction starts, which if this is the case, the up-front portion of the**

funds should not be discounted in the manner the remainder of the grants are.

Both the Construction Subsidy and the Construction Subsidy Supplement are paid out in annual installments over a 25-year period. There was an option to receive the subsidy up front, however it would have been provided at a highly discounted rate. The 5 per cent discount rate is an estimate and is consistent with the interest on debt assumption included in the cash flow tables.

- b) The calculations of \$35.6 million in grants are based on 100 LTC beds being growth related, but the DC capital program shows a 200-bed LTC home, while the \$35.6 million grants are applied. Should the grant calculations be based on a 200-bed count?**

The grant is based on a 100-bed count as that is the amount that is attributable to growth. The grant is being applied only to the growth share as the cost of the growth share is what forms the basis of the LTC DC.

WASTE DIVERSION

- 27. What land value assumption has been made for the various Waste Diversion facilities as incorporated into the \$1,089 per sf blended average of building and land value?**

The breakdown between construction costs and land costs (per sq. ft) are provided below. Both the land and the construction costs are based on estimates from recent projects.

| | |
|----------------|---------------|
| Construction | \$925/sq. ft |
| Land | \$164/sq. ft |
| Weighted Total | \$1089/sq. ft |

- 28. What costs are included in the \$9.75 million gross capital cost for the Additional Waste Management Facility?**

The costs for the new Waste Management Facility are broken out in the capital tables in Appendix H of the Background Study. The cost breakdown has also been provided below. Please note that this project does not include any land acquisition costs as this project is anticipated to be constructed on land provided by the Province.

| Component | Year | Gross Cost |
|------------------|-------------|--------------------|
| Design | 2025 | \$1,000,000 |
| Construction | 2025 | \$3,500,000 |
| Construction | 2026 | \$4,500,000 |
| Equipment | 2026 | \$750,000 |
| Total | | \$9,750,000 |

If you have any further questions or comments, please email me at mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

Attachment #1: Report 2022-COW-32 Regarding Seaton LTC Home

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor
G. Muller, Planning Department
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
J. Cook, Watson & Associates Economists Ltd
V. Mortelliti, BILD
S. Hawkins, DRHBA
T. Do Couto, Minto

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2304



The Regional Municipality of Durham Report

To: Committee of the Whole
 From: Commissioner of Finance, Commissioner of Works and
 Commissioner of Social Services
 Report: #2022-COW-32
 Date: December 14, 2022

Subject:

Time-Limited Construction Funding Subsidy Supplement - Update on the Proposed Long-Term Care Home in the City of Pickering

Recommendation:

That the Committee of the Whole recommends to Regional Council that:

- A) A Statement of Readiness to proceed with construction under the Long-Term Care Home Capital Development Funding Policy, 2022 be executed for additional capital funding from the Ministry of Long-Term Care to build an expedited 200-bed long-term care home in Seaton, City of Pickering;
 - B) That the updated overall capital cost estimate for the new long-term care home in North Pickering of \$126,025,000 be approved, with a financing plan to be provided as part of the 2023 Business Plans and Budget;
 - C) That the budget of \$9,900,000 be approved for the retention of architectural design and contract administration services, with financing to be provided at the discretion of the Commissioner of Finance; and
 - D) That the Commissioner of Finance and CAO be authorized to execute any contracts and waive any Regional policy requirements to facilitate an expedited construction approach, with actions summarized at significant milestones to Council.
-

Report:

1. Purpose

- 1.1 The purpose of this report is to provide information and seek approval from Regional Municipality of Durham (Region) Council on an intent and desire to continue to advance the next steps related to the Region's successful application for a 200-bed long-term care (LTC) home in Seaton, within the City of Pickering including endorsement of the project estimate, retention of architectural design and contract administration services and approval to execute the Statement of Readiness with the provincial government.

2. Background

- 2.1 In response to the window of interest opened by the Ministry of Long-Term Care (MLTC) in 2019 for the creation of 15,000 new long-term beds in Ontario within the subsequent five-year period, the Region prepared a detailed application for a new 200-bed long-term care home in Seaton, located along Whitevale Road west of Brock Road. The design of the proposed 200 bed new long-term care home in the application considered the challenges associated with an aging population that can be difficult to place.
- 2.2 On March 18, 2021, the Ontario Government announced a further investment of \$933 million in 80 new LTC projects to add 7,510 new beds and upgrade 4,197 beds. On the same date, the Minister of Long-Term Care advised the Region that the Ministry of Long-Term Care (MLTC) will allocate 200 long-term care beds to the Region's Pickering Project.
- 2.3 In November 2021, Regional Council approved Report #2021-COW-30, directing staff to continue to advocate for additional funding from the Province, advance the development of the business case, and report back to Council in advance of the execution of the Development Agreement with the Province.
- 2.4 CAO's office staff worked with AdvantAge Ontario, the association representing not-for-profit and municipal senior care, to compare the projected costs with construction of new long-term care homes across the province. It was determined that the cost of the proposed long-term care facility in Pickering is in line with other municipally operated homes in Ontario.
- 2.5 At the August 2022 Association of Municipalities of Ontario (AMO) conference, a Regional delegation met with the Minister of Long-Term Care to advocate for

additional funding to address rising project costs due to construction cost escalations and changes in infection prevention and control (IPAC).

3. Previous Reports and Decisions

- 3.1 In June 2019, Regional Council approved Report #2019-SS-7, authorizing the Regional Chair and Regional Clerk to sign the application for submission to the MLTC indicating the Region's endorsement of the application to build a new 200-bed Long-Term Care Home in North Pickering and its acceptance of the terms and conditions as outlined in the Long-Term Care Home Development and Redevelopment Application Declaration and Application Form.
- 3.2 In April 2021, Regional Council received Report #2021-INFO-37, advising Regional Council of the allocation for 200 long-term care beds to the Region, subject to the approval by the Ministry of Long-Term Care of the project and meeting all conditions and requirements as set out in the Long-Term Care Homes Act 2007 with respect to licensing and operation of the beds and other conditions to be stipulated by the Ministry.
- 3.3 In June 2021, Regional Council approved Report #2021-COW-17, authorizing staff to advance the preliminary work outlined in the report to inform the business case related to the Seaton Long-Term Care Home at an estimated cost of \$280,000 with financing to be provided at the discretion of the Commissioner of Finance.
- 3.4 In November 2021, Regional Council approved Report #2021-COW-30, which provided updated project cost estimates for the Seaton long-term care facility construction and directed staff to continue to advocate for additional funding from the Province, advance the development of the business case, and report back to Council in advance of the execution of the Development Agreement with the Province.

4. Ongoing Tasks and Updated Capital Cost Estimate

- 4.1 As approved in Report #2021-COW-17, to inform the business case, staff completed the following studies:
 - Geotechnical investigations
 - Environmental Site Assessments/Impact Studies
 - Topographical and legal survey work

- Arborist reviews
- Preliminary assessment and costing for mandatory base design requirements and IPAC design enhancements (COVID impacts)
- Energy and GHG feasibility studies
- Other reviews as deemed necessary
- Community consultation

- 4.2 The initial construction estimate presented in the application to the MLTC for the facility was \$67.610 million (excluding a provision of \$14.875 million for land). The estimate, based on 2018 values, was built around the design concept of the recently constructed Fairview Lodge, in the Town of Whitby (Whitby), but adjusted for the planned 200-bed capacity.
- 4.3 This initial estimate had been refined as a part of the business case development to reflect construction cost escalations, changes in infection prevention and control (IPAC) best practices and other standards resulting from the pandemic, and design changes for measures to reduce operational carbon emissions through enhanced energy efficiency that were not reflected in the application's initial capital cost estimate. Report #2021-INFO-115 in the November 5, 2021, Council Information Package speaks in greater detail to the current economic trends impacting construction costs.
- 4.4 Updated project costing was received in June 2022 to ensure the cost of the project was in line with inflation currently being experienced. The cost reported in Report #2021-COW-30 for the 16-bed IPAC design that included zero GHG options and readiness totalled \$110.44 million. The updated costing based on the same assumptions and reflecting forecasted pricing to Q1 of 2024 is \$123.96 million. As outlined in Section 9 of this report this budget estimate increases by \$2.07 million to \$126.03 million to accelerate project delivery to meet the required provincial timing.

5. Construction Funding Subsidy Enhancements and Top Ups Available for Capital

5.1 Development Grants

- a. Total Development Grants from the Province are estimated at \$10,525,200. This includes a one-time planning grant provided by the MLTC in the amount of \$250,000 and a development grant of \$51,376 per bed (total of \$10,275,200).

5.2 Construction Funding Subsidy

- a. Construction funding subsidy is currently provided by the MLTC at a rate of \$23.78 per bed per day for a 25-year period. The Region would expect to receive an annual subsidy of approximately \$1,735,940 per year or \$43,398,500 over the 25-year period regardless of the build option chosen. This funding would be applied to the repayment and debt servicing costs of approximately \$24.6 million in debenture capital financing.

5.3 Construction Funding Subsidy Supplement (CFS-S)

- a. On November 25, 2022, the Ontario government announced that it will be implementing a fixed, time-limited construction funding subsidy supplement to support the cost of developing or redeveloping a long-term care home. It was noted that this additional funding will help fast-track the construction of new long-term care beds before August 31, 2023, recognizing the shift in the economic environment since the release of the Long-Term Care Home Capital Development Funding Policy, 2020.
- b. Under this program the province is offering up to an additional \$35 per bed per day for a 25-year period based on certain construction timelines being met. The Region could expect to receive up to an additional \$2,555,000 per year or \$63,875,000 over the 25-year period. Similar to the existing Construction Funding Subsidy, this incremental funding would be applied to the repayment and debt servicing costs of approximately \$36.2 million in debenture capital financing.
- c. Eligible not-for-profit operators, including the Region of Durham, can also request to convert up to \$15 per bed per day of the \$35 per day, per bed CFS top-up to a CFS Construction Grant. Any amount converted to a CFS Construction Grant is discounted to net present value and would be

deducted from the \$35 per day per bed CFS supplement. The CFS Construction Grant may be used for eligible construction costs, eligible land costs and development charges as well as indirect costs such as building permits, architect and professional fees, financing, site survey, etc.

- d. Given the current economic climate the discount factor applied by the Province when converting a portion of the CFS top-up to a CFS Construction Grant is significant and based on information currently available and the Region's current situation this may not be in the Region's best interests. Staff will advise Regional Council should additional information and context change, and the Region opt to convert a portion of the CFS top-up to a CFS Construction Grant.

5.4 The following table summarizes the current provincial funding available for the new long-term care home and the estimated balance to be funded by the Region including the associated estimated annual debt servicing costs.

| | Capital | Estimated Annual Debt Servicing Cost |
|---|--------------------|--------------------------------------|
| Total Estimated Capital Cost (excluding land) | 126,025,000 | |
| Provincial Funding: | | |
| Upfront Provincial Development Grant | 10,525,200 | |
| Debenture - funded by Construction Funding Subsidy | 24,600,000 | 1,735,940 |
| Debenture - funded by new Construction Funding Subsidy Supplement | 36,200,000 | 2,555,000 |
| Subtotal Provincial Funding | 71,325,200 | 4,290,940 |
| Balance to be Funded by the Region: | | |
| Debenture | 54,699,800 | 5,226,900 * |
| Total Financing | 126,025,000 | 9,517,840 |

* a portion of this debt servicing costs may be eligible for funding from development charges

5.5 A final financing strategy will be included in the 2023 Business Plans and Budget that considers debt, development charges and available reserve/reserve funds for Council's consideration.

6. Operational Costs

- 6.1 Preliminary annual operating costs are estimated at between \$50 million and \$55 million with provincial and resident funding covering approximately 55 per cent of these costs. The balance of the net operating costs, estimated at between \$22.5 million and \$24.8 million, would need to be funded from annual property taxes which approximates an increase on the levy of between 3 per cent and 4 per cent. This increase would likely be phased in over the two years leading up to operations.
- 6.2 The energy efficiency measures included in the proposed facility design will reduce exposure to energy price volatility moving forward and reduce the future carbon tax obligations related to the operation of this facility.

7. Eligibility and Requirement for CFS Top-up

- 7.1 Eligibility period for the CFS supplement (top-up) is between April 1, 2022, and August 31, 2023.
- 7.2 To be considered for this funding, the Region will be required to:
- a. Declare intent to obtain approval to construct by completing a **Statement of Readiness** to be submitted to the ministry by December 20, 2022;
 - b. Complete the requirements under the Development Agreement and obtain approval to construct between April 1, 2022, and August 31, 2023; and
 - c. Be ready to start construction of the project in accordance with the project application, any applicable project approval, and the project development agreement by August 31, 2023.

8. Accelerated Construction Required

- 8.1 For the Region to meet the construction readiness requirement of August 31, 2023, the procurement, design and tendering process timelines must be significantly accelerated. The MLTC typical approval timeframe for development agreements is 30 days, meaning that the following work must be completed and be ready to submit to the MLTC no later than July 31, 2023:
- a. Completed design and construction documents;
 - b. Competitive public tender; and

- c. the Region's request to commence construction, including supporting documentation (site plan approval, building permits, etc.).
- 8.2 To determine the feasibility of achieving this accelerated timeframe, the Region reviewed and evaluated the construction delivery methods available against the requirements. Four options were considered:
 - a. Integrated Project Delivery (IPD), an approach that involves the owner, designer and contractor working together collaboratively from the onset of the project, aligned by a single contract.
 - b. Design Build, an approach where the owner works with a design-builder who takes on the role of both architect and general contractor, with design and construction completed in overlapping phases, decreasing overall project timeframes.
 - c. Design Bid Build, (Traditional design) where the design and tendering process are separate and sequential. This is the typical model for the many Regional construction projects. Construction starts after a fixed price through tendering is received for the project.
 - d. Construction Management contract, an approach where a third party is hired (typically a Contractor) by the owner to oversee the construction of the project, including tendering the work in stages through competitive bidding. The owner typically issues an RFP that includes the preliminary schematic designs to procure the Construction Manager, and they will work together to complete the final detailed designs. There is no firm total project cost with this approach until tendering is complete. The Region has complete and unfettered insight into the contractor's and subcontractors' costs.
- 8.3 The MLTC does not accept IPD or Design Build construction contracts for long-term care builds. The only options left to evaluate are the traditional design bid build approach and the construction management approach.
- 8.4 The design bid build approach, or the CCDC 2 Stipulated Price (Construction) Contract typically has a 17-month timeframe for the design and approval phase, followed by the construction phase. All phases are competitively bid, which increases the timeframe to accommodate the procurement process. Although the Region is very familiar with this approach, it cannot be considered for the North Pickering project given the August 31, 2023, deadline to be construction ready.

8.5 The only other form of contract accepted by MLTC is the Construction Manager approach that is based on the CCDC 5B Construction Management Contract. This approach can be accelerated under certain conditions, and by using Early Work Tendering (site services, rough grading, electrical and communication duct banks, excavation and backfilling, concrete foundations), there is a potential to have construction commence within seven months after the start of the design. MLTC have confirmed that this would satisfy the requirements for the 2022 CFS Top Up. To meet the August 31, 2023 “construction ready” requirement, an extremely aggressive schedule would be necessary, reducing the traditional 17-month procurement, design and approval process to 7 months. There are requirements and deadlines that must be met to achieve the accelerated timelines as follows:

- a. January 2023:
- b. The RFP for the Architectural Consultant must be issued by January 3, 2023 and must be awarded by January 31, 2023.
- c. February 2023:
- d. On February 8, 2023, the Region must:
- e. Issue a Letter of Intent to the Architectural Consultant to start work on the project. The Architectural Consultant's schematic design work would commence immediately and must be completed by April 7, 2023. To achieve this, dedicated Regional staff from Works (1 FTE) and Social Services (1 FTE) must be assigned to this project full time to work collaboratively with the Architectural Consultant, and must be authorized to make quick design decisions to keep advancing the work.
- f. Commence the development of Supplementary General Conditions for the CCDC 5B contract which is new to the Region. The drafting of these conditions must be completed by April 3, 2023.
- g. March 2023:
- h. Construction Manager RFP is developed.
- i. Site Plan Application is developed.
- j. Design work ongoing.
- k. Supplemental General Condition development ongoing.

- l. Work with City of Pickering staff to develop an expedited review schedule for the Site Plan Application and issuance of a Partial Building Permit.
- m. April 2023:
- n. By April 10, 2023, the Region must:
- o. Submit the Preliminary Plan Submission to the MLTC for comment. The commenting period for MLTC has a 30-day turnaround; meaning that comments would be expected by May 8, 2023.
- p. Submit a formal request to the MLTC for approval of the Early Works Tendering process, with approval expected by May 8, 2023.
- q. Submit the Site Plan Application to the City of Pickering for approval, which must be received no later than June 9, 2023.
- r. Issue the Construction Manager RFP, which will close May 1, 2023. The letter of intent must be issued by May 9, 2023, to onboard the Construction Manager.
- s. May 2023:
- t. By May 19, 2023, the Region must:
- u. Submit Working Drawings for the Early Works packages to the MLTC for comments. With the 30-day turnaround, comments will be expected by June 16, 2023.
- v. Submit the Partial Building Permit application to the City of Pickering for the Early Works packages. The Partial Building Permit will be required by July 14, 2023.
- w. June 2023:
- x. By June 16, 2023, the Construction Manager must issue the Early Work Tendering construction document subcontractor packages for pricing, with quotations to be received by July 14, 2023.
- y. By July 21, 2023, the Construction Manager updates the construction estimates based on the tendering received and provides this information to the Region.

- z. July 2023
 - aa. By July 31, 2023, the Region must submit to the MLTC, requesting approval to construct:
 - bb. the Construction Manager's bid results for only one Early Works subcontractor package including the Region's Initial Estimate of Costs;
 - cc. the Region's proof of public advertising for the Early Works Tendering and Construction Manager RFP along with the evaluation of the proponent submissions in that process;
 - dd. Partial Building Permits for the Early Work;
 - ee. Construction Manager proof of bonding and insurance; and
 - ff. the Region's operational plan.
- 8.6 In this accelerated process, only the front end of the procurement, design and Early Work Tendering process is expedited. This schedule, if achieved without any delay, will allow the Region to meet the timeframe of August 31, 2023, required to secure the additional CFS funding. The construction period will reflect that of traditional project delivery, with occupancy of the facility in late 2025.
- 8.7 The accelerated construction schedule will require quick decision making to remain on schedule. Dedicated staff from Works, Social Services, Finance and Legal will be required at various stages of this project to meet the demands of this approach. Works staff will be involved in the project full time from its initiation to completion, and Social Services staff's role will reduce as the project moves into construction. Resourcing impacts will need to be considered and addressed to manage the accelerated process. Staff at the City of Pickering will also need to be fully engaged and available to expedite all approvals necessary to meet the accelerated schedule.

9. Premiums to Accelerate Project Work

- 9.1 Updated project costing was received in June 2022 to ensure the cost of the project was in line with inflation currently being experienced. The cost reported in Report #2021-COW-30 for the 16-bed IPAC design that included zero GHG options and readiness totalled \$110.44 million. The updated costing based on the same assumptions and reflecting escalation to Q1 of 2024 is \$123.96 million.

- 9.2 Architectural fees for a project are typically set at 6 per cent of the project's construction value. As the project acceleration relates to the design process exclusively, and the need for the Architectural Consultant's team to produce multiple bid packages, a premium on this work is expected. It is anticipated that the design costs for the accelerated Construction Manager model will be in the 9 per cent of construction value range, adding approximately \$3.36 million to the updated June 2022 estimate.
- 9.3 Although the duration of construction is not accelerated, the Construction Manager does take on additional roles as the tender time period for subcontractor work is divided over multiple stages. The typical premium for a project delivered under this approach is 1 per cent of the construction cost. Under an accelerated scenario, that premium will add approximately \$1.04 million to the updated June 2022 estimate.
- 9.4 Given that the tender time period will occur prior to Q1 2024 due to the accelerated timelines, escalation costs previously included in the June 2022 estimate will not be incurred, and a reduction to that estimate of \$2.33 million can be expected.
- 9.5 The net result of the accelerated Construction Manager approach is an increase of \$2.06 million to the updated June 2022 estimate, resulting in a revised estimated project cost of \$126.025 million.
- 9.6 In order to meet the aggressive timelines set by the Province for the additional funding it is recommended that staff retain architectural design and contract administration services at an estimated cost of \$9.9 million to be financed at the discretion of the Commissioner of Finance.

10. Risks and Uncertainties:

- 10.1 As with any project of this scope, there are several risks to be considered. Because of the significant time pressures related to the Ministry funding requirements, the most significant risk involves failing to meet the required time frames. As noted in Section 8.5 of the report, the timeframe outlined reflects a very aggressive approach where even minor slippage in the schedule can have significant impacts to achieving the deadline. The Region may have to incur additional costs both to keep the project on schedule and may not be eligible for the enhanced funding due to not meeting the requirements. Should this occur, the Region would make all attempts to get extensions to any components that are resulting from project milestone dates. If an extension is not granted and

timeframes are not met, the incurred costs would have to be covered by the Region. If it is the Region's goal to provide the additional new beds, the costs would have to be incurred regardless (except the expedited cost).

- 10.2 Other risks revolve around cost uncertainties due to the type of contracting method as noted in Section 8.2 (d). Staff will work closely to mitigate impacts of this different type of contract delivery. Until the full project tenders for all components are in, there will be uncertainty in the final project costs. Staff will report at significant milestones to keep Council apprised.
- 10.3 It is also worth noting that the operating impact once the facility opens are currently estimates and the cost of borrowing will not be known until the time of debenture issuance in the marketplace. There are reports that are required when debt is issued to keep Council informed.

11. Relationship to Strategic Plan

- 11.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
 - a. Goal #2 – Community Vitality
 - b. Support a high quality of life for all through human services delivery.
 - c. Goal #5 – Service Excellence:
 - Optimize resources and partnerships to deliver exceptional quality services and value.
 - Collaborate for a seamless service experience.
 - Drive organizational success through innovation, and skilled workforce, and modernized services.

12. Conclusion

- 12.1 As noted within the recommendation, staff are seeking approval to complete a Statement of Readiness to submit to the Ministry of Long-Term Care for the Region to take advantage of this time-limited construction funding subsidy supplement along with all necessary delegated approvals to comply with the Ministry requirements. The supplement will support the carrying costs for a debenture of approximately \$36.2 million additional funding to the project.

- 12.2 This supplement would allow the project to proceed but will result in the requirement to onboard operating cost impacts in a range of 3 to 4 percent additional on the levy to bring on the increased service level of 200 additional long-term care beds. There will also be short term resourcing challenges to accomplish the accelerated commencement of construction. The additional capital construction funding subsidy is a critical step to accomplish the needed additional long-term care beds in Durham.

Respectfully submitted,

Original signed by

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance/Treasurer

Original signed by

John Presta, P.Eng., MPA
Commissioner of Works

Original signed by

Stella Danos-Papaconstantinou
Commissioner of Social Services

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair
Chief Administrative Officer

May 2, 2023

Memorandum to: Mary Simpson
Region of Durham

From: Daryl Keleher, Senior Director
Altus Group Economic Consulting

Subject: Changes in Occupancy and Implications for DCs
Our File: P-7014

Introduction

Further to our meeting on April 26, 2023 regarding the Region's 2023 DC Study and in particular questions and comments with respect the population and household forecasts upon which the 2023 DC Study relies, this memorandum provides a written summary of comments regarding whether additional BTE should be allocated to DC eligible works to reflect the increased usage of existing dwellings relative to prior, but recent forecasts (as included in the Region's 2018 DC Study).

Overview of Potential Issue

The issue identified in our memorandum and raised in the April 26 meeting is similar to an issue we have raised elsewhere in Ontario in cases where municipalities with large proportions of seasonal dwellings have seen the proportion of dwelling units used for seasonal/recreational purposes converted to permanent occupancy. As one example, the Town of Wasaga Beach, in 2011, 65% of dwelling units in the Town were occupied permanently. As of the 2021 Census, that proportion has increased to 79.5%.

The result is that as units are being converted to permanent residency, the need to provide year-round services for those now permanently occupied units increases. These units, once permanently occupied, use all of the community facilities on a day-to-day basis, including roads, water supply, wastewater treatment, recreation centres, etc., that the occupants of the housing unit would likely have used differently when used as a seasonal residence.

This trend that sees the increased usage of municipal services and infrastructure through increased occupancy of existing housing units compared to how these infrastructure works were planned, regardless of the source or reason for the increased occupancy, creates issues with the funding of growth-related infrastructure in that the need is greater, but units converted to permanent occupancy, or used more than anticipated in capital planning by other means (such as appears to be the case in Durham) are not subject to DCs, even though the population is growing and generating needs for services.

The steady conversion of seasonal dwellings to permanent occupancy and other factors increasing occupancy of existing units, without an offsetting accounting for that increased usage from existing units, would serve to reduce the amount of net units generating population growth in the 'denominator' of the

DC calculation and therefore serves to increase DC rates as the capital needs are the same to service the same ultimate population.

In the case of Durham Region, the differences between gross population in new units and net population growth reveals a significant change in the expected occupancy of existing units, necessitating less growth in new units to achieve the ultimate growth planned for in each document:

| | 2018 DC Study | 2023 DC Study | Scenario: 2023 DC Study net population growth with amount of decline in existing units from 2018 DC Study |
|--|------------------|---|---|
| Gross Population in New Units | 251,409 persons | 175,874 persons | 230,367 persons |
| Change in Population in Existing Units | (68,454 persons) | (15,577 persons) | (68,454 persons) |
| Net Population Growth | 182,955 persons | 161,913 persons. | 161,913 persons |
| SDE | 72,667 SDE | 54,016 SDE (where 1 SDE = 3.286 PPU) | Additional 54,493 gross population in new units divided by 3.286 PPU = 16,583 additional SDE Total = 70,599 SDE |

Without accounting for the increased need for service attributed to these existing units through BTE, it would appear that these increased needs are being funded through higher DCs imposed on new housing units, despite the source of that growth not coming from new units (rather, from the relative lack of new units relative to demand).

The capital programs of both the 2018 and 2023 DC Study appear to be based on the 2017 Transportation Master Plan, which presumably would have been based on a breakdown of anticipated growth similar to what was presented in the 2018 DC Study. That distribution of growth, based on the forecasts from the 2023 DC Study forecasts, appears to have changed. However, without compensating changes to how the capital costs are funded, the funding responsibility has shifted even greater to new development.

To the extent that increased occupancy of existing housing units may in part be a function of constrained housing supply relative to demand, if the resulting increased occupancy of existing homes serves to then push some of the anticipated growth-related costs of servicing that population growth onto the remaining net new housing units, this may further exacerbate issues with delivering that housing supply to meet demand, including the unfulfilled demand that may be leading to higher occupancies.

A similar issue would appear to arise in municipalities that have seen forecasted average household size be higher than forecast, whether that be due to older children staying living at home longer than

expected, an increase in multi-family households, or various other reasons. Similar to the above scenario where seasonal residences are increasingly used for year-round use and generate additional servicing needs not generated by new housing development, the increased use of existing homes also generates additional servicing needs relative to what may have been anticipated for those units in master plans used to determine future servicing needs across the Region.

Similarly, while the population in these existing units may be higher than anticipated in master planning for Regional infrastructure, like in the case of seasonal conversions, where the population in existing units increases, the Region would not receive DCs to respond to this source of population growth. The only way to fund the increased servicing needs from existing homes, without passing those costs of population growth onto new homes, is through property taxes or user rates, which in the calculation of DCs is represented through the deduction for benefit to existing (BTE).

Comparison to Halton Region

In 2022 Halton Region updated its DC study, and made changes to the forecast of population decline in existing homes, which was largely unchanged from what was estimated in their 2017 DC Study, even with a shorter planning horizon from the 2017 DC Study (15 years) to the 2022 DC Study (10 years).

- Can the reasons for the change to the Durham Region estimates be provided?
- Can the reasons why Durham Region's change appears substantially different from the equivalent forecast in Halton Region be provided?

| Timing of DC Study | Durham Region | Halton Region |
|----------------------|---|---|
| 2017/2018 DC Studies | Decline of 68,454 persons from 233,866 units (10 years) = Decline of 0.292 per unit | Decline of 28,153 persons from 205,293 units (2017-2031) = Decline of 0.137 per unit |
| 2022/2023 DC Studies | Decline of 15,577 persons from 255,757 units (10 years) = Decline of 0.061 per unit. | Decline of 27,752 persons from 234,455 units (2022-2031) = Decline of 0.118 per unit |

Conclusions / Questions

Further to above commentary, can the methodology used to calculate the reduced decline in existing unit occupancy be provided?

Based on the above, I look forward to your response to the potential issues raised and discussing this matter further if necessary.



May 17, 2023

Daryl Keleher
c/o Building Industry and Land Development Association (BILD)
2005 Sheppard Ave. E.
Suite 102
Toronto, Ontario M2J 5B4

Dear Mr. Keleher:

**The Regional
Municipality
of Durham**

Finance Department

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CANADA

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N. Taylor, BBA, CPA, CA
Commissioner of Finance

**RE: Follow-up Response to Comments Related to the 2023 Regional
Development Charge Background Study**

Thank you for your follow-up memo dated May 2, 2023, which included follow-up questions on the growth forecast contained in the 2023 Regional Development Charge (DC) Background Study. Please find below the responses to these questions from the Region's DC consultant, Watsons and Associates Economists.

In addition to the responses from your follow-up memo, we have also included responses to the outstanding Regional Roads program questions that you had included in your original memo (dated April 24). These responses have also been provided below.

HOUSEHOLD, POPULATION, AND EMPLOYMENT FORECAST

1. Basis for Existing Unit Population Change

The forecast for the 2023 Development Charge Background Study (DCBS) reflects new analysis using the most up-to-date information available at the time, while still maintaining the Official Plan population target that was also utilized in the 2018 DCBS. The Development Charge Background Studies have been based on the growth forecasts contained within the current Durham Regional Official Plan, which has a 2031 planning horizon, as mandated by the original (2006) Growth Plan. However, with a review of growth that has occurred since the last Development Charge Background Study, it is anticipated it will take until 2033 to reach the Region-wide population forecast of 923,510 people (Growth Plan forecast of 960,000 less population associated with Northeast Pickering)¹.

The 2023 DCBS population and housing growth forecast is based on the cohort survival methodology, as set out in the provincial Land Needs Assessment (LNA) methodology for the Greater Golden Horseshoe (GGH), 2020 (Component 1). The population and housing

¹ Including the net Census undercount estimated at 103.79%

forecast was derived from the Durham Region Municipal Comprehensive Review (MCR) work, which utilizes current demographic and housing data to provide details regarding the pace of total population growth, forecast Region-wide housing demand by structure type (i.e. low-density, medium-density and high-density), and forecast trends in Durham Region-wide persons per unit (PPU).

Through the MCR, the population forecast by age cohort was determined for Durham Region in five-year increments. This age structure forecast provides insights into household formation trends, i.e. headship rates for the Region. A headship rate is defined as the ratio of primary household maintainers, or heads of households, by major population age group (i.e. cohort). The results of the updated MCR growth analysis indicates that the average PPU of existing households within the Region of Durham is not declining as rapidly as previously determined through the Region's former MCR exercise (Growing Durham). This trend can be attributed to several factors for Durham Region, including a greater share of youth population growth (0-19 age group), an increase in the number of multi-family and multi-generational households, higher population growth rates associated with non-permanent residents (which on average have higher household sizes than permanent residents) and delays in adult children leaving home to form their own households. Ultimately, these trends have a downward impact on the rate of population decline in existing households over the 10-year forecast period.

The 2023 DCBS housing forecast by structure type was also informed by the Durham Region MCR, which is based on assessment of historical and forecast housing propensity (demand) by age of household maintainer. Compared to the 2018 DCBS, the 2023 DCBS housing forecast identifies a greater shift towards medium-density and high-density housing forms. Under the 2018 DCBS, the share of low-density, medium-density, and high-density housing growth over the forecast period (2018–2028) was 52%, 26% and 22%. Under the 2023 DCBS, this share has changed to 41% low-density, 28% medium-density and 31% high-density over the forecast period (2023–2033). The greater share of medium-density and high-density housing forms identified in the 2023 DCBS further reduces the forecast gross population and single-detached equivalent (SDE) housing forecast relative to the 2018 DCBS.

2. Response to Requests for Halton Comparison

Watson did not conduct the Halton Region MCR. Watson utilized the Halton MCR forecast for the purposes of preparing the D.C. Background Study growth forecast. As such, the Halton MCR establishes the overall PPU decline rate for the Region over the 10-

year period as well as the housing unit mix. The housing unit mix in the Region of Halton 2017 DC Background Study and Halton 2022 D.C. Background Study are quite similar. If a shift towards medium-density and high-density housing units was forecast in the Halton MCR, as being projected for Durham Region, then a smaller gross population and decline would have been observed in the Halton 2022 D.C. Background Study as compared to the Halton 2017 DC Background Study.

3. Persons Per Unit (PPU) Assumptions

The PPU is a 25-year forecast. New PPUs by structure type are forecast by Watson rather than a simple extrapolation of historical averages based on Statistics Canada data. To clarify, the text in Schedule 8b of the 2023 DCBS should read: "Average Forecast Number of Persons Per Unit by Type For Dwelling Units Aged 1-25 Years". This correction will be noted in the final DC recommendation report to Regional Council.

4. Benefit to Existing Deductions

The Altus April 24, 2023 memorandum asks whether the benefit to existing (BTE) deductions in the 2023 DCBS have been accounted for the increased usage by existing homes. Moreover, the subsequent Altus memorandum equates the service demands from an increase in occupancy of a seasonal dwelling conversion to a permanent dwelling as being the same as a slower decline in existing housing occupancy, for the purposes of determining the benefit to existing development.

We believe the premise of the question being an increase in usage by existing homes is not accurate. Unlike the example provided of a historically seasonal dwelling being occupied permanently represents an increase in usage by the existing home, an existing home not declining in occupancy as quickly as previously anticipated does not place any additional demands on services or increase usage. Rather it is the amount of the existing service capacity being freed up by existing homes for the benefit of development that is slowing relative to prior servicing assumptions.

The 2023 DCBS considers the increase in need for services for the incremental development anticipated for the period 2023-2033. This requires that the Region consider the increase in need for services, and corresponding capital projects, required for the anticipated development relative to the current capital asset service capacity. As noted above, part of this assessment considers the amount of existing service capacity freed up with the decline in population in existing

units, as this freed up capacity would be available to meet part of the increase in needs arising from new development. As the assessment only considers the incremental capital requirements once current service capacity is insufficient to address the increase in needs for service related to development, it is unclear how a higher BTE deduction should be applied to these incremental needs.

The Region applies a BTE where existing infrastructure is being replaced or rehabilitated as part of the addressing the incremental needs of development, or if the existing level of service is being tangibly improved in addressing the needs of development. If the capital needs for the increase in needs of future development is greater than previously forecast because less existing capacity is being freed up to accommodate development, this does not change the Region's assessment and calculation of BTE. As such, no adjustment in BTE has been provided in the 2023 DCBS due to the slower decline in existing housing occupancy.

5. Post Period Benefit

The Altus April 24, 2023 memorandum asks whether the post-period benefit (PPB) deductions in the 2023 DCBS have been adjusted, or projects deferred beyond the 2033 forecast horizon, in response to the 10-year population growth forecast being 26%-30% lower than the 2018 DCBS.

The 2018 DCBS identified a Region-wide population of 872,350 (including Census undercount) and total employment of 293,730 (excluding work at home and no fixed place of work) by 2028. By comparison, the 2023 DCBS forecasts a Region-wide population of 923,510 and total employment of 282,590 by 2033. This indicates that the overall population and employment at end of the respective forecast periods are generally unchanged in the 2023 DCBS as compared to the 2018 DCBS (total population and employment approximately 3% higher). The decrease in the incremental population growth between the 2018 DCBS and 2023 DCBS sighted by Altus is partly attributable to 5 years of development activity since the 2018 DCBS. Other factors are referenced above relating to the change in existing housing occupancy and forecast development types.

The Region reviewed the increase in need for services arising from development over the 2023-2033 forecast period. In determining the increase in need, PPB deductions were provided where there was express oversizing in the resultant capital project to reflect the demands of service attributable to post-2033 development. In addition, the Region's transportation needs considered projects triggered by development at the end of the forecast period and made further PPB

deductions to identify potential benefits to future development beyond 2033. Moreover, in determining the needs for the forecast development, if a previously identified capital project is no longer required due to the demands of development these projects have been removed from the DC capital program. The Region's approach to assessing a PPB deduction reflect a methodology used in prior D.C. background studies and has been maintained for the 2023 DCBS.

ROADS (April 24 memo)

4. Three questions were asked regarding property and acquisition costs.

a) Can the Region provide a breakdown of how much assumed property acquisition costs have been included in the gross capital costs, on a project-by-project basis?

Attachment #1 provides the property acquisition costs, on a project-by-project basis, included the 2023 Regional Roads DC capital program.

b) What land values have been assumed?

The estimated land values vary project by project, with some projects assuming \$0. For projects in the later years of the DC forecast, which have not completed an Environmental Assessment or commenced detailed design, an estimate is based on the identified right-of-way (ROW) in the Region's Official Plan vs existing ROW for assumed need with estimated costs based on recent projects. As projects progress, with land acquisition needs becoming more refined, the Region's Real Estate team will assess land values based on comparison sales to the subject lands with factors such as land use designations, property size, proximity to municipal services, etc. These refined property acquisition costs have been used for projects where available.

5. Can the Region provide a breakdown of contingency costs and other adjustments made to base capital cost assumptions?

The estimated contingencies vary from 8% to 24% on a project basis. For road widening and new corridor projects in the later years of the DC forecast that have not completed an Environmental Assessment or commenced detailed design, the applied contingency is typically 24%. As projects progress and become more defined the contingency percentage is reduced, which has been utilized for active projects.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

Attachment #1: Regional Roads Property Acquisition Costs

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor
G. Muller, Planning Department
P. Gillespie, Works – Development Approvals
M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
J. Cook, Watson & Associates Economists Ltd
V. Mortelliti, BILD
S. Hawkins, DRHBA
T. Do Couto, Minto

Altus Response - Q 4a)

Widenings, New Connections and Corridor Modifications

| Item # | Road | Limits | Property Acquisition Estimated Cost |
|--------|---------------------------|--|--|
| 1.3 | Brock Road | Finch Ave. to Taunton Rd. | \$ 2,214,500 |
| 1.4 | Brock Road | Taunton Rd. to Alexander Knox Rd. - Fifth Concession Rd. | -- |
| 1.45 | Brock Road | Taunton Rd. to Alexander Knox Rd. - Fifth Concession Rd. | -- |
| 2.2 | Simcoe Street | S. of King St. to S. of Greenway Blvd. | \$ 412,000 |
| 3.1 | Winchester Road | Baldwin St. to Anderson St. | -- |
| 3.2 | Winchester Road | Garrard Rd. to Simcoe St. | -- |
| 4.1 | Taunton Road | Toronto / Pickering Townline Rd. to W. of Twelvetrees Bridge | -- |
| 4.2 | Taunton Road | W. of Twelvetrees Bridge to Peter Matthews Dr. | -- |
| 4.25 | Taunton Road | Peter Matthews Dr. to Brock Rd. | -- |
| 4.31 | Taunton Road | Brock Rd. to Lake Ridge Rd. | \$ 3,965,500 |
| 4.32 | Taunton Road | Lake Ridge Rd. to Brock St. | \$ 1,957,000 |
| 4.4 | Taunton Road | Brock St. to Simcoe St. | \$ 3,450,500 |
| 5.1 | Central Street | Canso Dr. to Brock Rd. | \$ 206,000 |
| 14.1 | Liberty Street | Baseline Rd. to King St. | -- |
| 16.1 | Ritson Road | Taunton Rd. to Conlin Rd. | \$ 721,000 |
| 17.1 | Reg. Rd. 17 Realignment | North of CPR to Concession Rd. 3 | \$ 32,960 |
| 22.0 | Bayly Street | Liverpool Rd. to Brock Rd. | \$ 988,800 |
| 22.1 | Bayly Street | Brock Rd. to Westney Rd. | \$ 500,000 |
| 22.2 | Bayly Street | Westney Rd. to Harwood Ave. | \$ 400,000 |
| 22.25 | Bayly Street | Harwood Ave. to Salem Rd. | \$ 1,030,000 |
| 22.3 | Bayly Street | Salem Rd. to Lake Ridge Rd. | \$ 2,369,000 |
| 22.4 | Victoria Street | South Blair St. to W. of Thickson Rd. | -- |
| 22.5 | Victoria - Bloor Street | E. of Thickson Rd. to W. of Stevenson Rd. | -- |
| 22.7 | Bloor Street | Ritson Rd. to Farewell St. | \$ 500,000 |
| 22.8 | Bloor Street | E. of Harmony Rd. to Grandview St. | -- |
| 22.85 | Bloor Street | Grandview St. to Prestonvale Rd. | \$ 2,636,800 |
| 22.9 | Bloor Street | Prestonvale Rd. to Courtice Rd. | \$ 2,966,400 |
| 23.1 | Lake Ridge Road | Bayly St. - Victoria St. to Kingston Rd. - Dundas St. | -- |
| 23.2 | Lake Ridge Road | Kingston Rd. - Dundas St. to Rossland Rd. | \$ 412,000 |
| 24.1 | Church Street | Bayly St. to Durham Live Ave. | \$ 432,600 |
| 25.1 | Stellar Drive | Thornton Rd. to Fox St. | \$ 1,854,000 |
| 26.1 | Thickson Road | Wentworth St. to CNR Kingston | -- |
| 26.3 | Thickson Road | Consumers Dr. to Dundas St. | \$ 1,545,000 |
| 26.5 | Thickson Road | Taunton Rd. to Hwy 407 | \$ 515,000 |
| 26.6 | Thickson Road | Winchester Rd. to Baldwin St. | -- |
| 27.2 | Altona Road | N. of Strouds Lane to Finch Ave. | \$ 618,000 |
| 28.1 | Rossland Road | Ritson Rd. to Harmony Rd. | \$ 1,030,000 |
| 28.2 | Rossland Road | Harmony Rd. to E. of Townline Rd. | \$ 3,090,000 |
| 28.4 | Peter Matthews Drive | Alexander Knox Rd. to Hwy 7 | -- |
| 29.1 | Liverpool Road | Hwy 401 to Kingston Rd. | \$ 412,000 |
| 31.1 | Westney Road | Bayly St. to Hwy 401 | \$ 309,000 |
| 31.2 | Westney Road | Hwy 401 to S. of Kingston Rd. | -- |
| 31.5 | Westney Road | S. of Greenwood to Hwy 407 | \$ 1,545,000 |
| 33.5 | Harmony Rd | Conlin Rd. to Britannia Ave. | \$ 250,000 |
| 35.1 | Wilson Road | Bloor St. to Olive Ave. | \$ 618,000 |
| 36.0 | Hopkins Street | Construct new Hopkins St overpass | \$ 3,090,000 |
| 36.1 | Hopkins Street | Consumers Dr. to Dundas St. | \$ 300,000 |
| 37.1 | Finch Avenue | Altona Rd. to Brock Rd. | \$ 500,000 |
| 38.2 | Whites Road | N. of Kingston Rd. to Finch Ave. | \$ 300,000 |
| 38.3 | Whites Road | Finch Ave. to S. of Third Concession Rd. | \$ 4,000,000 |
| 38.4 | Whites Road | S. of Third Concession Rd. to Taunton Rd. | -- |
| 40.1 | Alexander Knox Road | York / Durham Line to Golf Club Rd. | \$ 8,500,000 |
| 40.25 | Alexander Knox Road | Golf Club Rd. to W. Limit of Phase 1 | \$ 2,500,000 |
| 41.1 | Salem Road | Hwy 401 to Kingston Rd. | -- |
| 52.1 | Thornton Road | N. of Stellar Dr. to King St. | \$ 309,000 |
| 53.1 | Stevenson Road | CPR Belleville to Bond St. | \$ 1,000,000 |
| 53.2 | Stevenson Road | Bond St. to Rossland Rd. | \$ 1,000,000 |
| 55.3 | Townline Road | Beatrice Rd. to Taunton Rd. | \$ 200,000 |
| 57.1 | Bowmanville Avenue | Baseline Rd. to N. of Stevens Rd. | -- |
| 57.2 | Bowmanville Avenue | N. of Stevens Rd. to Nash Rd. | \$ 103,000 |
| 58.1 | Manning Rd./Adelaide Ave. | Garrard Rd. to Thornton Rd. | -- |
| 58.2 | Adelaide Ave. | Townline Rd. to Trulls Rd. | \$ 19,150,000 |
| 59.1 | Gibb St. | E. of Stevenson Rd. to Simcoe St. | \$ 14,000,000 |
| 59.2 | Gibb St. / Olive Ave. | Connection from Simcoe St. to Ritson Rd. | \$ 20,600,000 |
| 102.2 | Kingston Road | Pickering / Toronto Boundary to Notion Rd. | -- |
| 102.3 | Kingston Road | Notion Rd. to Westney Rd. | \$ 20,000,000 |
| 102.4 | Kingston Road | Westney Rd. to Hwy 412 | -- |
| 102.45 | Dundas Street | Des Newman Blvd. to Fothergill Ct. | -- |
| 102.5 | Reg. Hwy 2 | Townline Rd. to Courtice Rd. | -- |
| 112.2 | Baldwin St. | N. of Taunton Rd. to N. of Garden St. | \$ 515,000 |
| 147.1 | Reg. Hwy 47 | York / Durham Line to Goodwood Rd. | \$ 515,000 |

INTERSECTION MODIFICATIONS AND SIGNAL INSTALLATIONS

| Item # | Location | Property Acquisition Estimated Cost |
|--------|---|--|
| I.1 | Brock Rd. (Reg. Rd. 1) / Hwy 401 EB Ramp | -- |
| I.2 | Brock Rd. (Reg. Rd. 1) / Taunton Rd. (Reg. Rd. 4) | -- |
| I.3 | Brock Rd. (Reg. Rd. 1) / Seventh Concession Rd. | \$ 318,000 |
| I.4 | Brock Rd. (Reg. Rd. 1) / Goodwood Rd. (Reg. Rd. 21) | \$ 371,000 |
| I.5 | Brock Rd. (Reg. Rd. 1) / Reg. Hwy 47 | \$ 309,000 |
| I.6 | Simcoe St. (Reg. Rd. 2) / Russett Ave. | \$ 309,000 |
| I.7 | Simcoe St. (Reg. Rd. 2) / King St - Oyler St | \$ 309,000 |
| I.8 | Simcoe St. (Reg. Rd. 2) / Saintfield Rd. | \$ 309,000 |
| I.9 | Simcoe St. (Reg. Rd. 2) / Whitfield Rd. | \$ 309,000 |
| I.10 | Winchester Rd. (Reg. Rd. 3) / Bridle Rd. | \$ 309,000 |
| I.11 | Regional Road 3 / Enfield Rd. (Reg. Rd. 34) | \$ 309,000 |
| I.12 | Regional Road 3 / Old Scugog Rd. | \$ 150,000 |
| I.13 | Taunton Rd. (Reg. Rd. 4) / Anderson St | -- |
| I.14 | Taunton Rd. (Reg. Rd. 4) / Courtice Rd. (Reg. Rd. 34) | \$ 250,000 |
| I.15 | Taunton Rd. (Reg. Rd. 4) / Solina Rd. | -- |
| I.16 | Taunton Rd. (Reg. Rd. 4) / Regional Road 57 | -- |
| I.17 | Taunton Rd. (Reg. Rd. 4) / Darlington - Clarke Townline (Reg. Rd. 42) | \$ 103,000 |
| I.18 | River St. (Reg. Rd. 10) / Lake Ridge Rd. (Reg. Rd. 23) | \$ 309,000 |
| I.19 | Liberty St. (Reg. Rd. 14) / Meadowview Blvd - Scottsdale Dr. | \$ 257,500 |
| I.20 | Liberty St. (Reg. Rd. 14) / Freeland Ave. - Bons Ave. | -- |
| I.21 | Liberty St. (Reg. Rd. 14) / Concession Rd. 3 | -- |
| I.22 | Ritson Rd. (Reg. Rd. 16) / Bloor St (Reg. Rd. 22) | \$ 309,000 |
| I.23 | Ritson Rd. (Reg. Rd. 16) / William St. | \$ 258,000 |
| I.24 | Ritson Rd. (Reg. Rd. 16) / Beatrice St. | \$ 258,000 |
| I.25 | Shirley Rd. (Reg. Rd. 19) / Bowmanville Ave. (Reg. Rd. 57) | \$ 309,000 |
| I.26 | Goodwood Rd. (Reg. Rd. 21) / Concession 6 | \$ 309,000 |
| I.27 | Bayly St. (Reg. Rd. 22) / Sandy Beach Rd. | -- |
| I.28 | Victoria St. (Reg. Rd. 22) / Brock St. (Reg. Rd. 46) | \$ 309,000 |
| I.29 | Bloor St. (Reg. Rd. 22) / Trulls Rd. | \$ 309,000 |
| I.30 | Lake Ridge Rd. (Reg. Rd. 23) / Davis Dr. | \$ 309,000 |
| I.31 | Thickson Rd. (Reg. Rd. 26) / Rossland Rd. (Reg. Rd. 28) | -- |
| I.32 | Altona Rd. (Reg. Rd. 27) / Pinegrove Ave. | \$ 258,000 |
| I.33 | Rossland Rd. (Reg. Rd. 28) / Cochrane St. | -- |
| I.34 | Rossland Rd. (Reg. Rd. 28) / Garden St. | -- |
| I.35 | York Durham Line (Reg. Rd. 30) / Sandford Rd. | \$ 309,000 |
| I.36 | Westney Rd. (Reg. Rd. 31) / Harwood Ave. | -- |
| I.37 | Westney Rd. (Reg. Rd. 31) / Monarch Ave. - Rands Rd. | -- |
| I.38 | Westney Rd. (Reg. Rd. 31) / Finley Ave. | -- |
| I.39 | Westney Rd. (Reg. Rd. 31) / Fifth Concession Rd. | \$ 309,000 |
| I.40 | Courtice Rd. (Reg. Rd. 34) / Sandringham Dr. | \$ 250,000 |
| I.41 | Courtice Rd. (Reg. Rd. 34) / Nash Rd. | \$ 258,000 |
| I.42 | Enfield Rd. (Reg. Rd. 34) / Concession Road 7 | \$ 309,000 |
| I.43 | Salem Rd. (Reg. Rd. 41) / Rossland Rd. | -- |
| I.44 | Darlington - Clark Townline Rd. (Reg. Rd. 42) / Regional Hwy 2 | \$ 309,000 |
| I.45 | Phillip Murray Ave. (Reg. Rd. 52) / Stevenson Rd. (Reg. Rd. 53) | -- |
| I.46 | Stevenson Rd. (Reg. Rd. 53) / Laval Dr. | -- |
| I.47 | Regional Road 57 / Concession Road 6 | \$ 309,000 |
| I.48 | Regional Road 57 / Concession Road 7 | \$ 309,000 |
| I.49 | Wentworth (Reg. Rd. 60) / Thornton Rd. | \$ 257,500 |
| I.50 | Wentworth (Reg. Rd. 60) / Nelson St. | \$ 257,500 |
| I.51 | Regional Hwy 2 / Lambs Rd. | \$ 309,000 |
| I.52 | Regional Hwy 47 / Concession 6 | \$ 309,000 |
| I.88 | Intersection Modification Projects | -- |
| I.99 | Signal Installation Program | -- |

OTHER DEVELOPMENT CHARGE COMPONENT WORKS

| Item # | Description | Property Acquisition Estimated Cost |
|--------|--|--|
| O.1 | Engineering Activities | -- |
| O.2 | Property Acquisitions | \$ 1,800,000 |
| O.3 | Roadside Landscaping Projects | -- |
| O.4 | Contingencies Development Related | -- |
| O.5 | Intelligent Transportation System Projects | -- |
| O.6 | Maintenance Facilities - Sunderland Depot (Roads Portion Only) | \$ 1,333,333 |
| O.7 | Maintenance Facilities - Ajax Depot (Roads Portion Only) | -- |
| O.8 | Maintenance Facilities - Oshawa / Whitby Depot (Roads Portion Only) | \$ 12,666,667 |
| O.9 | Maintenance Facilities - Orono Depot (Roads Portion Only) | -- |
| O.10 | Maintenance Facilities - Scugog Depot (Roads Portion Only) | -- |
| O.11 | Maintenance Fleet Vehicles Capital Allowance (Roads Portion Only) | -- |
| O.12 | Regional Share of Services for Residential Subdivision Development | -- |
| O.13 | Cycling Infill Projects | -- |
| O.14 | Allowance for DC Credits - Seaton Phase 1 Front-ending Agreement - Whites Rd. (Taunton Rd. to Hwy 7) | -- |
| O.15 | Allowance for DC Credits - Seaton Phase 1 Front-ending Agreement - Peter Matthew Dr. (Brock Rd. to Alexander Know Rd.) | \$ 4,700,000 |
| O.16 | Allowance for DC Credits - Seaton Phase 1 Front-ending Agreement - Alexander Knox Rd. (W. Limit of Phase 1 to Brock Rd.) | -- |



May 5, 2023

Mary E. Simpson

Director of Risk Management, Economic Studies & Procurement Division
Regional Finance Department
Regional Municipality of Durham
605 Rossland Road East
Whitby, Ontario, L1N 6A3

RE: 2023 Durham Region Development Charges Review

BILD Comments

The Building Industry and Land Development Association (BILD) submits this correspondence as part of the Region of Durham's 2023 Development Charges Review update.

Throughout this review, BILD has been working in partnership with the Durham Region Homebuilders Association (DRHBA). We thank staff for meeting with our respective members at a joint BILD and DRHBA meeting on April 6th where Regional staff provided a high-level overview of the proposed changes. Following this meeting, BILD and DRHBA submitted a series of memorandums to the Region by our jointly-retained consultants from Altus Group and SCS Consulting. For ease of reference, those correspondences are attached hereto.

We acknowledge that the Region continues to have follow-up meetings with our consultants as we are still working to understand the justification for these alarming increases.

As your community building partners, we look forward to our continued consultations as we review this work in its entirety.

Kind regards,

Victoria Mortelliti, MCIP, RPP
Senior Manager of Policy and Advocacy

CC: BILD's Review Team
 Stacey Hawkins, DRHBA
 Paula Tenuta, MCIP, RPP – BILD
 Members of the BILD Durham Chapter

The Building Industry and Land Development Association is an advocacy and educational group representing the building, land development and professional renovation industry in the Greater Toronto Area. BILD is the largest home builders' association in Canada, and is affiliated

with the Ontario Home Builders' Association and the Canadian Home Builders' Association. It's 1,500 member companies consists not only of direct industry participants but also of supporting companies such as financial and professional service organizations, trade contractors, as well as manufacturers and suppliers of home-related products.

April 24, 2023

Memorandum to: Victoria Mortelliti, BILD
Stacey Hawkins, DRHBA

From: Daryl Keleher, Senior Director
Altus Group Economic Consulting

Subject: Durham Region DC
Our File: P-7014

Altus Group Economic Consulting was retained by BILD and Durham Region Home Builders' Association (DRHBA) to review the Region of Durham's 2023 Development Charge Background Study. This memorandum presents the questions and comments stemming from our initial review.

CHANGES TO PROPOSED DC RATES

The Region's residential DC rates (per single-detached unit or per "SDU") are proposed to increase by 108% or \$41,065 per SDU. The non-residential DC rates are proposed to increase by 49% for industrial, and 70-71% for commercial and institutional. The rates shown in Figure 1 below do not include GO Transit or Regional Transit DC rates.

In year one of the Region's forthcoming DC by-law, the DC rates will be 80% of the calculated DC rate, which would equate to \$63,226 per SDU.

Current and Full Proposed DC Rates, Durham Region

| Service | Current | Full Proposed | Change | % Change |
|---|---------|------------------|--------|----------|
| <i>Dollars per Single-Detached Unit</i> | | | | |
| Water | 12,342 | 26,117 | 13,775 | 112% |
| Sewer | 12,013 | 23,858 | 11,845 | 99% |
| Regional Roads | 12,119 | 26,998 | 14,879 | 123% |
| Regional Police | 936 | 977 | 41 | 4% |
| Long Term Care | 312 | 548 | 236 | 76% |
| Paramedic | 246 | 441 | 195 | 79% |
| Waste Diversion | - | 94 | 94 | n.a. |
| Total | 37,968 | 79,033 | 41,065 | 108% |
| Non-Residential DC Rates | | | | |
| Commercial | 24.25 | 41.48 | 17.23 | 71% |
| Industrial | 13.10 | 19.51 | 6.41 | 49% |
| Institutional | 12.66 | 21.56 | 8.90 | 70% |

Source: Altus Group Economic Consulting based on Durham Region 2023 DC Background Study

QUESTIONS AND COMMENTS

Household, Population and Employment Forecasts

- 1) Each of the Region's 2018 and 2023 DC studies use a 10-year forecast. Compared to the 10-year forecasts in the 2018 DC Study, the forecasts in the 2023 DC Study are 30% lower as expressed on a Gross Population basis, 26% lower on a SDE basis, but only 12% different on a Net Population basis, suggesting that more than half of the decrease is due to significant changes in the forecast change in existing unit population.

Given the above observations (and table below), we have the following questions:

- What is the basis for the Existing Unit Population Change over a 10-year period falling from a decline of 68,454 persons in the 2018 DC Study to a decline of just 15,577 persons?
- That the Region saw less housing built than forecast causing existing PPUs to decline more slowly is only an indication of pent-up demand for new housing, not indicative of a reduced demand for housing going forward, and people remaining in their existing homes for longer than forecast (young adults, etc.). Have the calculated BTEs been estimated to account for the increased usage of Regional infrastructure from existing homes compared to what was forecast in the 2018 DC Study?
- Given that the forecast population growth over the 10-year period is 26-30% lower than in the 2018 DC Study, how has the Region adjusted the scope and funding allocations made in the DC Study between in-period growth and post-period growth? What projects have been delayed or have seen increased funding allocation to post-period benefit?

Figure 1

| 10-Year Forecast Element | 2018 DC Study | 2023 DC Study | % Change |
|----------------------------------|--|---|-------------------------|
| Single-Detached Equivalent Units | With Seaton: 72,667 SDE (Table A-11) | With Seaton: 54,016 SDE (Schedule 2c) | With Seaton: -26% |
| | Without Seaton: 57,884 SDE (Table A-11) | Without Seaton: 43,396 SDE (Schedule 2c) | Without Seaton: -25% |
| Net Population Growth | With Seaton: 182,955 persons (Table A-4) | With Seaton: 161,913 persons (Schedule 2) | With Seaton: -12% |
| | Without Seaton: 132,600 persons (Table A-4) | Without Seaton: not shown | |

| | | | |
|---------------------------------|---|---|----------------------|
| Gross Population in New Units | With Seaton: 251,409 persons (calculated) Without Seaton: 200,275 persons (calculated) | With Seaton: 175,874 persons (Schedule 2) Without Seaton: not shown | With Seaton: -30% |
| Existing Unit Population Change | With Seaton: -68,454 persons Without Seaton: -67,675 persons (difference between Gross and Net populations shown above) | -15,577 persons (Schedule 2) | |

- 2) The PPU assumption of 3.29 persons per unit for singles/semis, which is based on the 20-year historic average does not appear to correspond with the data shows on Schedule 9 of Appendix A, where the respective averages across the four five-year periods are 3.50, 3.53, 3.41 and 3.26, which if they were uniformly distributed would equate to an average PPU of 3.43. The Schedule 8B shows the average based on 20 years, but Schedule 7 shows the 3.286 average calculated based on a 25-year average. Can the Region's consultant clarify what the intended horizon was for calculating PPUs?

Maintenance Facilities

- 3) The 2018 DC Study included \$55.7 million for various maintenance facilities and vehicles, as distributed across the Roads, Water and Sewerage DCs. The 2023 DC Study increases this provision to \$157.7 million (not including costs attributed to Seaton).
- Can the detail behind these capital works be provided, and why the provision for these facilities has increased significantly?

Roads

- 4) Item O.2 shows a stand-alone line item of \$1.8 million for Property Acquisitions, appearing to indicate that each individual road project would have land acquisition costs embedded within the gross costs of each line item.
- Can the Region provide a breakdown of how much assumed property acquisition costs have been included in the gross capital costs, on a project-by-project basis?
 - What land values have been assumed?
 - If the Region receives land via dedication for a DC eligible project for which land acquisition costs have been assumed, will the Region provide a DC credit for the dedication?
- 5) Can the Region provide a breakdown of contingency costs and other adjustments made to base capital cost assumptions?

- 6) Can the rationale for the 0% BTE for several realignment projects be provided?:
- a. project Item 17.1 – Realignment of Regional Road 17 (North of CPR to Concession Rd. 3) including the Widening from 2 to 3 Lanes;
 - b. project 22.8 – Bloor Street - Construct new alignment to 4 lanes, with new CPR grade separation and bridge crossing of Farewell Creek.
 - c. Project 28.4 – Peter Matthews Drive – Construct new alignment to 2 lanes

Water Supply

- 7) There are several projects that involve the demolition of an existing facility and replacement with a new facility for which no BTE is allocated:
- a. Project #301 for a New Liberty St. Zone 1 Reservoir and Demolish Existing Elevated Tank has a capital cost of \$18.7 million, however no costs are allocated to BTE;
 - b. Project #311 for a New Zone 1 Reservoir including Demolition of Existing Reservoir has a capital cost of \$22.5 million with no BTE allocation;
 - c. Can the rationale for the lack of BTE be provided?

By comparison the expansion of the Newcastle WSP (project #310) which includes the demolition of the existing plant has a BTE of 34.5%.

- 8) Why would project #600 (new well for Cannington) have no BTE, but additional water storage for Cannington (project #605) has a BTE of 25%?
- 9) What is the nature of project #700 – “Allowance for Private Well Interference”?
- 10) In total, the gross costs of \$1,679,732,000 are reduced for Post Period Benefit by only \$103,955,000, or 6.2%. Is the expectation that the capacity being constructed to 2033 will utilize 93.8% of the built capacity included in the DC capital program?

Sanitary Sewerage

- 11) For project #500 – Uxbridge WPCP – Optimization Study and Upgrades, can the rationale for assigning none of \$10.6 million in costs to existing development be provided?
- 12) What are the nature of the modifications being done for project #201 (“Modifications at Corbett Creek WPCP”), and should those costs be assigned a consistent amount of Post-Period Benefit (57%) as the expansion of the Corbett Creek WPCP (project #200)?
- 13) There are numerous ‘twinning’ projects which are presumably being planned in-part to provide redundancy to existing sewers, but for which no BTE has been assigned:
- a. Project 103 – YDSS – Primary Trunk Sanitary Sewer Twinning – Pickering (Region Share) - \$50.61 million – 0% BTE
 - b. Project 205 – Expansion of Harmony SSPS and Forcemain Twinning – Oshawa - \$59 million – 0% BTE
 - c. Project 237 – Twinning of Sanitary Sewer from Central Park Blvd. & Hillcroft Street to Beatrice Street, Oshawa - \$4.0 million – 0% BTE

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- d. Project 302 – Twinning of Sanitary Sewer on Spry Avenue from Highway 401 to N/L Spry Ave - \$1.7 million – 0% BTE;

Regional Police

- 14) Can documentation be provided that supports the 120% increase in the cost of police facilities from \$588 per square foot (inclusive of the 75 acres of land valued at \$530,000 per acre) included in the Region's 2018 DC Study to \$1,296 per square foot (including land value)?

Figure 2 **Change in Value of Facilities and Land - Regional Police Services, Durham 2018 and 2023 DC Studies**

| 2018 DC Study - Value of Existing Inventory (2017) | Value | Asset Value | Calculated Value |
|--|--------------|--------------------|-------------------------|
| Land | 75 acres | 530,000 \$/acre | \$ 39,750,000 |
| Total GFA | 448,261 sf | | |
| GFA valued at \$271/sf | 875 sf | 271 \$ / sf | \$ 237,125 |
| GFA valued at \$500/sf | 447,386 sf | 500 \$ / sf | \$ 223,693,000 |
| Total Value (incl. land) | | 588 \$ / sf | \$ 263,680,125 |
| 2023 DC Study - Value of Existing Inventory (2017 values) | | | |
| Total GFA | 442,817 sf | | |
| GFA valued at \$746/sf (incl. land) | 875 sf | 746 \$ / sf | \$ 652,750 |
| GFA valued at \$1296/sf (incl. land) | 441,942 sf | 1,296 \$ / sf | \$ 572,756,832 |
| Total Value | | 1,295 \$ / sf | \$ 573,409,582 |
| % Increase | | | 120% |

Source: Altus Group Economic Consulting based on Durham Region 2023 DC Study

- 15) The footnotes on page H-6 indicate that \$3.1 million of the costs for the North Division Expansion is to “bring serviced water to site”, but that “costs are 100% growth related”. Wouldn't there be existing benefit for the servicing of an existing building even if it is subject to an expansion?
- 16) The 2018 DC Study shows \$14.5 million in debt expected to be issued for the Regional Support Centre (\$10.0 million for 2020-2021) and the Durham North West Seaton facility (\$4.5 million for 2023-2024), while the 2023 DC Study makes no reference to any such debt – does the Region no longer anticipate needing debt to fund those or other facilities?
- 17) While I appreciate that the Region has calculated the Residential DC for police services as if there was 74%/26% res/non-res split, rather than apply 100% of costs to the residential sector, can the Region provide the rationale for why no non-residential DC for police services is being imposed?

18) The 'design' costs for the various new police facilities appear to be inconsistent. For the North Division Expansion the costs for design are \$610,200 (combined) and are \$472,000 for the Central East facility. However, for the Durham North West Seaton facility, the 'design' costs are \$3.86 million, while they are \$3.7 million for the Operations Training Centre. Can the Region provide a breakdown of what is included in the design costs for the Seaton facility and the Training Centre?

Paramedic Services

19) Can documentation be provided that supports the 94% increase in the cost of paramedic facilities from \$631 per square foot (inclusive of the 16 acres of land valued at \$530,000 per acre) included in the Region's 2018 DC Study to \$1,228 per square foot (including land value) in the 2023 DC Study?

Figure 3 **Change in Value of Facilities and Land - Paramedic Services, Durham 2018 and 2023 DC Studies**

| 2018 DC Study - Value of Existing Inventory (2017) | Value | Asset Value | Calculated Value |
|--|--------------|--------------------|-------------------------|
| Land | 16 acres | 530,000 \$/acre | \$ 8,480,000 |
| Total GFA | 73,373 sf | | |
| GFA valued at \$204/sf | 9,100 sf | 204 \$ / sf | \$ 1,856,400 |
| GFA valued at \$560/sf | 64,273 sf | 560 \$ / sf | \$ 35,992,880 |
| Total Value | | 631 \$ / sf | \$ 46,329,280 |
| 2023 DC Study - Value of Existing Inventory (2017 values) | | | |
| Total GFA | 73,411 sf | | |
| GFA valued at \$577/sf (incl. land) | 9,100 sf | 746 \$ / sf | \$ 6,788,600 |
| GFA valued at \$1404/sf (incl. land) | 64,311 sf | 1,296 \$ / sf | \$ 83,347,056 |
| Total Value | | 1,228 \$ / sf | \$ 90,135,656 |
| % Increase | | | 94% |

Source: Altus Group Economic Consulting based on Durham Region 2023 DC Study

20) Can the rationale for assigning no benefit to existing allocation to the South Whitby and Northeast Oshawa paramedic stations be provided?

21) The 2018 DC Study shows \$3.8 million in debt (residential share) expected to be issued for the Additional Paramedic Stations in Clarington, Uxbridge and Northwest Whitby, while the 2023 DC Study makes no reference to any such debt – does the Region no longer anticipate needing debt to fund those or other facilities?

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- 22) The Additional Paramedic Station in Uxbridge is shown in the footnotes to be 'replacing an existing facility', but the costs for the facility include \$1.9 million for 'land and design' – is there a planned land acquisition necessary for the expansion?
- 23) While the Region is not imposing a non-residential DC for Paramedic Services, it has calculated the res/non-res splits for purposes of calculating the residential charge. However, this calculation is done by weighting the population side of the calculation by 3x, which is stated in the DC Study to "reflect increased per capita needs related to age and time spent in residence". Without this 3x factor, the residential share would be 73.5%, instead of the 89%.
- Does this approach reflect true 'risk' in needing paramedic services given that time spent at work (particularly in certain sectors) or travelling for work (particularly on highways) is much riskier than time spent at home?
 - Has the Region collected data on the location and source of paramedic calls and what proportion of them were in-home versus 'at-large' calls?

Long-Term Care

- 24) Can documentation be provided that supports the 175% increase in the cost of long-term care facilities from \$274 per square foot (inclusive of the 33 acres of land valued at \$530,000 per acre) included in the Region's 2018 DC Study to \$755 per square foot (including land value) in the 2023 DC Study?

Figure 4

Change in Value of Facilities and Land - Long-Term Care, Durham 2018 and 2023 DC Studies

| 2018 DC Study - Value of Existing Inventory (2017) | Value | Asset Value | Calculated Value |
|--|--------------|--------------------|-------------------------|
| Land | 33 acres | 530,000 \$/acre | \$ 17,490,000 |
| Gross Floor Area | 723,980 sf | 250 \$ / sf | \$ 180,995,000 |
| Total Value | | 274 \$ / sf | \$ 198,485,000 |
| 2023 DC Study - Value of Existing Inventory (2017 values) | | | |
| Gross Floor Area (incl. land) | 720,911 sf | 755 \$ / sf | \$ 544,287,805 |
| % Increase | | 755 \$ / sf | 175% |

Source: Altus Group Economic Consulting based on Durham Region 2023 DC Study

- 25) Footnote number 2 on page H-16 indicates that the Province approved a 200 long-term care beds in a March 18, 2021 letter to the Region. Can a copy of that letter be provided?

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- 26) The \$35.6 million in grants are based on the calculations summarized on page H-14, where the construction subsidy of \$23.78 per bed per day over a 25-year span was converted to a total subsidy of \$12.2 million, similar to the Construction Subsidy Supplement of \$35 per bed per day over 25-years was converted to a total subsidy of \$18.0 million.
- a. Can the rationale for discounting these grants by 5% per annum over a 25-year period be provided? Are these grants paid out over time, up-front or both? An article in the Globe and Mail indicates that \$15 of the \$35 per day construction subsidy supplement would be payable when construction starts, which if this is the case, the up-front portion of the funds should not be discounted in the manner the remainder of the grants are.¹
 - b. The calculations of \$35.6 million in grants are based on 100 LTC beds being growth-related, but the DC capital program shows a 200-bed LTC home, while the \$35.6 million grants are applied. Should the grant calculations be based on a 200-bed count?

Waste Diversion

- 27) What land value assumption has been made for the various Waste Diversion facilities as incorporated into the \$1,089 per sf blended average of building and land value?
- 28) What costs are included in the \$9.75 million gross capital cost for the Additional Waste Management Facility?

¹ <https://www.theglobeandmail.com/canada/article-ontario-government-more-than-doubles-construction-funding-for-nursing/>

May 2, 2023

Memorandum to: Mary Simpson
Region of Durham

From: Daryl Keleher, Senior Director
Altus Group Economic Consulting

Subject: Changes in Occupancy and Implications for DCs
Our File: P-7014

Introduction

Further to our meeting on April 26, 2023 regarding the Region's 2023 DC Study and in particular questions and comments with respect the population and household forecasts upon which the 2023 DC Study relies, this memorandum provides a written summary of comments regarding whether additional BTE should be allocated to DC eligible works to reflect the increased usage of existing dwellings relative to prior, but recent forecasts (as included in the Region's 2018 DC Study).

Overview of Potential Issue

The issue identified in our memorandum and raised in the April 26 meeting is similar to an issue we have raised elsewhere in Ontario in cases where municipalities with large proportions of seasonal dwellings have seen the proportion of dwelling units used for seasonal/recreational purposes converted to permanent occupancy. As one example, the Town of Wasaga Beach, in 2011, 65% of dwelling units in the Town were occupied permanently. As of the 2021 Census, that proportion has increased to 79.5%.

The result is that as units are being converted to permanent residency, the need to provide year-round services for those now permanently occupied units increases. These units, once permanently occupied, use all of the community facilities on a day-to-day basis, including roads, water supply, wastewater treatment, recreation centres, etc., that the occupants of the housing unit would likely have used differently when used as a seasonal residence.

This trend that sees the increased usage of municipal services and infrastructure through increased occupancy of existing housing units compared to how these infrastructure works were planned, regardless of the source or reason for the increased occupancy, creates issues with the funding of growth-related infrastructure in that the need is greater, but units converted to permanent occupancy, or used more than anticipated in capital planning by other means (such as appears to be the case in Durham) are not subject to DCs, even though the population is growing and generating needs for services.

The steady conversion of seasonal dwellings to permanent occupancy and other factors increasing occupancy of existing units, without an offsetting accounting for that increased usage from existing units, would serve to reduce the amount of net units generating population growth in the 'denominator' of the

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DC calculation and therefore serves to increase DC rates as the capital needs are the same to service the same ultimate population.

In the case of Durham Region, the differences between gross population in new units and net population growth reveals a significant change in the expected occupancy of existing units, necessitating less growth in new units to achieve the ultimate growth planned for in each document:

| | 2018 DC Study | 2023 DC Study | Scenario: 2023 DC Study net population growth with amount of decline in existing units from 2018 DC Study |
|--|------------------|---|---|
| Gross Population in New Units | 251,409 persons | 175,874 persons | 230,367 persons |
| Change in Population in Existing Units | (68,454 persons) | (15,577 persons) | (68,454 persons) |
| Net Population Growth | 182,955 persons | 161,913 persons. | 161,913 persons |
| SDE | 72,667 SDE | 54,016 SDE (where 1 SDE = 3.286 PPU) | Additional 54,493 gross population in new units divided by 3.286 PPU = 16,583 additional SDE Total = 70,599 SDE |

Without accounting for the increased need for service attributed to these existing units through BTE, it would appear that these increased needs are being funded through higher DCs imposed on new housing units, despite the source of that growth not coming from new units (rather, from the relative lack of new units relative to demand).

The capital programs of both the 2018 and 2023 DC Study appear to be based on the 2017 Transportation Master Plan, which presumably would have been based on a breakdown of anticipated growth similar to what was presented in the 2018 DC Study. That distribution of growth, based on the forecasts from the 2023 DC Study forecasts, appears to have changed. However, without compensating changes to how the capital costs are funded, the funding responsibility has shifted even greater to new development.

To the extent that increased occupancy of existing housing units may in part be a function of constrained housing supply relative to demand, if the resulting increased occupancy of existing homes serves to then push some of the anticipated growth-related costs of servicing that population growth onto the remaining net new housing units, this may further exacerbate issues with delivering that housing supply to meet demand, including the unfulfilled demand that may be leading to higher occupancies.

A similar issue would appear to arise in municipalities that have seen forecasted average household size be higher than forecast, whether that be due to older children staying living at home longer than

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expected, an increase in multi-family households, or various other reasons. Similar to the above scenario where seasonal residences are increasingly used for year-round use and generate additional servicing needs not generated by new housing development, the increased use of existing homes also generates additional servicing needs relative to what may have been anticipated for those units in master plans used to determine future servicing needs across the Region.

Similarly, while the population in these existing units may be higher than anticipated in master planning for Regional infrastructure, like in the case of seasonal conversions, where the population in existing units increases, the Region would not receive DCs to respond to this source of population growth. The only way to fund the increased servicing needs from existing homes, without passing those costs of population growth onto new homes, is through property taxes or user rates, which in the calculation of DCs is represented through the deduction for benefit to existing (BTE).

Comparison to Halton Region

In 2022 Halton Region updated its DC study, and made changes to the forecast of population decline in existing homes, which was largely unchanged from what was estimated in their 2017 DC Study, even with a shorter planning horizon from the 2017 DC Study (15 years) to the 2022 DC Study (10 years).

- Can the reasons for the change to the Durham Region estimates be provided?
- Can the reasons why Durham Region's change appears substantially different from the equivalent forecast in Halton Region be provided?

| Timing of DC Study | Durham Region | Halton Region |
|----------------------|---|---|
| 2017/2018 DC Studies | Decline of 68,454 persons from 233,866 units (10 years) = Decline of 0.292 per unit | Decline of 28,153 persons from 205,293 units (2017-2031) = Decline of 0.137 per unit |
| 2022/2023 DC Studies | Decline of 15,577 persons from 255,757 units (10 years) = Decline of 0.061 per unit. | Decline of 27,752 persons from 234,455 units (2022-2031) = Decline of 0.118 per unit |

Conclusions / Questions

Further to above commentary, can the methodology used to calculate the reduced decline in existing unit occupancy be provided?

Based on the above, I look forward to your response to the potential issues raised and discussing this matter further if necessary.

Ms. Mary Simpson

Director of Risk Management, Economic Studies & Procurement
Regional Finance Department
Regional Municipality of Durham
605 Rossland Road East
Whitby, Ontario, L1N 6A3

Dear Ms. Simpson:

**Re: 2023 Regional Development Charge Background Study
Regional Roads, Water Supply, Sanitary Sewerage Infrastructure Review
Regional Municipality of Durham**

On behalf of BILD and the Durham Region Home Builders Association we are pleased to provide you with our comments regarding the infrastructure costs within the March 28, 2023 Regional Development Charge Background Study, prepared by Watson & Associates Economists Ltd.

Our comments are focused specifically on the Regional Roads, Regional Water Supply and Regional Sanitary Sewerage Infrastructure Projects, as follows.

Regional Roads

1. There are a variety of projects, summarized in **Table 1** below, that widen roads from 4 to 6 and 5 to 7 lanes that are planned to be completed between 2030 and 2032 that have a 0% post period benefit. Please review and provide the justification, as it would seem reasonable that these roads would be designed to accommodate growth beyond the 2032 planning horizon.

| TABLE #1 | | | | | | | | |
|---|--------------------------|--|---|-------------------|---------------------|--------|--------|--------|
| DEVELOPMENT RELATED RESIDENTIAL SHARE SERVICE: REGIONAL ROADS | | | | GROSS COST (2023) | POST PERIOD BENEFIT | 2030 | 2031 | 2032 |
| | | | | \$ 000's | % | | | |
| 1.3 | Brock Rd. (Reg. Rd. 1) | Finch Ave. to Taunton Rd. | Widen road from 5 to 7 lanes to add HOV lanes, including structure widening | 68,495 | 0% | 1,072 | 42,871 | 0 |
| 4.1 | Taunton Rd. (Reg. Rd. 4) | Toronto / Pickering Townline Rd. to W. of Twelvetreel Bridge | Widen from 4 to 6 lanes to add HOV lanes | 27,810 | 0% | 5,267 | 0 | 0 |
| 4.2 | Taunton Rd. (Reg. Rd. 4) | W. of Twelvetreel Bridge to Peter Matthews Dr. | Widen from 4 to 6 lanes to add HOV lanes, including structure widening | 56,650 | 0% | 0 | 0 | 0 |
| 4.25 | Taunton Rd. (Reg. Rd. 4) | Peter Matthews Dr. to Brock Rd. | Widen from 4 to 6 lanes to add HOV lanes, including structure widening | 51,706 | 0% | 543 | 0 | 25,359 |
| 4.32 | Taunton Rd. (Reg. Rd. 4) | Lake Ridge Rd. to Brock St. | Widen from 5 to 7 lanes to add HOV lanes | 57,268 | 0% | 17,647 | 0 | 0 |
| 22.1 | Bayly St. (Reg. Rd. 22) | Brock Rd. to Westney Rd. | Widen from 5 to 7 lanes to add HOV lanes, including structure widening | 36,565 | 0% | 411 | 12,321 | 0 |
| 22.25 | Bayly St. (Reg. Rd. 22) | Harwood Ave. to Salem Rd. | Widen from 4 to 6 lanes to add HOV lanes | 19,570 | 0% | 0 | 11,597 | 0 |
| 22.3 | Bayly St. (Reg. Rd. 22) | Salem Rd. to Lake Ridge Rd. | Widen from 4 to 6 lanes to add HOV lanes | 32,239 | 0% | 2,160 | 0 | 18,216 |

2. Please review Project #4.2 Taunton Rd. (Reg. Rd. 4), Table E.1, as it appears that the costs for the project have not been allocated to a yearly forecast but have a residential share allocation of \$33.506 Million.
3. It appears that a significant amount of work has gone into evaluating the allocation of costs between benefit to existing and post period for road widenings, new connections and corridor projects, however, the corresponding intersections have a consistent allocation of 10% benefit to existing and 0% post period. Please review and consider updating the benefit to existing and post period allocations so that they align with the corresponding roads project.

Regional Water Supply

4. Please provide additional information with respect to the cost estimates for the Water Storage & Pumping Station projects, summarized in **Table 2** below. There has been a significant increase in the project costs in the range of 150% to 350%

| TABLE #2 - REGIONAL WATER COMPARISON | | | | | | | |
|--|--|--------------------------|--|--|--------------------------|------------------------------------|----------|
| Table F.1 - Regional Water Supply: Capital Cost Summary: Residential (Year 2023 - 2032) | | | Table F.1 - Regional Water Supply: Capital Cost Summary: Residential (Year 2018 - 2027) | | | Gross Project Cost Increase | |
| Growth - Related Residential Share Service: Water Supply 2023 D.C. Study | | Gross Cost (2023) | Growth - Related Residential Share Service: Water Supply 2018 D.C. Study | | Gross Cost (2018) | | |
| Item # | Description | \$ 000's | Item # | Description | \$ 000's | \$ | % |
| | Pickering / Ajax | | | Pickering / Ajax | | | |
| | Whitby/Oshawa/Clarington (Courtice) | | | Whitby/Oshawa/Clarington (Courtice) | | | |
| | Storage Facility | | | Storage Facility | | | |
| 201 | Expansion of Garrard Rd. Zone 1 Reservoir from 31 ML to 50 ML - Whitby | 40,000 | 202 | Expansion of Garrard Rd. Zone 1 Reservoir from 31 ML to 50 ML - Whitby | 16,700 | 23,300 | 140% |
| 202 | Expansion of Taunton Rd. Zone 2 Reservoir from 13 ML to 27 ML - Oshawa | 43,400 | 203 | Expansion of Taunton Rd. Zone 2 Reservoir from 13 ML to 27 ML - Oshawa | 12,500 | 30,900 | 247% |
| 203 | New Myrtle Rd. Zone 4 Reservoir 13 ML - Whitby | 37,500 | 205 | New Zone 4 storage facility 11 MLD - Whitby | 12,000 | 25,500 | 213% |
| 204 | New Winchester Rd. Zone 4 Reservoir 16 ML - Oshawa | 53,500 | 206 | New Zone 4 storage facility 11 MLD - Oshawa | 12,000 | 41,500 | 346% |
| | Pumping Stations (PS) | | | Pumping Stations (PS) | | | |
| 206 | Expansion of Garrard Rd. Zone 3 PS - Whitby | 5,100 | 207 | Upgrades at Garrard Rd. Zone 3 PS - Whitby | 1,400 | 3,700 | 264% |
| 211 | Expansion of Taunton Rd. Zone 3 PS - Oshawa | 5,000 | 211 | Expansion of Taunton Rd. Zone 3 PS from 27 to 75 MLD - Oshawa | 1,150 | 3,850 | 335% |
| | | | | | | | |
| | Clarington (Bowmanville) | | | Clarington (Bowmanville) | | | |
| | Storage Facility | | | Storage Facility | | | |
| 302 | Expansion of Zone 2 Reservoir from 9 to 18 ML | 22,500 | 302 | Expansion of Zone 2 Reservoir from 9 to 18 ML | 7,850 | 14,650 | 187% |
| | Storage Facility | | | Storage Facility | | | |
| 312 | New Zone 2 Reservoir - Newcastle | 22,500 | 314 | New Zone 2 Reservoir - Newcastle | 6,100 | 16,400 | 269% |
| | Uxbridge | | | Uxbridge | | | |
| | Storage Facility | | | Storage Facility | | | |
| 501 | Expansion of Quaker Hill Reservoir from 2.8 to 5.2 ML - Uxbridge | 11,500 | 501 | Expansion of Quaker Hill Reservoir from 2.8 to 5.2 ML - Uxbridge | 3,820 | 7,680 | 201% |
| | Brock | | | Brock | | | |
| | Storage Facility | | | Storage Facility | | | |
| 605 | Additional Water Storage from 1.4 to 3 ML - Cannington | 10,200 | 606 | Additional Water Storage from 1.4 to 3 ML - Cannington | 3,600 | 6,600 | 183% |
| 606 | New Elevated Tank for Water Storage including Removal of Existing Standpipe - Sunderland | 9,000 | 607 | Additional Water Storage from 1.4 to 3 ML - Sunderland | 3,600 | 5,400 | 150% |

Re: | 2023 Regional Development Charge Background Study
Regional Roads, Water Supply, Sanitary Sewerage Infrastructure Review
Regional Municipality of Durham

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5. Please provide the justification for the elimination of the post period allocation on Project #216 - Zone 1 West Whitby feedermain from Brock St./Victoria St. to Rossland Road – Whitby, between the 2018 and 2023 studies, as the timing for the completion of these works is schedule at the end of the planning period in 2032.
6. Please review and consider applying a post period allocation to new Project #230 - Zone 5 feedermain on Brawley Road from Ashburn Rd. to Simcoe St. N. - Whitby/Oshawa as these works are scheduled for 2032 at the end of the planning period and would appear to benefit growth beyond the planning horizon.

Continued on next page...



7. Please provide additional information with respect to the cost estimates for the following sanitary project, summarized in **Table 3** below, as there has been a significant increase in the project cost in the ranges of 100% to 500%.

Re: | **2023 Regional Development Charge Background Study**
Regional Roads, Water Supply, Sanitary Sewerage Infrastructure Review
Regional Municipality of Durham

File #: 2066
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Page 5 of 5

8. Please provide justification of the removal of the benefit to existing allocation on Project 211
Sanitary sewer on Dundas St. from Des Newman Blvd. to Halls Rd. – Whitby of 10% in 2018.

We look forward to your response on the items noted above and to discussing this matter with you further if required.

Please contact the undersigned if you have any questions or require any additional information.

Sincerely,

SCS Consulting Group Ltd.

Julie Bottos, A. Sc. T.
jbottos@scsconsultinggroup.com

- c. Ms. Victoria Mortelliti - BILD
Ms. Stacy Hawkins - Durham Region Home Builder Association

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May 18, 2023

Victoria Mortelliti
Senior Manager of Policy and Advocacy
Building Industry and Land Development Association
2005 Sheppard Avenue East, Suite 102
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M2J 5B4

**The Regional
Municipality
of Durham**

Finance Department

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N. Taylor, BBA, CPA, CA
Commissioner of Finance

Dear Ms. Mortelliti:

RE: Response to Comments Related to the 2023 Regional
Development Charge Background Study

Thank you for your letter on May 5, 2023 regarding the 2023 Region-wide Development Charge (DC) Study. Please find attached the responses to the various memos included in your letter.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.

A handwritten signature in black ink, appearing to read 'M. Simpson'.

Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

Attachment #1: PDF Document with Responses

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor
G. Muller, Planning Department
M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
S. Hawkins, DRHBA
P. Tenuta, BILD

D. Keleher, Altus Group
J. Bottos, SCS Consulting



May 3, 2023

Daryl Keleher
Senior Director
Altus Group Economic Consulting
33 Yonge Street, Suite 500,
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M5E 1G4

**The Regional
Municipality
of Durham**

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N. Taylor, BBA, CPA, CA
Commissioner of Finance

Dear Mr. Keleher:

RE: Response to Comments Related to the 2023 Regional
Development Charge Background Study

Thank you for your memo dated April 24, 2023, which included several questions on the 2023 Regional Development Charge (DC) Background Study. Please find responses to the questions below.

HOUSEHOLD, POPULATION, AND EMPLOYMENT FORECAST

- 1. The memo asked three questions regarding the forecast change in existing unit population.**
 - a) What is the basis for the Existing Unit Population Change over a 10-year period falling from a decline of 68,454 persons in the 2018 DC Study to a decline of just 15,577 persons?**
 - b) Have the calculated BTEs been estimated to account for the increased usage of Regional infrastructure from existing homes compared to what was forecast in the 2018 DC Study?**
 - c) How has the Region adjusted the scope and funding allocations made in the DC Study between in-period growth and post-period growth? What projects have been delayed or have seen increased funding allocation to post-period benefit?**
- 2. Can the Region's consultant clarify what the intended horizon was for calculating PPUs?**

Regional staff, along with Watson and Associates, are reviewing questions one and two in more detail, based on the subsequent memo received on May 2. A response will be provided as soon as

possible. Both Regional staff and Watsons will be available to meet and discuss further after a formal written response has been provided.

MAINTENANCE FACILITIES

3. Details have been requested regarding the increase in the maintenance facility and vehicle costs, for Water, Sewer, and Roads, between the 2018 DC study and the 2023 DC study.

The 2018 DC Study included an allowance for future maintenance depot expansion. The Region has since completed a Regional Works Depot rationalization study to better define the needs and to determine the most effective and efficient means of operation. The study recommended expansions and relocations of specific facilities, as well as detailed cost estimates. The specific locations and costs have been included in the 2023 DC capital programs for Roads, Water, and Sewer as the costs are to be split evenly among the three service areas.

ROADS

4. Three questions were asked regarding property and acquisition costs.

a) Can the Region provide a breakdown of how much assumed property acquisition costs have been included in the gross capital costs, on a project-by-project basis?

Given the nature of the question, more time is required to extract the data. We will provide the requested information as soon as possible.

It should be noted that the \$1.8 million in item O.2, in the Roads capital program, is a provision for unexpected land acquisition where required and not an inclusion for each project.

b) What land values have been assumed?

A follow up response will be included with the response to 4a).

c) If the Region receives land via dedication for a DC eligible project for which land acquisition costs have been assumed, will the Region provide a DC credit for the dedication?

The Region will not be providing DC credits, but rather the cost of the project would be reduced by the cost of the land acquisition. The result would be that the DC's collected for the land portion would remain in the DC reserve fund and would be included in the reserve fund opening balance for the subsequent DC study. This would have the effect of reducing future DC's.

5. Can the Region provide a breakdown of contingency costs and other adjustments made to base capital cost assumptions?

Given the nature of the question, more time is required to extract the data. We will provide the requested information as soon as possible.

6. Can the rationale for the 0% BTE for several realignment projects be provided?

- a) **Project Item 17.1 – Realignment of Regional Road 17 (North of CPR to Concession Rd. 3) including the Widening from 2 to 3 Lanes.**
- b) **Project 22.8 – Bloor Street - Construct new alignment to 4 lanes, with new CPR grade separation and bridge crossing of Farewell Creek.**
- c) **Project 28.4 – Peter Matthews Drive – Construct new alignment to 2 lanes**

Appendix E, Section 3.3 notes: ““Benefit to Existing Development”, which is the anticipated value of new capital works attributable to existing development. This deduction is assessed on a project-by-project basis and is primarily applicable to reconstruction, rehabilitation and replacement portion of project construction. As an example, in widening an existing 2-lane road to 4 lanes, the construction work may involve either rehabilitation or reconstruction of the two centre lanes. On this basis, the share of the total project cost associated with rehabilitating or reconstructing the existing two centre lanes was calculated and deemed to be beneficial to the existing community.”

Based on the above and the approach Durham has undertaken for several DC Studies, new roads and projects with new road alignments are attributed entirely to growth (vs existing roads and existing road alignments), therefore no BTE is provided. All the

above projects are new and none of the projects require any rehabilitation work to existing infrastructure.

WATER SUPPLY

7. Three questions were asked regarding the Benefit to Existing for projects including the demolition and replacement of an existing facility:

a) Project #301 for a New Liberty St. Zone 1 Reservoir and Demolish Existing Elevated Tank has a capital cost of \$18.7 million, however no costs are allocated to BTE?

The purpose of this project is to service population growth. The existing facility could have remained as-is as the facility remains good condition and is adequate for the existing service population. However, the proposed growth requires a larger storage volume of water and it is not practical to operate the two separate storage facilities. The existing service population did not need this project.

b) Project #311 for a New Zone 1 Reservoir including Demolition of Existing Reservoir has a capital cost of \$22.5 million with no BTE allocation?

The purpose of this project is to service population growth. The existing facility could have remained as-is as the facility remains in good condition and is adequate for the existing service population. The proposed growth requires a larger storage volume of water. In this case it is important to note that the existing reservoir was not at the proper elevation to provide service to the proposed greenfield lands within Pressure Zone 1 of the Newcastle Water system and therefore the existing storage facility cannot reasonably be used to provide service to the new limits of the Pressure Zone 1 of the Newcastle Water system. The existing service population did not need this project.

c) Can the rationale for the lack of BTE be provided?

The existing facilities could have remained as-is as the facility remains in good condition and is adequate for the existing service population. Therefore, we have not included any BTE for these projects.

d) By comparison the expansion of the Newcastle WSP (project #310) which includes the demolition of the existing plant has a BTE of 34.5%?

The Newcastle WSP has a BTE because the poor condition of the existing plant was a major component in the decision to include the replacement of the existing facility with the need for capacity expansion into one new facility.

8. Why would project #600 (new well for Cannington) have no BTE, but additional water storage for Cannington (project #605) has a BTE of 25%?

The 2018 DC included two projects for new wells in Cannington. The first project had a BTE of 98.5% as the primary purpose was to replace some lost water supply capacity. This project is complete and not included in the 2023 DC. The second project from the 2018 DC (#601) is now identified as project #600 and this additional water capacity is entirely for growth. The 2023 DC program continues to show 50% PPB (same as 2018) as the growth and demands in Brock Township have continued to exceed the population forecast but the timing for the full build out of the existing urban area is expected to be beyond 2033.

With respect to water storage (Item 605) our assumptions are as follows:

- Additional water storage will be required for growth.
- The volume of water and the elevations of the storage do not meet the modern design criteria for the existing service population, so there is some BTE to be considered.
- The opposite view is that if there was no growth, the existing standard would stay as-is (e.g., with less than current design criteria).
- As noted above, the growth and demands in Brock Township have continued to exceed the population forecast but the timing for the full build out of the existing urban area is expected to be beyond 2033.
- In our opinion, the allowances for 25% BTE and 25% PPB are fair for this scenario.

9. What is the nature of project #700 – “Allowance for Private Well Interference”?

This allowance is needed to fund the construction of the necessary watermains and service connections required to meet the needs of the Well Interference Policy which is in Appendix C of the Regional DC Background Study.

10. In total, the gross costs of \$1,679,732,000 are reduced for Post Period Benefit by only \$103,955,000, or 6.2%. Is the expectation that the capacity being constructed to 2033 will

utilize 93.8% of the built capacity included in the DC capital program.

With respect to greenfield development areas, the water and sanitary servicing programs are proposing to provide service to 100% of the lands within the existing urban area. This is consistent with our understanding of the needs of the development community and active development applications. All lands within the urban area have approved and / or active Secondary Plans at this time.

In the 2023 DC scenario, all of the land is proposed to be serviced and there is no greenfield population growth proposed within the existing urban area beyond 2033. As noted above, the servicing scenario has assumed that 100% of the lands within the existing urban area need to be serviced.

SANITARY SEWERAGE

11. For project #500 – Uxbridge WPCP – Optimization Study and Upgrades, can the rationale for assigning none of \$10.6 million in costs to existing development be provided?

This is an active project at the WPCP and was included in the 2018 DCBS. The project will increase the service population for the plant from 15,000 to 16,480, which is the 2031 OP projected population. As such, there is no benefit to the existing service population.

12. What are the nature of the modifications being done for project #201 (“Modifications at Corbett Creek WPCP), and should those costs be assigned a consistent amount of Post-Period Benefit (57%) as the expansion of the Corbett Creek WPCP (project #200)?

Sanitary Project 201 is an active project to increase the solids handling capacity to match hydraulic capacity of the plant (84 MLD). This project was identified in the 2018 DC Study. This increase in solids handling capacity has always only been required to accommodate the needs of growth. The project is identified separately to reflect the different timing from the liquid capacity expansion project.

Sanitary Project 200 is for the larger capacity increase at the Corbett Creek WPCP. The magnitude of the capacity increase is 25 MLD (from 84 to 109 MLD) and we estimate that 10.775 MLD (43%) is for growth up to 2033 and the remainder would be available for future growth beyond 2033 (57%) and is deducted as PPB.

13. There are numerous ‘twinning’ projects which are presumably being planned in-part to provide redundancy to existing sewers, but for which no BTE has been assigned:

- a) Project 103 – YDSS – Primary Trunk Sanitary Sewer Twinning – Pickering (Region Share) - \$50.61 million – 0% BTE.**
- b) Project 205 – Expansion of Harmony SSPS and Forcemain Twinning – Oshawa - \$59 million – 0% BTE.**
- c) Project 237 – Twinning of Sanitary Sewer from Central Park Blvd. & Hillcroft Street to Beatrice Street, Oshawa - \$4.0 million – 0% BTE.**
- d) Project 302 – Twinning of Sanitary Sewer on Spry Avenue from Highway 401 to N/L Spry Ave - \$1.7 million – 0% BTE.**

All of these sanitary sewers are being twinned in order to provide more sanitary sewer capacity for growth. There is no BTE applied for any benefits related to redundancy or security. Some specific notes for each item are as follows:

#103 – YDSS Primary Trunk Twinning. Significant growth is planned in York Region, Pickering, and Ajax. The existing sanitary sewer needs to be twinned are required for development to continue. The existing service population does not directly benefit from the new sewer pipe. The new development does not pay for any redundancy that the existing sanitary sewer provides once the pipe is twinned. The timing and need for the twinned primary trunk sanitary sewer is close in time and it makes sense to time all of the rehabilitation work in the existing sanitary sewer to take place as soon as the new sewer is available. All rehabilitation work in the existing primary trunk sanitary sewer is funded by user rates with no DC component.

#205 - Expansion of Harmony SSPS and forcemain twinning, Oshawa. Growth in Oshawa will exceed the capacity of the existing Harmony Sanitary Sewage Pumping Station and Forcemain. The pumping station capacity needs to be increased and the forcemain needs to be twinned. There is no benefit to the existing service population and if there was no growth the pumping station and forcemain would remain as-is.

#237 - Twinning of sanitary sewer from Central Park Blvd N. & Hillcroft St. to Beatrice St., Oshawa is being proposed to provide service to the significant intensification area located along the east and west side of Simcoe Street North between Beatrice Street and

Taunton Road. There is no benefit to the existing service population and if there was no growth this item would not be required.

#302 - Twinning of sanitary sewer on Spry Ave. from Highway 401 to N/L Spry Ave. is being proposed to increase sanitary sewer capacity for a section of the sanitary sewer near the Bowmanville Creek valley. This is required for the growth within the Brookhill Secondary Plan Area and to support intensification on the west side of the Bowmanville downtown area. There is no benefit to the existing service population and if there was no growth this item would not be required.

REGIONAL POLICE

14. Can documentation be provided that supports the 120% increase in the cost of police facilities from \$588 per square foot (inclusive of the 75 acres of land valued at \$530,000 per acre) included in the Region's 2018 DC Study to \$1,296 per square foot (including land value)?

The breakdown between construction costs and land costs (per sq. ft) are provided below. Both the land and the construction costs are based on estimates from recent projects.

| | |
|--------------------------------|---------------|
| Construction (main facilities) | \$1200/sq. ft |
| Construction (airport hanger) | \$650/sq. ft |
| Land | \$96/sq. ft |
| Weighted Total | \$1295/sq. ft |

15. The footnotes on page H-6 indicate that \$3.1 million of the costs for the North Division Expansion is to "bring serviced water to site", but that "costs are 100% growth related". Wouldn't there be existing benefit for the servicing of an existing building even if it is subject to an expansion?

The costs for the North Division Expansion include only the costs associated with the expansion portion. The cost to bring serviced water to the site is being triggered by the expansion and would not be undertaken if the expansion was not being completed.

16. The 2018 DC Study shows \$14.5 million in debt expected to be issued for the Regional Support Centre (\$10.0 million for 2020-2021) and the Durham North West Seaton facility (\$4.5 million for 2023-2024), while the 2023 DC Study makes no reference to any such debt – does the Region no longer anticipate needing debt to fund those or other facilities?

The Region has changed how it approaches the treatment of debt in the DC cash flow tables. Rather than breaking out the debt portion, the debt costs have been calculated based on the year-end balances, whereby deficits would be allocated interest costs. The net result is the same under both approaches and addresses debt timing concerns provided by the DRHBA in the 2018 DCBS review.

17. Can the Region provide the rationale for why no non-residential DC for Police Services is being imposed?

The Region's long-standing policy has been not to impose soft service DC's (e.g. Police, Paramedic, etc) on non-residential development. This has no impact on the residential DC's as the non-residential portion of the soft services is funded by the Region from non-DC sources.

18. The 'design' costs for the various new police facilities appear to be inconsistent. For the North Division Expansion the costs for design are \$610,200 (combined) and are \$472,000 for the Central East facility. However, for the Durham North West Seaton facility, the 'design' costs are \$3.86 million, while they are \$3.7 million for the Operations Training Centre. Can the Region provide a breakdown of what is included in the design costs for the Seaton facility and the Training Centre?

The Seaton Facility and the Operations Training Centre represent large facilities that require a large amount of detailed design work. The North Division expansion is a much smaller project and does not require the same level of design work. The design work for the Central East Facility represents pre-consultation design.

PARAMEDIC SERVICES

19. Can documentation be provided that supports the 94% increase in the cost of paramedic facilities from \$631 per square foot (inclusive of the 16 acres of land valued at \$530,000 per acre) included in the Region's 2018 DC Study to \$1,228 per square foot (including land value) in the 2023 DC Study?

The breakdown between construction costs and land costs (per sq. ft) are provided below. Both the land and the construction costs are based on estimates from recent projects.

| | |
|-----------------------------------|---------------|
| Construction (main facilities) | \$1300/sq. ft |
| Construction (storage facilities) | \$474/sq. ft |
| Land | \$104/sq. ft |
| Weighted Total | \$1299/sq. ft |

20. Can the rationale for assigning no benefit to existing allocation to the South Whitby and Northeast Oshawa paramedic stations be provided?

The South Whitby and Northeast Oshawa stations are new facilities being provided to meet the demands of growth and are not replacing existing facilities. Therefore, no BTE has been included, consistent with the Region's approach of applying BTE only to the replacement portion of a new facility expansion.

21. The 2018 DC Study shows \$3.8 million in debt (residential share) expected to be issued for the Additional Paramedic Stations in Clarington, Uxbridge and Northwest Whitby, while the 2023 DC Study makes no reference to any such debt – does the Region no longer anticipate needing debt to fund those or other facilities?

See response to Question 16.

22. The Additional Paramedic Station in Uxbridge is shown in the footnotes to be 'replacing an existing facility', but the costs for the facility include \$1.9 million for 'land and design' – is there a planned land acquisition necessary for the expansion?

Yes, land acquisition is planned for this new facility, in a new location, and this land acquisition has been triggered by growth. The current space is leased and cannot accommodate future growth.

23. Two questions were asked with respect to the Region's methodology for determining the res/non-res splits, specifically regarding the Region's practice of applying a 3x factor to residential:

a) Does this approach reflect true 'risk' in needing paramedic services given that time spent at work (particularly in certain sectors) or travelling for work (particularly on highways) is much riskier than time spent at home?

Yes, we believe this is the correct approach as the majority of paramedic calls are residential in nature.

b) Has the Region collected data on the location and source of paramedic calls and what proportion of them were in-home versus 'at-large' calls?

Yes, the Region does collect data on paramedic calls received. The table below provides the share of residential and non-residential calls, based on the most recent data (2022).

| | | |
|-----------------------|--------|--------|
| Residential Calls | 53,595 | 93.66% |
| Non-residential Calls | 3,629 | 6.34% |
| Total | 57,224 | |

LONG-TERM CARE

24. Can documentation be provided that supports the 175% increase in the cost of long-term care facilities from \$274 per square foot (inclusive of the 33 acres of land valued at \$530,000 per acre) included in the Region's 2018 DC Study to \$755 per square foot (including land value) in the 2023 DC Study?

The breakdown between construction costs and land costs (per sq. ft) are provided below. Both the land and the construction costs are based on estimates from a current project.

| | |
|--------------|--------------|
| Construction | \$725/sq. ft |
| Land | \$30/sq. ft |
| Total | \$755/sq. ft |

25. Footnote number 2 on page H-16 indicates that the Province approved a 200 long-term care beds in a March 18, 2021 letter to the Region. Can a copy of that letter be provided?

The letter from the Province is not a public document and can not be provided. However, a copy of the latest Council report on the Seaton LTC Home has been attached with this letter.

26. Two questions were asked regarding the calculation of the grants included in the capital tables:

a) Can the rationale for discounting these grants by 5% per annum over a 25-year period be provided? Are these grants paid out over time, up-front or both? An article in the Globe and Mail indicates that \$15 of the \$35 per day construction subsidy supplement would be payable when construction starts, which if this is the case, the up-front portion of the

funds should not be discounted in the manner the remainder of the grants are.

Both the Construction Subsidy and the Construction Subsidy Supplement are paid out in annual installments over a 25-year period. There was an option to receive the subsidy up front, however it would have been provided at a highly discounted rate. The 5 per cent discount rate is an estimate and is consistent with the interest on debt assumption included in the cash flow tables.

b) The calculations of \$35.6 million in grants are based on 100 LTC beds being growth related, but the DC capital program shows a 200-bed LTC home, while the \$35.6 million grants are applied. Should the grant calculations be based on a 200-bed count?

The grant is based on a 100-bed count as that is the amount that is attributable to growth. The grant is being applied only to the growth share as the cost of the growth share is what forms the basis of the LTC DC.

WASTE DIVERSION

27. What land value assumption has been made for the various Waste Diversion facilities as incorporated into the \$1,089 per sf blended average of building and land value?

The breakdown between construction costs and land costs (per sq. ft) are provided below. Both the land and the construction costs are based on estimates from recent projects.

| | |
|----------------|---------------|
| Construction | \$925/sq. ft |
| Land | \$164/sq. ft |
| Weighted Total | \$1089/sq. ft |

28. What costs are included in the \$9.75 million gross capital cost for the Additional Waste Management Facility?

The costs for the new Waste Management Facility are broken out in the capital tables in Appendix H of the Background Study. The cost breakdown has also been provided below. Please note that this project does not include any land acquisition costs as this project is anticipated to be constructed on land provided by the Province.

| Component | Year | Gross Cost |
|--------------|------|--------------------|
| Design | 2025 | \$1,000,000 |
| Construction | 2025 | \$3,500,000 |
| Construction | 2026 | \$4,500,000 |
| Equipment | 2026 | \$750,000 |
| Total | | \$9,750,000 |

If you have any further questions or comments, please email me at mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

Attachment #1: Report 2022-COW-32 Regarding Seaton LTC Home

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor
G. Muller, Planning Department
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
J. Cook, Watson & Associates Economists Ltd
V. Mortelliti, BILD
S. Hawkins, DRHBA
T. Do Couto, Minto

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2304



The Regional Municipality of Durham Report

To: Committee of the Whole
From: Commissioner of Finance, Commissioner of Works and
Commissioner of Social Services
Report: #2022-COW-32
Date: December 14, 2022

Subject:

Time-Limited Construction Funding Subsidy Supplement - Update on the Proposed Long-Term Care Home in the City of Pickering

Recommendation:

That the Committee of the Whole recommends to Regional Council that:

- A) A Statement of Readiness to proceed with construction under the Long-Term Care Home Capital Development Funding Policy, 2022 be executed for additional capital funding from the Ministry of Long-Term Care to build an expedited 200-bed long-term care home in Seaton, City of Pickering;
 - B) That the updated overall capital cost estimate for the new long-term care home in North Pickering of \$126,025,000 be approved, with a financing plan to be provided as part of the 2023 Business Plans and Budget;
 - C) That the budget of \$9,900,000 be approved for the retention of architectural design and contract administration services, with financing to be provided at the discretion of the Commissioner of Finance; and
 - D) That the Commissioner of Finance and CAO be authorized to execute any contracts and waive any Regional policy requirements to facilitate an expedited construction approach, with actions summarized at significant milestones to Council.
-

Report:

1. Purpose

- 1.1 The purpose of this report is to provide information and seek approval from Regional Municipality of Durham (Region) Council on an intent and desire to continue to advance the next steps related to the Region's successful application for a 200-bed long-term care (LTC) home in Seaton, within the City of Pickering including endorsement of the project estimate, retention of architectural design and contract administration services and approval to execute the Statement of Readiness with the provincial government.

2. Background

- 2.1 In response to the window of interest opened by the Ministry of Long-Term Care (MLTC) in 2019 for the creation of 15,000 new long-term beds in Ontario within the subsequent five-year period, the Region prepared a detailed application for a new 200-bed long-term care home in Seaton, located along Whitevale Road west of Brock Road. The design of the proposed 200 bed new long-term care home in the application considered the challenges associated with an aging population that can be difficult to place.
- 2.2 On March 18, 2021, the Ontario Government announced a further investment of \$933 million in 80 new LTC projects to add 7,510 new beds and upgrade 4,197 beds. On the same date, the Minister of Long-Term Care advised the Region that the Ministry of Long-Term Care (MLTC) will allocate 200 long-term care beds to the Region's Pickering Project.
- 2.3 In November 2021, Regional Council approved Report #2021-COW-30, directing staff to continue to advocate for additional funding from the Province, advance the development of the business case, and report back to Council in advance of the execution of the Development Agreement with the Province.
- 2.4 CAO's office staff worked with AdvantAge Ontario, the association representing not-for-profit and municipal senior care, to compare the projected costs with construction of new long-term care homes across the province. It was determined that the cost of the proposed long-term care facility in Pickering is in line with other municipally operated homes in Ontario.
- 2.5 At the August 2022 Association of Municipalities of Ontario (AMO) conference, a Regional delegation met with the Minister of Long-Term Care to advocate for

additional funding to address rising project costs due to construction cost escalations and changes in infection prevention and control (IPAC).

3. Previous Reports and Decisions

- 3.1 In June 2019, Regional Council approved Report #2019-SS-7, authorizing the Regional Chair and Regional Clerk to sign the application for submission to the MLTC indicating the Region's endorsement of the application to build a new 200-bed Long-Term Care Home in North Pickering and its acceptance of the terms and conditions as outlined in the Long-Term Care Home Development and Redevelopment Application Declaration and Application Form.
- 3.2 In April 2021, Regional Council received Report #2021-INFO-37, advising Regional Council of the allocation for 200 long-term care beds to the Region, subject to the approval by the Ministry of Long-Term Care of the project and meeting all conditions and requirements as set out in the Long-Term Care Homes Act 2007 with respect to licensing and operation of the beds and other conditions to be stipulated by the Ministry.
- 3.3 In June 2021, Regional Council approved Report #2021-COW-17, authorizing staff to advance the preliminary work outlined in the report to inform the business case related to the Seaton Long-Term Care Home at an estimated cost of \$280,000 with financing to be provided at the discretion of the Commissioner of Finance.
- 3.4 In November 2021, Regional Council approved Report #2021-COW-30, which provided updated project cost estimates for the Seaton long-term care facility construction and directed staff to continue to advocate for additional funding from the Province, advance the development of the business case, and report back to Council in advance of the execution of the Development Agreement with the Province.

4. Ongoing Tasks and Updated Capital Cost Estimate

- 4.1 As approved in Report #2021-COW-17, to inform the business case, staff completed the following studies:
 - Geotechnical investigations
 - Environmental Site Assessments/Impact Studies
 - Topographical and legal survey work

- Arborist reviews
- Preliminary assessment and costing for mandatory base design requirements and IPAC design enhancements (COVID impacts)
- Energy and GHG feasibility studies
- Other reviews as deemed necessary
- Community consultation

- 4.2 The initial construction estimate presented in the application to the MLTC for the facility was \$67.610 million (excluding a provision of \$14.875 million for land). The estimate, based on 2018 values, was built around the design concept of the recently constructed Fairview Lodge, in the Town of Whitby (Whitby), but adjusted for the planned 200-bed capacity.
- 4.3 This initial estimate had been refined as a part of the business case development to reflect construction cost escalations, changes in infection prevention and control (IPAC) best practices and other standards resulting from the pandemic, and design changes for measures to reduce operational carbon emissions through enhanced energy efficiency that were not reflected in the application's initial capital cost estimate. Report #2021-INFO-115 in the November 5, 2021, Council Information Package speaks in greater detail to the current economic trends impacting construction costs.
- 4.4 Updated project costing was received in June 2022 to ensure the cost of the project was in line with inflation currently being experienced. The cost reported in Report #2021-COW-30 for the 16-bed IPAC design that included zero GHG options and readiness totalled \$110.44 million. The updated costing based on the same assumptions and reflecting forecasted pricing to Q1 of 2024 is \$123.96 million. As outlined in Section 9 of this report this budget estimate increases by \$2.07 million to \$126.03 million to accelerate project delivery to meet the required provincial timing.

5. Construction Funding Subsidy Enhancements and Top Ups Available for Capital

5.1 Development Grants

- a. Total Development Grants from the Province are estimated at \$10,525,200. This includes a one-time planning grant provided by the MLTC in the amount of \$250,000 and a development grant of \$51,376 per bed (total of \$10,275,200).

5.2 Construction Funding Subsidy

- a. Construction funding subsidy is currently provided by the MLTC at a rate of \$23.78 per bed per day for a 25-year period. The Region would expect to receive an annual subsidy of approximately \$1,735,940 per year or \$43,398,500 over the 25-year period regardless of the build option chosen. This funding would be applied to the repayment and debt servicing costs of approximately \$24.6 million in debenture capital financing.

5.3 Construction Funding Subsidy Supplement (CFS-S)

- a. On November 25, 2022, the Ontario government announced that it will be implementing a fixed, time-limited construction funding subsidy supplement to support the cost of developing or redeveloping a long-term care home. It was noted that this additional funding will help fast-track the construction of new long-term care beds before August 31, 2023, recognizing the shift in the economic environment since the release of the Long-Term Care Home Capital Development Funding Policy, 2020.
- b. Under this program the province is offering up to an additional \$35 per bed per day for a 25-year period based on certain construction timelines being met. The Region could expect to receive up to an additional \$2,555,000 per year or \$63,875,000 over the 25-year period. Similar to the existing Construction Funding Subsidy, this incremental funding would be applied to the repayment and debt servicing costs of approximately \$36.2 million in debenture capital financing.
- c. Eligible not-for-profit operators, including the Region of Durham, can also request to convert up to \$15 per bed per day of the \$35 per day, per bed CFS top-up to a CFS Construction Grant. Any amount converted to a CFS Construction Grant is discounted to net present value and would be

deducted from the \$35 per day per bed CFS supplement. The CFS Construction Grant may be used for eligible construction costs, eligible land costs and development charges as well as indirect costs such as building permits, architect and professional fees, financing, site survey, etc.

- d. Given the current economic climate the discount factor applied by the Province when converting a portion of the CFS top-up to a CFS Construction Grant is significant and based on information currently available and the Region's current situation this may not be in the Region's best interests. Staff will advise Regional Council should additional information and context change, and the Region opt to convert a portion of the CFS top-up to a CFS Construction Grant.

5.4 The following table summarizes the current provincial funding available for the new long-term care home and the estimated balance to be funded by the Region including the associated estimated annual debt servicing costs.

| | Capital | Estimated Annual Debt Servicing Cost |
|---|--------------------|--------------------------------------|
| Total Estimated Capital Cost (excluding land) | 126,025,000 | |
| Provincial Funding: | | |
| Upfront Provincial Development Grant | 10,525,200 | |
| Debenture - funded by Construction Funding Subsidy | 24,600,000 | 1,735,940 |
| Debenture - funded by new Construction Funding Subsidy Supplement | 36,200,000 | 2,555,000 |
| Subtotal Provincial Funding | 71,325,200 | 4,290,940 |
| Balance to be Funded by the Region: | | |
| Debenture | 54,699,800 | 5,226,900 * |
| Total Financing | 126,025,000 | 9,517,840 |

* a portion of this debt servicing costs may be eligible for funding from development charges

5.5 A final financing strategy will be included in the 2023 Business Plans and Budget that considers debt, development charges and available reserve/reserve funds for Council's consideration.

6. Operational Costs

- 6.1 Preliminary annual operating costs are estimated at between \$50 million and \$55 million with provincial and resident funding covering approximately 55 per cent of these costs. The balance of the net operating costs, estimated at between \$22.5 million and \$24.8 million, would need to be funded from annual property taxes which approximates an increase on the levy of between 3 per cent and 4 per cent. This increase would likely be phased in over the two years leading up to operations.
- 6.2 The energy efficiency measures included in the proposed facility design will reduce exposure to energy price volatility moving forward and reduce the future carbon tax obligations related to the operation of this facility.

7. Eligibility and Requirement for CFS Top-up

- 7.1 Eligibility period for the CFS supplement (top-up) is between April 1, 2022, and August 31, 2023.
- 7.2 To be considered for this funding, the Region will be required to:
- a. Declare intent to obtain approval to construct by completing a **Statement of Readiness** to be submitted to the ministry by December 20, 2022;
 - b. Complete the requirements under the Development Agreement and obtain approval to construct between April 1, 2022, and August 31, 2023; and
 - c. Be ready to start construction of the project in accordance with the project application, any applicable project approval, and the project development agreement by August 31, 2023.

8. Accelerated Construction Required

- 8.1 For the Region to meet the construction readiness requirement of August 31, 2023, the procurement, design and tendering process timelines must be significantly accelerated. The MLTC typical approval timeframe for development agreements is 30 days, meaning that the following work must be completed and be ready to submit to the MLTC no later than July 31, 2023:
- a. Completed design and construction documents;
 - b. Competitive public tender; and

- c. the Region's request to commence construction, including supporting documentation (site plan approval, building permits, etc.).
- 8.2 To determine the feasibility of achieving this accelerated timeframe, the Region reviewed and evaluated the construction delivery methods available against the requirements. Four options were considered:
 - a. Integrated Project Delivery (IPD), an approach that involves the owner, designer and contractor working together collaboratively from the onset of the project, aligned by a single contract.
 - b. Design Build, an approach where the owner works with a design-builder who takes on the role of both architect and general contractor, with design and construction completed in overlapping phases, decreasing overall project timeframes.
 - c. Design Bid Build, (Traditional design) where the design and tendering process are separate and sequential. This is the typical model for the many Regional construction projects. Construction starts after a fixed price through tendering is received for the project.
 - d. Construction Management contract, an approach where a third party is hired (typically a Contractor) by the owner to oversee the construction of the project, including tendering the work in stages through competitive bidding. The owner typically issues an RFP that includes the preliminary schematic designs to procure the Construction Manager, and they will work together to complete the final detailed designs. There is no firm total project cost with this approach until tendering is complete. The Region has complete and unfettered insight into the contractor's and subcontractors' costs.
- 8.3 The MLTC does not accept IPD or Design Build construction contracts for long-term care builds. The only options left to evaluate are the traditional design bid build approach and the construction management approach.
- 8.4 The design bid build approach, or the CCDC 2 Stipulated Price (Construction) Contract typically has a 17-month timeframe for the design and approval phase, followed by the construction phase. All phases are competitively bid, which increases the timeframe to accommodate the procurement process. Although the Region is very familiar with this approach, it cannot be considered for the North Pickering project given the August 31, 2023, deadline to be construction ready.

8.5 The only other form of contract accepted by MLTC is the Construction Manager approach that is based on the CCDC 5B Construction Management Contract. This approach can be accelerated under certain conditions, and by using Early Work Tendering (site services, rough grading, electrical and communication duct banks, excavation and backfilling, concrete foundations), there is a potential to have construction commence within seven months after the start of the design. MLTC have confirmed that this would satisfy the requirements for the 2022 CFS Top Up. To meet the August 31, 2023 “construction ready” requirement, an extremely aggressive schedule would be necessary, reducing the traditional 17-month procurement, design and approval process to 7 months. There are requirements and deadlines that must be met to achieve the accelerated timelines as follows:

- a. January 2023:
- b. The RFP for the Architectural Consultant must be issued by January 3, 2023 and must be awarded by January 31, 2023.
- c. February 2023:
- d. On February 8, 2023, the Region must:
- e. Issue a Letter of Intent to the Architectural Consultant to start work on the project. The Architectural Consultant's schematic design work would commence immediately and must be completed by April 7, 2023. To achieve this, dedicated Regional staff from Works (1 FTE) and Social Services (1 FTE) must be assigned to this project full time to work collaboratively with the Architectural Consultant, and must be authorized to make quick design decisions to keep advancing the work.
- f. Commence the development of Supplementary General Conditions for the CCDC 5B contract which is new to the Region. The drafting of these conditions must be completed by April 3, 2023.
- g. March 2023:
- h. Construction Manager RFP is developed.
- i. Site Plan Application is developed.
- j. Design work ongoing.
- k. Supplemental General Condition development ongoing.

- l. Work with City of Pickering staff to develop an expedited review schedule for the Site Plan Application and issuance of a Partial Building Permit.
- m. April 2023:
- n. By April 10, 2023, the Region must:
- o. Submit the Preliminary Plan Submission to the MLTC for comment. The commenting period for MLTC has a 30-day turnaround; meaning that comments would be expected by May 8, 2023.
- p. Submit a formal request to the MLTC for approval of the Early Works Tendering process, with approval expected by May 8, 2023.
- q. Submit the Site Plan Application to the City of Pickering for approval, which must be received no later than June 9, 2023.
- r. Issue the Construction Manager RFP, which will close May 1, 2023. The letter of intent must be issued by May 9, 2023, to onboard the Construction Manager.
- s. May 2023:
- t. By May 19, 2023, the Region must:
- u. Submit Working Drawings for the Early Works packages to the MLTC for comments. With the 30-day turnaround, comments will be expected by June 16, 2023.
- v. Submit the Partial Building Permit application to the City of Pickering for the Early Works packages. The Partial Building Permit will be required by July 14, 2023.
- w. June 2023:
- x. By June 16, 2023, the Construction Manager must issue the Early Work Tendering construction document subcontractor packages for pricing, with quotations to be received by July 14, 2023.
- y. By July 21, 2023, the Construction Manager updates the construction estimates based on the tendering received and provides this information to the Region.

- z. July 2023
 - aa. By July 31, 2023, the Region must submit to the MLTC, requesting approval to construct:
 - bb. the Construction Manager's bid results for only one Early Works subcontractor package including the Region's Initial Estimate of Costs;
 - cc. the Region's proof of public advertising for the Early Works Tendering and Construction Manager RFP along with the evaluation of the proponent submissions in that process;
 - dd. Partial Building Permits for the Early Work;
 - ee. Construction Manager proof of bonding and insurance; and
 - ff. the Region's operational plan.
- 8.6 In this accelerated process, only the front end of the procurement, design and Early Work Tendering process is expedited. This schedule, if achieved without any delay, will allow the Region to meet the timeframe of August 31, 2023, required to secure the additional CFS funding. The construction period will reflect that of traditional project delivery, with occupancy of the facility in late 2025.
- 8.7 The accelerated construction schedule will require quick decision making to remain on schedule. Dedicated staff from Works, Social Services, Finance and Legal will be required at various stages of this project to meet the demands of this approach. Works staff will be involved in the project full time from its initiation to completion, and Social Services staff's role will reduce as the project moves into construction. Resourcing impacts will need to be considered and addressed to manage the accelerated process. Staff at the City of Pickering will also need to be fully engaged and available to expedite all approvals necessary to meet the accelerated schedule.

9. Premiums to Accelerate Project Work

- 9.1 Updated project costing was received in June 2022 to ensure the cost of the project was in line with inflation currently being experienced. The cost reported in Report #2021-COW-30 for the 16-bed IPAC design that included zero GHG options and readiness totalled \$110.44 million. The updated costing based on the same assumptions and reflecting escalation to Q1 of 2024 is \$123.96 million.

- 9.2 Architectural fees for a project are typically set at 6 per cent of the project's construction value. As the project acceleration relates to the design process exclusively, and the need for the Architectural Consultant's team to produce multiple bid packages, a premium on this work is expected. It is anticipated that the design costs for the accelerated Construction Manager model will be in the 9 per cent of construction value range, adding approximately \$3.36 million to the updated June 2022 estimate.
- 9.3 Although the duration of construction is not accelerated, the Construction Manager does take on additional roles as the tender time period for subcontractor work is divided over multiple stages. The typical premium for a project delivered under this approach is 1 per cent of the construction cost. Under an accelerated scenario, that premium will add approximately \$1.04 million to the updated June 2022 estimate.
- 9.4 Given that the tender time period will occur prior to Q1 2024 due to the accelerated timelines, escalation costs previously included in the June 2022 estimate will not be incurred, and a reduction to that estimate of \$2.33 million can be expected.
- 9.5 The net result of the accelerated Construction Manager approach is an increase of \$2.06 million to the updated June 2022 estimate, resulting in a revised estimated project cost of \$126.025 million.
- 9.6 In order to meet the aggressive timelines set by the Province for the additional funding it is recommended that staff retain architectural design and contract administration services at an estimated cost of \$9.9 million to be financed at the discretion of the Commissioner of Finance.

10. Risks and Uncertainties:

- 10.1 As with any project of this scope, there are several risks to be considered. Because of the significant time pressures related to the Ministry funding requirements, the most significant risk involves failing to meet the required time frames. As noted in Section 8.5 of the report, the timeframe outlined reflects a very aggressive approach where even minor slippage in the schedule can have significant impacts to achieving the deadline. The Region may have to incur additional costs both to keep the project on schedule and may not be eligible for the enhanced funding due to not meeting the requirements. Should this occur, the Region would make all attempts to get extensions to any components that are resulting from project milestone dates. If an extension is not granted and

timeframes are not met, the incurred costs would have to be covered by the Region. If it is the Region's goal to provide the additional new beds, the costs would have to be incurred regardless (except the expedited cost).

- 10.2 Other risks revolve around cost uncertainties due to the type of contracting method as noted in Section 8.2 (d). Staff will work closely to mitigate impacts of this different type of contract delivery. Until the full project tenders for all components are in, there will be uncertainty in the final project costs. Staff will report at significant milestones to keep Council apprised.
- 10.3 It is also worth noting that the operating impact once the facility opens are currently estimates and the cost of borrowing will not be known until the time of debenture issuance in the marketplace. There are reports that are required when debt is issued to keep Council informed.

11. Relationship to Strategic Plan

- 11.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. Goal #2 – Community Vitality
 - b. Support a high quality of life for all through human services delivery.
 - c. Goal #5 – Service Excellence:
 - Optimize resources and partnerships to deliver exceptional quality services and value.
 - Collaborate for a seamless service experience.
 - Drive organizational success through innovation, and skilled workforce, and modernized services.

12. Conclusion

- 12.1 As noted within the recommendation, staff are seeking approval to complete a Statement of Readiness to submit to the Ministry of Long-Term Care for the Region to take advantage of this time-limited construction funding subsidy supplement along with all necessary delegated approvals to comply with the Ministry requirements. The supplement will support the carrying costs for a debenture of approximately \$36.2 million additional funding to the project.

- 12.2 This supplement would allow the project to proceed but will result in the requirement to onboard operating cost impacts in a range of 3 to 4 percent additional on the levy to bring on the increased service level of 200 additional long-term care beds. There will also be short term resourcing challenges to accomplish the accelerated commencement of construction. The additional capital construction funding subsidy is a critical step to accomplish the needed additional long-term care beds in Durham.

Respectfully submitted,

Original signed by

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance/Treasurer

Original signed by

John Presta, P.Eng., MPA
Commissioner of Works

Original signed by

Stella Danos-Papaconstantinou
Commissioner of Social Services

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair
Chief Administrative Officer



May 17, 2023

Daryl Keleher
c/o Building Industry and Land Development Association (BILD)
2005 Sheppard Ave. E.
Suite 102
Toronto, Ontario M2J 5B4

Dear Mr. Keleher:

**The Regional
Municipality
of Durham**

Finance Department

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N. Taylor, BBA, CPA, CA
Commissioner of Finance

**RE: Follow-up Response to Comments Related to the 2023 Regional
Development Charge Background Study**

Thank you for your follow-up memo dated May 2, 2023, which included follow-up questions on the growth forecast contained in the 2023 Regional Development Charge (DC) Background Study. Please find below the responses to these questions from the Region's DC consultant, Watsons and Associates Economists.

In addition to the responses from your follow-up memo, we have also included responses to the outstanding Regional Roads program questions that you had included in your original memo (dated April 24). These responses have also been provided below.

HOUSEHOLD, POPULATION, AND EMPLOYMENT FORECAST

1. Basis for Existing Unit Population Change

The forecast for the 2023 Development Charge Background Study (DCBS) reflects new analysis using the most up-to-date information available at the time, while still maintaining the Official Plan population target that was also utilized in the 2018 DCBS. The Development Charge Background Studies have been based on the growth forecasts contained within the current Durham Regional Official Plan, which has a 2031 planning horizon, as mandated by the original (2006) Growth Plan. However, with a review of growth that has occurred since the last Development Charge Background Study, it is anticipated it will take until 2033 to reach the Region-wide population forecast of 923,510 people (Growth Plan forecast of 960,000 less population associated with Northeast Pickering)¹.

The 2023 DCBS population and housing growth forecast is based on the cohort survival methodology, as set out in the provincial Land Needs Assessment (LNA) methodology for the Greater Golden Horseshoe (GGH), 2020 (Component 1). The population and housing

¹ Including the net Census undercount estimated at 103.79%

forecast was derived from the Durham Region Municipal Comprehensive Review (MCR) work, which utilizes current demographic and housing data to provide details regarding the pace of total population growth, forecast Region-wide housing demand by structure type (i.e. low-density, medium-density and high-density), and forecast trends in Durham Region-wide persons per unit (PPU).

Through the MCR, the population forecast by age cohort was determined for Durham Region in five-year increments. This age structure forecast provides insights into household formation trends, i.e. headship rates for the Region. A headship rate is defined as the ratio of primary household maintainers, or heads of households, by major population age group (i.e. cohort). The results of the updated MCR growth analysis indicates that the average PPU of existing households within the Region of Durham is not declining as rapidly as previously determined through the Region's former MCR exercise (Growing Durham). This trend can be attributed to several factors for Durham Region, including a greater share of youth population growth (0-19 age group), an increase in the number of multi-family and multi-generational households, higher population growth rates associated with non-permanent residents (which on average have higher household sizes than permanent residents) and delays in adult children leaving home to form their own households. Ultimately, these trends have a downward impact on the rate of population decline in existing households over the 10-year forecast period.

The 2023 DCBS housing forecast by structure type was also informed by the Durham Region MCR, which is based on assessment of historical and forecast housing propensity (demand) by age of household maintainer. Compared to the 2018 DCBS, the 2023 DCBS housing forecast identifies a greater shift towards medium-density and high-density housing forms. Under the 2018 DCBS, the share of low-density, medium-density, and high-density housing growth over the forecast period (2018–2028) was 52%, 26% and 22%. Under the 2023 DCBS, this share has changed to 41% low-density, 28% medium-density and 31% high-density over the forecast period (2023–2033). The greater share of medium-density and high-density housing forms identified in the 2023 DCBS further reduces the forecast gross population and single-detached equivalent (SDE) housing forecast relative to the 2018 DCBS.

2. Response to Requests for Halton Comparison

Watson did not conduct the Halton Region MCR. Watson utilized the Halton MCR forecast for the purposes of preparing the D.C. Background Study growth forecast. As such, the Halton MCR establishes the overall PPU decline rate for the Region over the 10-

year period as well as the housing unit mix. The housing unit mix in the Region of Halton 2017 DC Background Study and Halton 2022 D.C. Background Study are quite similar. If a shift towards medium-density and high-density housing units was forecast in the Halton MCR, as being projected for Durham Region, then a smaller gross population and decline would have been observed in the Halton 2022 D.C. Background Study as compared to the Halton 2017 DC Background Study.

3. Persons Per Unit (PPU) Assumptions

The PPU is a 25-year forecast. New PPUs by structure type are forecast by Watson rather than a simple extrapolation of historical averages based on Statistics Canada data. To clarify, the text in Schedule 8b of the 2023 DCBS should read: "Average Forecast Number of Persons Per Unit by Type For Dwelling Units Aged 1-25 Years". This correction will be noted in the final DC recommendation report to Regional Council.

4. Benefit to Existing Deductions

The Altus April 24, 2023 memorandum asks whether the benefit to existing (BTE) deductions in the 2023 DCBS have been accounted for the increased usage by existing homes. Moreover, the subsequent Altus memorandum equates the service demands from an increase in occupancy of a seasonal dwelling conversion to a permanent dwelling as being the same as a slower decline in existing housing occupancy, for the purposes of determining the benefit to existing development.

We believe the premise of the question being an increase in usage by existing homes is not accurate. Unlike the example provided of a historically seasonal dwelling being occupied permanently represents an increase in usage by the existing home, an existing home not declining in occupancy as quickly as previously anticipated does not place any additional demands on services or increase usage. Rather it is the amount of the existing service capacity being freed up by existing homes for the benefit of development that is slowing relative to prior servicing assumptions.

The 2023 DCBS considers the increase in need for services for the incremental development anticipated for the period 2023-2033. This requires that the Region consider the increase in need for services, and corresponding capital projects, required for the anticipated development relative to the current capital asset service capacity. As noted above, part of this assessment considers the amount of existing service capacity freed up with the decline in population in existing

units, as this freed up capacity would be available to meet part of the increase in needs arising from new development. As the assessment only considers the incremental capital requirements once current service capacity is insufficient to address the increase in needs for service related to development, it is unclear how a higher BTE deduction should be applied to these incremental needs.

The Region applies a BTE where existing infrastructure is being replaced or rehabilitated as part of the addressing the incremental needs of development, or if the existing level of service is being tangibly improved in addressing the needs of development. If the capital needs for the increase in needs of future development is greater than previously forecast because less existing capacity is being freed up to accommodate development, this does not change the Region's assessment and calculation of BTE. As such, no adjustment in BTE has been provided in the 2023 DCBS due to the slower decline in existing housing occupancy.

5. Post Period Benefit

The Altus April 24, 2023 memorandum asks whether the post-period benefit (PPB) deductions in the 2023 DCBS have been adjusted, or projects deferred beyond the 2033 forecast horizon, in response to the 10-year population growth forecast being 26%-30% lower than the 2018 DCBS.

The 2018 DCBS identified a Region-wide population of 872,350 (including Census undercount) and total employment of 293,730 (excluding work at home and no fixed place of work) by 2028. By comparison, the 2023 DCBS forecasts a Region-wide population of 923,510 and total employment of 282,590 by 2033. This indicates that the overall population and employment at end of the respective forecast periods are generally unchanged in the 2023 DCBS as compared to the 2018 DCBS (total population and employment approximately 3% higher). The decrease in the incremental population growth between the 2018 DCBS and 2023 DCBS sighted by Altus is partly attributable to 5 years of development activity since the 2018 DCBS. Other factors are referenced above relating to the change in existing housing occupancy and forecast development types.

The Region reviewed the increase in need for services arising from development over the 2023-2033 forecast period. In determining the increase in need, PPB deductions were provided where there was express oversizing in the resultant capital project to reflect the demands of service attributable to post-2033 development. In addition, the Region's transportation needs considered projects triggered by development at the end of the forecast period and made further PPB

deductions to identify potential benefits to future development beyond 2033. Moreover, in determining the needs for the forecast development, if a previously identified capital project is no longer required due to the demands of development these projects have been removed from the DC capital program. The Region's approach to assessing a PPB deduction reflect a methodology used in prior D.C. background studies and has been maintained for the 2023 DCBS.

ROADS (April 24 memo)

4. Three questions were asked regarding property and acquisition costs.

a) Can the Region provide a breakdown of how much assumed property acquisition costs have been included in the gross capital costs, on a project-by-project basis?

Attachment #1 provides the property acquisition costs, on a project-by-project basis, included the 2023 Regional Roads DC capital program.

b) What land values have been assumed?

The estimated land values vary project by project, with some projects assuming \$0. For projects in the later years of the DC forecast, which have not completed an Environmental Assessment or commenced detailed design, an estimate is based on the identified right-of-way (ROW) in the Region's Official Plan vs existing ROW for assumed need with estimated costs based on recent projects. As projects progress, with land acquisition needs becoming more refined, the Region's Real Estate team will assess land values based on comparison sales to the subject lands with factors such as land use designations, property size, proximity to municipal services, etc. These refined property acquisition costs have been used for projects where available.

5. Can the Region provide a breakdown of contingency costs and other adjustments made to base capital cost assumptions?

The estimated contingencies vary from 8% to 24% on a project basis. For road widening and new corridor projects in the later years of the DC forecast that have not completed an Environmental Assessment or commenced detailed design, the applied contingency is typically 24%. As projects progress and become more defined the contingency percentage is reduced, which has been utilized for active projects.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

Attachment #1: Regional Roads Property Acquisition Costs

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor
G. Muller, Planning Department
P. Gillespie, Works – Development Approvals
M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
J. Cook, Watson & Associates Economists Ltd
V. Mortelliti, BILD
S. Hawkins, DRHBA
T. Do Couto, Minto

Widenings, New Connections and Corridor Modifications

| Item # | Road | Limits | Property Acquisition Estimated Cost |
|--------|---------------------------|--|--|
| 1.3 | Brock Road | Finch Ave. to Taunton Rd. | \$ 2,214,500 |
| 1.4 | Brock Road | Taunton Rd. to Alexander Knox Rd. - Fifth Concession Rd. | -- |
| 1.45 | Brock Road | Taunton Rd. to Alexander Knox Rd. - Fifth Concession Rd. | -- |
| 2.2 | Simcoe Street | S. of King St. to S. of Greenway Blvd. | \$ 412,000 |
| 3.1 | Winchester Road | Baldwin St. to Anderson St. | -- |
| 3.2 | Winchester Road | Garrard Rd. to Simcoe St. | -- |
| 4.1 | Taunton Road | Toronto / Pickering Townline Rd. to W. of Twelvetrees Bridge | -- |
| 4.2 | Taunton Road | W. of Twelvetrees Bridge to Peter Matthews Dr. | -- |
| 4.25 | Taunton Road | Peter Matthews Dr. to Brock Rd. | -- |
| 4.31 | Taunton Road | Brock Rd. to Lake Ridge Rd. | \$ 3,965,500 |
| 4.32 | Taunton Road | Lake Ridge Rd. to Brock St. | \$ 1,957,000 |
| 4.4 | Taunton Road | Brock St. to Simcoe St. | \$ 3,450,500 |
| 5.1 | Central Street | Canso Dr. to Brock Rd. | \$ 206,000 |
| 14.1 | Liberty Street | Baseline Rd. to King St. | -- |
| 16.1 | Ritson Road | Taunton Rd. to Conlin Rd. | \$ 721,000 |
| 17.1 | Reg. Rd. 17 Realignment | North of CPR to Concession Rd. 3 | \$ 32,960 |
| 22.0 | Bayly Street | Liverpool Rd. to Brock Rd. | \$ 988,800 |
| 22.1 | Bayly Street | Brock Rd. to Westney Rd. | \$ 500,000 |
| 22.2 | Bayly Street | Westney Rd. to Harwood Ave. | \$ 400,000 |
| 22.25 | Bayly Street | Harwood Ave. to Salem Rd. | \$ 1,030,000 |
| 22.3 | Bayly Street | Salem Rd. to Lake Ridge Rd. | \$ 2,369,000 |
| 22.4 | Victoria Street | South Blair St. to W. of Thickson Rd. | -- |
| 22.5 | Victoria - Bloor Street | E. of Thickson Rd. to W. of Stevenson Rd. | -- |
| 22.7 | Bloor Street | Ritson Rd. to Farewell St. | \$ 500,000 |
| 22.8 | Bloor Street | E. of Harmony Rd. to Grandview St. | -- |
| 22.85 | Bloor Street | Grandview St. to Prestonvale Rd. | \$ 2,636,800 |
| 22.9 | Bloor Street | Prestonvale Rd. to Courtice Rd. | \$ 2,966,400 |
| 23.1 | Lake Ridge Road | Bayly St. - Victoria St. to Kingston Rd. - Dundas St. | -- |
| 23.2 | Lake Ridge Road | Kingston Rd. - Dundas St. to Rossland Rd. | \$ 412,000 |
| 24.1 | Church Street | Bayly St. to Durham Live Ave. | \$ 432,600 |
| 25.1 | Stellar Drive | Thornton Rd. to Fox St. | \$ 1,854,000 |
| 26.1 | Thickson Road | Wentworth St. to CNR Kingston | -- |
| 26.3 | Thickson Road | Consumers Dr. to Dundas St. | \$ 1,545,000 |
| 26.5 | Thickson Road | Taunton Rd. to Hwy 407 | \$ 515,000 |
| 26.6 | Thickson Road | Winchester Rd. to Baldwin St. | -- |
| 27.2 | Altona Road | N. of Strouds Lane to Finch Ave. | \$ 618,000 |
| 28.1 | Rossland Road | Ritson Rd. to Harmony Rd. | \$ 1,030,000 |
| 28.2 | Rossland Road | Harmony Rd. to E. of Townline Rd. | \$ 3,090,000 |
| 28.4 | Peter Matthews Drive | Alexander Knox Rd. to Hwy 7 | -- |
| 29.1 | Liverpool Road | Hwy 401 to Kingston Rd. | \$ 412,000 |
| 31.1 | Westney Road | Bayly St. to Hwy 401 | \$ 309,000 |
| 31.2 | Westney Road | Hwy 401 to S. of Kingston Rd. | -- |
| 31.5 | Westney Road | S. of Greenwood to Hwy 407 | \$ 1,545,000 |
| 33.5 | Harmony Rd | Conlin Rd. to Britannia Ave. | \$ 250,000 |
| 35.1 | Wilson Road | Bloor St. to Olive Ave. | \$ 618,000 |
| 36.0 | Hopkins Street | Construct new Hopkins St overpass | \$ 3,090,000 |
| 36.1 | Hopkins Street | Consumers Dr. to Dundas St. | \$ 300,000 |
| 37.1 | Finch Avenue | Altona Rd. to Brock Rd. | \$ 500,000 |
| 38.2 | Whites Road | N. of Kingston Rd. to Finch Ave. | \$ 300,000 |
| 38.3 | Whites Road | Finch Ave. to S. of Third Concession Rd. | \$ 4,000,000 |
| 38.4 | Whites Road | S. of Third Concession Rd. to Taunton Rd. | -- |
| 40.1 | Alexander Knox Road | York / Durham Line to Golf Club Rd. | \$ 8,500,000 |
| 40.25 | Alexander Knox Road | Golf Club Rd. to W. Limit of Phase 1 | \$ 2,500,000 |
| 41.1 | Salem Road | Hwy 401 to Kingston Rd. | -- |
| 52.1 | Thornton Road | N. of Stellar Dr. to King St. | \$ 309,000 |
| 53.1 | Stevenson Road | CPR Belleville to Bond St. | \$ 1,000,000 |
| 53.2 | Stevenson Road | Bond St. to Rossland Rd. | \$ 1,000,000 |
| 55.3 | Townline Road | Beatrice Rd. to Taunton Rd. | \$ 200,000 |
| 57.1 | Bowmanville Avenue | Baseline Rd. to N. of Stevens Rd. | -- |
| 57.2 | Bowmanville Avenue | N. of Stevens Rd. to Nash Rd. | \$ 103,000 |
| 58.1 | Manning Rd./Adelaide Ave. | Garrard Rd. to Thornton Rd. | -- |
| 58.2 | Adelaide Ave. | Townline Rd. to Trulls Rd. | \$ 19,150,000 |
| 59.1 | Gibb St. | E. of Stevenson Rd. to Simcoe St. | \$ 14,000,000 |
| 59.2 | Gibb St. / Olive Ave. | Connection from Simcoe St. to Ritson Rd. | \$ 20,600,000 |
| 102.2 | Kingston Road | Pickering / Toronto Boundary to Notion Rd. | -- |
| 102.3 | Kingston Road | Notion Rd. to Westney Rd. | \$ 20,000,000 |
| 102.4 | Kingston Road | Westney Rd. to Hwy 412 | -- |
| 102.45 | Dundas Street | Des Newman Blvd. to Fothergill Ct. | -- |
| 102.5 | Reg. Hwy 2 | Townline Rd. to Courtice Rd. | -- |
| 112.2 | Baldwin St. | N. of Taunton Rd. to N. of Garden St. | \$ 515,000 |
| 147.1 | Reg. Hwy 47 | York / Durham Line to Goodwood Rd. | \$ 515,000 |

INTERSECTION MODIFICATIONS AND SIGNAL INSTALLATIONS

| Item # | Location | Property Acquisition Estimated Cost |
|--------|---|--|
| I.1 | Brock Rd. (Reg. Rd. 1) / Hwy 401 EB Ramp | -- |
| I.2 | Brock Rd. (Reg. Rd. 1) / Taunton Rd. (Reg. Rd. 4) | -- |
| I.3 | Brock Rd. (Reg. Rd. 1) / Seventh Concession Rd. | \$ 318,000 |
| I.4 | Brock Rd. (Reg. Rd. 1) / Goodwood Rd. (Reg. Rd. 21) | \$ 371,000 |
| I.5 | Brock Rd. (Reg. Rd. 1) / Reg. Hwy 47 | \$ 309,000 |
| I.6 | Simcoe St. (Reg. Rd. 2) / Russett Ave. | \$ 309,000 |
| I.7 | Simcoe St. (Reg. Rd. 2) / King St - Oyler St | \$ 309,000 |
| I.8 | Simcoe St. (Reg. Rd. 2) / Saintfield Rd. | \$ 309,000 |
| I.9 | Simcoe St. (Reg. Rd. 2) / Whitfield Rd. | \$ 309,000 |
| I.10 | Winchester Rd. (Reg. Rd. 3) / Bridle Rd. | \$ 309,000 |
| I.11 | Regional Road 3 / Enfield Rd. (Reg. Rd. 34) | \$ 309,000 |
| I.12 | Regional Road 3 / Old Scugog Rd. | \$ 150,000 |
| I.13 | Taunton Rd. (Reg. Rd. 4) / Anderson St | -- |
| I.14 | Taunton Rd. (Reg. Rd. 4) / Courtice Rd. (Reg. Rd. 34) | \$ 250,000 |
| I.15 | Taunton Rd. (Reg. Rd. 4) / Solina Rd. | -- |
| I.16 | Taunton Rd. (Reg. Rd. 4) / Regional Road 57 | -- |
| I.17 | Taunton Rd. (Reg. Rd. 4) / Darlington - Clarke Townline (Reg. Rd. 42) | \$ 103,000 |
| I.18 | River St. (Reg. Rd. 10) / Lake Ridge Rd. (Reg. Rd. 23) | \$ 309,000 |
| I.19 | Liberty St. (Reg. Rd. 14) / Meadowview Blvd - Scottsdale Dr. | \$ 257,500 |
| I.20 | Liberty St. (Reg. Rd. 14) / Freeland Ave. - Bons Ave. | -- |
| I.21 | Liberty St. (Reg. Rd. 14) / Concession Rd. 3 | -- |
| I.22 | Ritson Rd. (Reg. Rd. 16) / Bloor St (Reg. Rd. 22) | \$ 309,000 |
| I.23 | Ritson Rd. (Reg. Rd. 16) / William St. | \$ 258,000 |
| I.24 | Ritson Rd. (Reg. Rd. 16) / Beatrice St. | \$ 258,000 |
| I.25 | Shirley Rd. (Reg. Rd. 19) / Bowmanville Ave. (Reg. Rd. 57) | \$ 309,000 |
| I.26 | Goodwood Rd. (Reg. Rd. 21) / Concession 6 | \$ 309,000 |
| I.27 | Bayly St. (Reg. Rd. 22) / Sandy Beach Rd. | -- |
| I.28 | Victoria St. (Reg. Rd. 22) / Brock St. (Reg. Rd. 46) | \$ 309,000 |
| I.29 | Bloor St. (Reg. Rd. 22) / Trulls Rd. | \$ 309,000 |
| I.30 | Lake Ridge Rd. (Reg. Rd. 23) / Davis Dr. | \$ 309,000 |
| I.31 | Thickson Rd. (Reg. Rd. 26) / Rossland Rd. (Reg. Rd. 28) | -- |
| I.32 | Altona Rd. (Reg. Rd. 27) / Pinegrove Ave. | \$ 258,000 |
| I.33 | Rossland Rd. (Reg. Rd. 28) / Cochrane St. | -- |
| I.34 | Rossland Rd. (Reg. Rd. 28) / Garden St. | -- |
| I.35 | York Durham Line (Reg. Rd. 30) / Sandford Rd. | \$ 309,000 |
| I.36 | Westney Rd. (Reg. Rd. 31) / Harwood Ave. | -- |
| I.37 | Westney Rd. (Reg. Rd. 31) / Monarch Ave. - Rands Rd. | -- |
| I.38 | Westney Rd. (Reg. Rd. 31) / Finley Ave. | -- |
| I.39 | Westney Rd. (Reg. Rd. 31) / Fifth Concession Rd. | \$ 309,000 |
| I.40 | Courtice Rd. (Reg. Rd. 34) / Sandringham Dr. | \$ 250,000 |
| I.41 | Courtice Rd. (Reg. Rd. 34) / Nash Rd. | \$ 258,000 |
| I.42 | Enfield Rd. (Reg. Rd. 34) / Concession Road 7 | \$ 309,000 |
| I.43 | Salem Rd. (Reg. Rd. 41) / Rossland Rd. | -- |
| I.44 | Darlington - Clark Townline Rd. (Reg. Rd. 42) / Regional Hwy 2 | \$ 309,000 |
| I.45 | Phillip Murray Ave. (Reg. Rd. 52) / Stevenson Rd. (Reg. Rd. 53) | -- |
| I.46 | Stevenson Rd. (Reg. Rd. 53) / Laval Dr. | -- |
| I.47 | Regional Road 57 / Concession Road 6 | \$ 309,000 |
| I.48 | Regional Road 57 / Concession Road 7 | \$ 309,000 |
| I.49 | Wentworth (Reg. Rd. 60) / Thornton Rd. | \$ 257,500 |
| I.50 | Wentworth (Reg. Rd. 60) / Nelson St. | \$ 257,500 |
| I.51 | Regional Hwy 2 / Lambs Rd. | \$ 309,000 |
| I.52 | Regional Hwy 47 / Concession 6 | \$ 309,000 |
| I.88 | Intersection Modification Projects | -- |
| I.99 | Signal Installation Program | -- |

OTHER DEVELOPMENT CHARGE COMPONENT WORKS

| Item # | Description | Property Acquisition Estimated Cost |
|--------|--|--|
| O.1 | Engineering Activities | -- |
| O.2 | Property Acquisitions | \$ 1,800,000 |
| O.3 | Roadside Landscaping Projects | -- |
| O.4 | Contingencies Development Related | -- |
| O.5 | Intelligent Transportation System Projects | -- |
| O.6 | Maintenance Facilities - Sunderland Depot (Roads Portion Only) | \$ 1,333,333 |
| O.7 | Maintenance Facilities - Ajax Depot (Roads Portion Only) | -- |
| O.8 | Maintenance Facilities - Oshawa / Whitby Depot (Roads Portion Only) | \$ 12,666,667 |
| O.9 | Maintenance Facilities - Orono Depot (Roads Portion Only) | -- |
| O.10 | Maintenance Facilities - Scugog Depot (Roads Portion Only) | -- |
| O.11 | Maintenance Fleet Vehicles Capital Allowance (Roads Portion Only) | -- |
| O.12 | Regional Share of Services for Residential Subdivision Development | -- |
| O.13 | Cycling Infill Projects | -- |
| O.14 | Allowance for DC Credits - Seaton Phase 1 Front-ending Agreement - Whites Rd. (Taunton Rd. to Hwy 7) | -- |
| O.15 | Allowance for DC Credits - Seaton Phase 1 Front-ending Agreement - Peter Matthew Dr. (Brock Rd. to Alexander Know Rd.) | \$ 4,700,000 |
| O.16 | Allowance for DC Credits - Seaton Phase 1 Front-ending Agreement - Alexander Knox Rd. (W. Limit of Phase 1 to Brock Rd.) | -- |



May 17, 2023

Julie Bottos, A. Sc. T.
SCS Consulting Group Ltd.
30 Centurian Drive, Suite 100
Markham, Ontario
L3R 8B8

Dear Ms. Bottos:

**The Regional
Municipality
of Durham**

Finance Department

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N. Taylor, BBA, CPA, CA
Commissioner of Finance

RE: Response to Comments Related to the Water, Sewer, and Roads
Infrastructure Projects Contained in the 2023 Regional
Development Charge Background Study

Thank you for your letter dated May 5, 2023 regarding the Water, Sewer, and Roads infrastructure projects contained in the 2023 Region-wide Development Charge (DC) Study. Please find responses to the questions below.

Your questions regarding Regional Roads

- 1. There are a variety of projects, summarized in Table 1 (referenced in your letter), that widen roads from 4 to 6 and 5 to 7 lanes that are planned to be completed between 2030 and 2032 that have a 0% post period benefit. Please review and provide the justification, as it would seem reasonable that these roads would be designed to accommodate growth beyond the 2032 planning horizon.**

Regional Staff Response

The post period benefit was calculated for each project based on the forecasted 2033 traffic volumes and the road segment capacities from the updated transportation model. The projects listed in Table 1 (referenced in your letter) are assumed to be widened to 6 or 7 lanes to accommodate curbside High Occupancy Vehicle (HOV) lanes, guided by the Durham Transportation Master Plan (TMP). HOV lanes provide higher priority for transit, while maintaining additional capacity for automobiles with the goal of maximizing person carrying capacity.

HOV lanes also help to encourage behavioural shifts from less efficient modes of travel such as driving alone, to more efficient modes, such as carpooling and transit. From a transportation modelling perspective, and consistent with the HOV modelling assumption applied in the Durham TMP, HOV lane capacity is assumed to be less than that of a general lane.

2. **Please review Project #4.2 Taunton Rd. (Reg. Rd. 4), Table E.1, as it appears that the costs for the project have not been allocated to a yearly forecast but have a residential share allocation of \$33.506 Million.**

Regional Staff Response

Thank you for pointing this out. An amended page will be included in the final Report to include the \$33.506 million in 2032. This will not impact the DC rate as both the rate calculation and the total cost estimate for the year 2032 include the \$33.506 million.

3. **It appears that a significant amount of work has gone into evaluating the allocation of costs between benefit to existing and post period for road widenings, new connections and corridor projects, however, the corresponding intersections have a consistent allocation of 10% benefit to existing and 0% post period. Please review and consider updating the benefit to existing and post period allocations so that they align with the corresponding roads project.**

Regional Staff Response

For intersection modifications and signal installations, 10% Benefit to Existing (BTE) was estimated as an average and has been applied to all projects in this category. This methodology is consistent with previous Durham DC Background Studies.

For intersection modifications and signal installations, the Region continuously reviews locations to try to maximize capacity with signal timing, optimization and Intelligent Transportation System (ITS) projects therefore the Post Period Benefit (PPB) is assumed to be 0%.

Your questions regarding Regional Water Supply

4. **Please provide additional information with respect to the cost estimates for the Water Storage & Pumping Station projects, summarized in Table 2 (referenced in your letter). There has been a significant increase in the project costs in the range of 150% to 350%?**

Regional Staff Response

The Region completed a full review of all project costs based on the most recent tendered projects and the latest cost estimates for active design projects and applied these to the proposed future work. Significant time had passed since this was last completed and project costs have increased significantly and well beyond typical annual inflation adjustments.

5. **Please provide the justification for the elimination of the post period allocation on Project #216 - Zone 1 West Whitby feedermain from Brock St./Victoria St. to Rossland Road – Whitby, between the 2018 and 2023 studies, as the timing for the completion of these works is schedule at the end of the planning period in 2032.**

Regional Staff Response

In the 2018 DC the PPB for this item was 5.1%. This was to account for the population growth between the DC period end of 2028 and the Region OP population threshold (2031). The 2023 DC forecast period servicing scenario is for the full build out of the 2031 OP Urban Area by the end of the DC period of 2032. There is no population forecast beyond the build out of the Urban Area to apply Post Period Benefit to. The purpose of this item is to increase system security and to protect the ability to move water between Whitby and Ajax water supply systems as they continue to grow. This project has been recommended for the build out of the 2031 OP Urban Area for many years.

6. **Please review and consider applying a post period allocation to new Project #230 - Zone 5 feedermain on Brawley Road from Ashburn Rd. to Simcoe St. N. - Whitby/Oshawa as these works are scheduled for 2032 at the end of the planning period and would appear to benefit growth beyond the planning horizon.**

Regional Staff Response

The 2023 DC forecast period servicing scenario is for the full build out of the 2031 OP Urban Area by the end of the DC period of 2032. The build out of the 2031 OP Urban Area includes the items for the Zone 5 water system in north Whitby and north Oshawa. There is no land in north Whitby and north Oshawa beyond the Urban Boundary that will benefit from this infrastructure and therefore no PPB was applied.

Your questions regarding Sanitary Sewer

7. **Please provide additional information with respect to the cost estimates for the following sanitary project, summarized in Table 3 (referenced in your letter), as there has been a significant increase in the project cost in the ranges of 100% to 500%.**

Regional Staff Response

The Region completed a full review of all project costs based on the most recent tendered projects and the latest cost estimates for active design projects and applied these to the proposed future work. Significant time had passed since this was last completed and project

costs have increased significantly and well beyond typical annual inflation adjustments.

8. Please provide justification of the removal of the benefit to existing allocation on Project #211 Sanitary sewer on Dundas St. from Des Newman Blvd. to Halls Rd. – Whitby of 10% from 2018.

Regional Staff Response

In 2018, an allowance of 10% BTE was applied to this item to account for the future conveyance of flows from the existing Almond Village community and a few commercial properties along Dundas Street. This allowance was reviewed in 2023 and a BTE of 0% was applied, based on the following points:

- The properties in Almond Village are serviced with private septic systems and they don't need to connect to the sanitary sewer.
- The sanitary sewer on Dundas Street is being proposed to service growth, not to provide service to Almond Village.
- It will be possible to extend local sanitary sewers from Item #211 to provide service to Almond Village in the future. This will all need to be paid for by the residents of Almond Village.
- The service population in Almond Village is so small that the size of the proposed sanitary sewer for Item #211 does not change with or without the flow from the Almond Village Community.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor

G. Muller, Planning Department
M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
V. Mortelliti, BILD
S. Hawkins, DRHBA
D. Keleher, Altus Group
C. MacDonald, SCS Consulting
S. Meiboom, SCS Consulting

May 5, 2023

Alexander Harras
Regional Municipality of Durham
605 Rossland East
Whitby, ON L1N 6A3

Mr. Alexander Harras,

**RE: REGION OF DURHAM REGIONAL DEVELOPMENT CHARGE BACKGROUND STUDY AND
PROPOSED DEVELOPMENT CHARGES BY-LAW**

Atria Development Corp. ('Atria') is in receipt of the Region of Durham *Regional Development Charge Background Study* (the 'Study') prepared by The Regional Municipality of Durham and Watson & Associates Economists Ltd., dated March 28, 2023, and the associated proposed Development Charge By-law (the 'By-Law').

As you may be aware, Atria has completed numerous high quality development projects within the Region of Durham, including, most recently, the purpose-built residential rental condominiums at 100 Bond Street East and 80 Bond Street East (239 units and 370 units respectively) in the City of Oshawa. Atria is also working closely with City of Oshawa staff on several development applications including 51 Simcoe Street South, 35 Division Street, 111 King Street East and 73 Richmond Street East. In short, Atria has constructed and maintained over 750 residential units to-date, with approximately 2,000 units planned for Downtown Oshawa alone and a development pipeline totaling over 7,000 units across southern Ontario.

Atria is strongly opposed to the proposed residential and non-residential calculated rates, which are approximately 91% to 102% and 55% to 77% higher, respectively, when compared to current rates. Further, we understand that as of July 1, 2023, from 2023 to 2028 the proposed Region-Wide Development Charges service categories will be phased in at 80% and Regional Transit Development Charges will be phased in at 85%. It is noted that residential phased-in rates are approximately 54% to 63% higher and non-residential phased in rates are approximately 26% to 43% higher, when compared to current rates.

Atria Development Corporation
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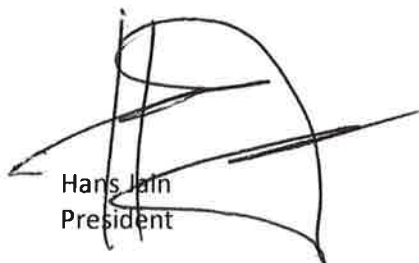
ATRIA
DEVELOPMENT

As a predominately purpose-built rental apartment developer, the lower development charge rates within the Durham Region is what attracted Atria to contribute to the Oshawa's housing market. The proposed rates would have significantly adverse affects on project budgeting. Partnered with the rise in construction costs, inevitable delays from municipalities, and the existing stringent requirements to receive favourable funding, projects may now be deemed as infeasible. The delays and cancellation of new projects would also limit the Region's ability to achieve the 2031 municipal housing target of 84,000 housing units as outlined within the Province's *Housing Supply Action Plan*. Furthermore, projects with a limited budget may be forced to prioritize allocating funds to satisfy development charges over materiality and quality, making it difficult to provide high quality housing to the residents of the Region of Durham.

As such, Atria respectfully requests that Council not adopt the final Development Charge By-Law at the special Regional Council meeting scheduled for June 14, 2023.

I trust that the foregoing is in order. Please contact the undersigned if you have any questions or require further clarification. Thank you.

Yours truly,
Atria Development Corp.



Hans Jain
President

CC: John Henry
Regional Chair

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ATRIA
DEVELOPMENT

Brookfield Properties

May 5th, 2023

By Courier and E-mail to clerks@durham.ca

Regional Municipality of Durham

605 Rossland Road East

Whitby, ON L1N 6A3

ATTENTION: Mr. Alexander Harras, Director of Legislative Services/Regional Clerk

**Re: Region of Durham Development Charges Review
Proposed Calculated Rates
1846 & 1900 Brock Street South, Whitby**

Dear Mr. Harras,

Brookfield Properties understands the Region of Durham has updated their Development Charge Background Study (“DC Study”) in coordination with Watson & Associates Economists Ltd. As approval by Regional Council is proposed for June 14th, 2023, Brookfield would like to submit the following comments for consideration prior to recommendation of the DC Study to Council. As a large landholder and an active developer of high-density development in the Region, we hope the following input is considered.

The DC Study acknowledges that growth to the Region has been slower than forecasted in the Durham Regional Official Plan and that 2031 targets for both population and employment will extend to 2033. At the same time, housing affordability continues to be a major challenge across the GTA and high-density development (mid/high-rise) is critical to providing adequate housing options for current and future residents. There continues to be a number of constraints on high-density development, as evidenced by an increase in cancelled or delayed projects, and a DC increase of this magnitude puts significant pressure on planned developments that are needed to increase housing supply and support population growth.

Brookfield has been an advocate and a leader in mid-rise development, and a proponent of high-rise development in Durham. We have seen firsthand the participation required from all levels of government to get density development off the ground in Durham and this DC increase will put many projects in jeopardy.

We appreciate the opportunity to comment directly on the DC background study and associated proposed rates, and welcome continued dialogue with the Region on this matter.

Sincerely,

Brookfield Properties Development



Sarah Mitchell

Sr. Director, Development, Commercial



May 17, 2023

Sarah Mitchell
 Senior Director, Development, Commercial
 Brookfield Properties Development
 3381 Steeles Avenue East, Suite 100
 Toronto, ON
 M2H 3S7

**The Regional
 Municipality
 of Durham**

Finance Department

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durham.ca

N. Taylor, BBA, CPA, CA
 Commissioner of Finance

Dear Ms. Mitchell:

RE: Response to Comments Related to the 2023 Regional
 Development Charge Background Study

Thank you for your letter dated May 5, 2023 regarding the 2023 Region-wide Development Charge (DC) Study. Please see response below regarding your comment.

Your comment regarding high-density development

The DC Study acknowledges that growth to the Region has been slower than forecasted in the Durham Regional Official Plan and that 2031 targets for both population and employment will extend to 2033. At the same time, housing affordability continues to be a major challenge across the GTA and high-density development (mid/high-rise) is critical to providing adequate housing options for current and future residents. There continues to be a number of constraints on high-density development, as evidenced by an increase in cancelled or delayed projects, and a DC increase of this magnitude puts significant pressure on planned developments that are needed to increase housing supply and support population growth.

Regional Staff Response

As a result of recent provincial legislation, the new DC rates are subject to a new mandatory five-year phase-in. This means the new rates will be subject to an initial 20 per cent discount when they are implemented on July 1, 2023.

Additionally, rental housing development, defined as development of a building or structure with four or more residential units all of which are intended for use as rented residential premises, is now subject to a mandatory discount on DC rates. The amount of the discount depends on the number of bedrooms per unit (see table below).

| Number of bedrooms | Discount |
|---------------------------|-----------------|
| 1 bedroom or less | 15 per cent |
| 2 bedrooms | 20 per cent |
| 3 bedrooms or more | 25 per cent |

Lastly, if your residential development falls under the definitions of affordable or attainable, the development would be exempt from paying DC's. Note that the province has not yet clearly defined affordable or attainable housing but is expected to do so in the future.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor
G. Muller, Planning Department
M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
V. Chan, Brookfield Properties

From: graziano.stefani@rwconsultinginc.net <graziano.stefani@rwconsultinginc.net>
Sent: April 26, 2023 9:17 AM
To: Charlotte Pattee <Charlotte.Pattee@durham.ca>
Cc: chris.lant@rwconsultinginc.net; marcus.carrington@rwconsultinginc.net
Subject: Brooklin South & Region DC Background Study

You don't often get email from graziano.stefani@rwconsultinginc.net. [Learn why this is important](#)

Morning Charlotte

As the Brooklin South Group Manager, we have been reviewing the Region of Durham 2023 Draft DC background Study and observed that there has been a reduction in the Region's share of the costs of the Zone 3 Feedermain on Conlin. This could have a serious impact on the Brooklin South Landowners Group. Would you or other Region staff be available for a call to discuss this as we would like to better understand the reason for this change from the 2018 DC study.

Regards,

Graziano Stefani, P.Eng



8800 Dufferin Street, Suite 104 | Vaughan, ON | L4K 0C5 | Tel: 905-660-7667 Ext. 236 | Cell: 416-505-4464

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May 5, 2023

Our File: 4987

BY EMAIL

Regional Municipality of Durham
605 Rossland Road East
Whitby, ON
L1N 6A3

Attn: Regional Clerk



SCHAEFFERS
CONSULTING ENGINEERS

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**Re: Draft 2023 DC Background Study
Bowmanville North (Soper Springs) Landowners Group Inc.**

Dear Sir/ Madam,

We are writing on behalf of the Soper Springs Landowner Group with respect to the Draft Regional Development Charges (DC) Background Study dated March 28, 2023.

The Soper Springs Secondary Plan is located in North Bowmanville, generally north of the intersection of Concession Road 3 and Mearns Avenue, and immediately east of Liberty Street North. We understand the Secondary Plan was scheduled by the Municipality of Clarington and its consultants to be approved within the next 6 months.

We have briefly reviewed the draft background study and note the following.

DC Project Requirements -Hard Services

In order for development to proceed in this Secondary Plan Area over the next 10 years of the DC Study horizon and beyond, the following additional projects will need to be included for in the DC project lists.

These project inclusions will ensure that sufficient DC funds are collected. A sufficient balance in the DC reserve fund will be needed for the Region to fund the projects required to create the immediate and post horizon year growth projected in the DC Study for the Soper Springs Secondary Plan Area and to meet any potential DC Credit applications.

Sanitary Sewerage

Figure G3 on page G-7 shows sewer Project 305 (\$1.65M) to be constructed on 3 legs of the Concession Road 3/ Mearns Avenue intersection. Also shown is the sanitary pumping station and forcemain Project 300 (\$7.9M), which is timed for full completion by 2030.

It is recommended that the DC pumping station and forcemain project be deleted in favour of a preferred and less costly alternative solution as follows.

- i. Remove the existing 525mm sewer on Mearns Avenue from the intersection of Longworth Avenue northwards to Concession Road 3, and replace with a flatter gradient sewer. This will add an approximate 450m length of gravity sewer to the DC project 305 and will eliminate the need for the costly DC sanitary pumping station project 300 currently proposed in the DC Study, the design for which may already be underway.

- ii. Extend the west limit of proposed sewer on Concession Road 3 further west toward the east limit of the proposed roundabout at Liberty Street North. This will add approximately 270m of sewer length to the project.

The Landowner Group requests that the 2024 timing shown for the sewer projects remain as shown for Council approval.

For an overview of the preferred design alternative informing the above DC project recommendations, refer to the **attached** Schaeffers' memo dated February 10, 2023. The sanitary servicing design alternatives were previously reviewed with staff per **attached** Schaeffers letter dated January 2022.

In addition, the DC project list will need to be increased to allow for the following anticipated eligible sewer cost.

- iii. Sanitary sewer exceeding minimum size on the proposed Mearns Avenue Extension, from Concession Road 3 to approximately 350m to the north.

The Group requests that, in general, any sewer exceeding the minimum size threshold be considered for DC eligibility per Regional Share Policy.

Water Supply

Figure F3 on page F-7 shows a feedermain Project 306 (\$44.9M) to be constructed on Lambs Road, Concession Road 3, and Liberty Street North, together with reservoir Project 301 (\$18.7M) and pumping station Project 303 (\$6.3M). The Landowner Group requests that the 2023-2026 timings shown for these projects as discussed with the Region staff on Feb 10, 2023 remain as shown for Council approval.

The DC project list will need to be increased to include the following project.

- iv. 1,200m of watermain extending north from the Concession Road 3/ Mearns Ave intersection, to follow within the proposed 26m radial collector right of way required by the municipality. This will connect watermain on Concession Road 3 and Liberty Street North, benefitting service quality and system redundancy.

The Group requests that, in general, any watermain exceeding the minimum size threshold be considered for DC eligibility per Regional Share Policy.

Regional Roads

The Figure on page E-9 includes a proposed roundabout project I.21 (\$1.0M) at the intersection of Concession Road 3 at Liberty Street North. The Group would like to ensure the DC Gross Cost of the project allows for appropriate right-of-way land acquisition in the Soper Springs Secondary Plan.

- v. Can the cost estimate or encroachment assumptions for this roundabout be provided?

Post Period Benefit Assessment Concern

Can the rationales for the Post Period Benefit (PPB) assessments be provided, to supplement the information in Section 5.6, as many are not intuitive.



General examples include:

- Some sanitary sewerage projects are shown to be completed in 2030-2031. The 0% PPB applied to the projects do not appear to be reasonably estimated given the 2033 study horizon year.
- The water supply projects 302 and 308 are proposed beyond urban boundary. The 0% PPB currently being assessed to these projects is not intuitive.
- Pages E-11 and E-12 which show that \$2.047B of road widenings, new connections, and corridor modification projects to be constructed. It appears perplexing that only \$63.7M Post Period Benefit (PPB) (2.4%) is being assessed on the entire road program.

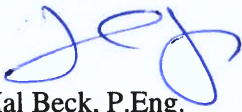
The statutory post period deductions for excess capacity are particularly important in context of the large increase in DC rates proposed by the Region, and the undesirably short 10 year study horizon vis a vis infrastructure planning.

The low to non-existent PPB deductions on the road projects would imply that, with the exception of the 7 projects actually assessed PPB, the list of DC Roadworks projects are exclusively to benefit the growth projected to occur within the 10 year study horizon (ie. growth up to 2033). Yet the excess service capacity created by a majority of the projects appear to be needed to facilitate the post 2033 growth populations anticipated by post period development phases not quantified in the DC Background Study.

The current low to non-existent PPB assessments would NOT result in a fair and equitable distribution of growth costs across in-period growth and post period growth. While growth should pay for growth, the post period growth needs to pay its fair and equitable share of the proposed capacity, otherwise the post period growth is being subsidized by the in-period growth. The trigger for a given DC project capacity increment might not involve explicit 'oversizing' per se, but will result in excess capacity anticipated by the post period growth and should not be the sole reason for assessing 100% of the proposed project's capacity to the expense of earlier growth.

We request the Region review all lists of DC projects and apply higher statutory Post Period Benefit deductions for the excess capacity, reasonably estimated.

Yours very truly,
SCHAEFFER & ASSOCIATES LTD.



Hal Beck, P.Eng.

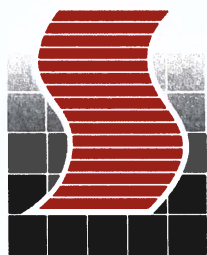
c. Daniel Steinberg, Bowmanville North (Soper Springs) Landowners Group Inc.



Attachment #1

Schaeffers Memo to Landowner Group dated February 10, 2023





SCHAEFFERS

CONSULTING ENGINEERS

6 Ronrose Drive
Concord, Ontario L4K 4R3
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To: North Bowmanville Landowners Group (LOG)

From: Anant Goswami, M.A.Sc., E.I.T.
Koryun Shahbikian, LL.M., M.Eng., P.Eng.

Date: February 10, 2023

RE: North Bowmanville Servicing Options – Water and Sanitary
Municipality of Clarington
Regional Municipality of Durham

Schaeffer and Associates Ltd. (SCE) has been retained by the North Bowmanville Landowners Group (LOG) to analyse the sanitary and water servicing options for the North Bowmanville development lands, in the Municipality of Clarington. The North Bowmanville lands are located east of Liberty Street and north of Concession Road 3. There is existing sanitary and water infrastructure in the vicinity of North Bowmanville lands which can be potentially used to service the development lands in North Bowmanville. There is existing sanitary infrastructure south of Concession Road 3 and 525mm diameter sanitary sewers along Mearns Avenue. The existing 525mm sanitary sewers along Mearns Avenue ultimately discharges to a 750mm sanitary trunk sewer west of Soper Creek. North Bowmanville lands can be potentially serviced by the existing 525mm sanitary sewers on Mearns Avenue by lowering the first existing 525mm sanitary sewer and extending further north up to Concession Road 3. Proposed sanitary sewers from the North Bowmanville lands can then be connected to the extended 525mm sanitary sewer at the Concession Road 3 and Mearns Avenue intersection.

There is existing 150mm watermain east of Jollow Drive and west of Champine Square, 300 mm watermain east of Pomeroy Street and west of Elford Drive, and 300mm watermain along Liberty Street. These existing watermains can be potentially used to service the development lands in North Bowmanville to some extent. Capital projects initiated by Durham Region further includes construction of Zone-2 pumping station and Zone-1 reservoir. Capital projects also includes construction of feedermain along Liberty Street and Concession Road 3 starting from pumping station. Existing water infrastructure can then be gradually brought towards the North Bowmanville lands.

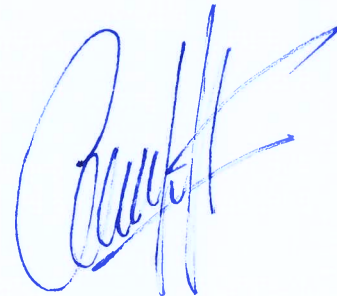


Considering the above servicing options for the sanitary and water, the development within North Bowmanville lands can be initiated from the Concession Road 3 (from South). As per the discussion with the Durham Region on February 10th, 2023, the Region confirmed the construction timelines for the Zone-1 reservoir and Zone-2 pumping station will be between 2023-2026. The ultimate buildout of block can occur when the Region's capital projects for watermain is completed. This servicing options for the North Bowmanville lands complies with Durham Region's master plan vision.

Regards,



Anant Goswami, MSc., E.I.T.
Water Resources Analyst



Koryun Shahbikian, LL.M., M.Eng., P.Eng.
Partner



Attachment #2

Schaeffers Memo to Region dated January 2022





SCHAEFFERS

CONSULTING ENGINEERS

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 Concord, Ontario L4K 4R3
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 E-Mail: general@schaeffers.com
 T.O. Line: (416) 213-5590

MEMORANDUM

To: Soper Springs Landowners Group;
 Region of Durham

From: Pavel Recnik, B.A.Sc.
 Koryun Shahbikian, P.Eng., M.Eng., LLM

Date: January 2022

Our File: 2017-4592

Subject: Summary of Servicing for Soper Springs Secondary Plan Lands

1. Introduction

Schaeffer and Associates Ltd. (Herein referred to as SCE) has been retained by the Soper Springs Landowners Group to perform a high-level servicing study for the North Bowmanville Secondary Plan area, known as Soper Springs. The location of the Soper Springs Secondary Plan area is presented in **Figure 1**. This memorandum has been prepared to provide a summary of the preliminary servicing options for the Soper Springs Secondary Plan Area for the Region of Durham's review. Options presented in this memorandum have been previously presented to the Soper Springs Landowners Group.

On July 29, a meeting was held with Regional staff to look at the options presented in this report at a high level. The following were the outcomes of the meeting:

1. The Region will consider all valid solutions presented and weigh them against previously proposed solutions for merit;
2. The Region would prefer to have no pumping stations if feasible (e.g. a fully gravity-based drainage solution).

3. The Region strongly prefers to have at most one pumping station for the area (e.g. not having small pumping stations to collect only a few houses);
4. In the event that a pumping station is required, the Region would prefer a single pumping station over multiple private pump stations; and
5. The region would require ground-truthing to accept the presented solution if they find it acceptable in principle, due to the tight tolerances in some of the constraints.

2. Sanitary Servicing

The sanitary servicing for the secondary plan has been broken down into a few separate areas within the block based on the constraints associated with the existing valley lands, sewers, and participation of various owners. The areas have been defined preliminarily as the Southwest, Northwest, and East areas broadly defined in **Figure 2** in **Attachment A**.

2.1. Southwest Quadrant

It is recommended that the Southwest portion of the secondary plan is to be serviced by a new sewer along Concession Road 3 and Mearns Avenue. The depth of the sewer on Mearns avenue would be dictated by the constraints in the East area as discussed in **Section 2.3** below. The depth of the sewer along Concession Road 3 and the proposed internal roads would be determined by the location and type of the proposed crossing of Soper Creek. The preferred option for the proposed crossing is discussed further in **Section 2.2**.

Based on the existing grading, available LIDAR information, and the existing sewer network, it is anticipated that the southwest quadrant of the secondary plan can be serviced via concession road 3. It should be noted that if the Region finds the option to lower Mearns Avenue acceptable (as discussed in **Section 2.3**), it is recommended that this work be performed prior to or as part of the construction of the sewer connecting Concession Road 3 to the existing Mearns Trunk Sewer. This would reduce the amount of work required on Mearns.

2.2. Northwest Quadrant

To service the Northwest portion of the secondary plan, it will require a crossing of the reach of Soper Creek that passes through the secondary plan between the areas delineated

in **Figure 2** as the northwest and southwest areas. Several solutions were considered for servicing these lands, with the final preferred solution as follows:

Provide a crossing near the eastern limit of the southwestern portion of the secondary plan, with a sewer provided over the culvert or on the underside of the bridge structure. The option to cross under the creek has also been investigated. While the option of crossing under the creek is possible, this option will require a deep sewer system within the secondary plan areas as well as Concession Road 3. Therefore, the option to cross under the creek is deemed not preferable. This crossing allows for the drainage of all lands in the Northwestern Area with depths between 3 and 5 meters for the majority of the area. It is possible to provide a continuous gravity connection to the existing Mearns Avenue sewer via this alignment. The rough alignment for the sewer in this area is presented in **Figure 3**. It should be noted that the sewer layout follows a preliminary road layout and is subject to change upon future revisions to the road network. The final alignment can be determined at a later stage of design.

2.3. *East (Remaining Portion of Secondary Plan)*

In a previous analysis performed by SCE, it was determined that given the existing invert in the existing Mearns Avenue sewer, that a permanent sanitary pumping station would be required to service most of the Eastern portion of the Secondary Plan. Further study was done for this area and a solution has been preliminarily identified that does not require a pumping station to service the eastern portion of the sewershed.

The primary change which allowed for this solution to be identified was the lowering of the Mearns Avenue trunk sewer's upstream invert. It was determined that reducing the slope of the existing Mearns Avenue Trunk would reduce the invert enough to provide a full gravity solution. This solution has a few constraints which are described below. Please reference **Figure 3** for the defined crossings, constraints and locations. The three primary constraints are identified in sections 2.3.1 to 2.3.3 below:

2.3.1 Creek Crossing Constraint "C1"

The constraint at the location marked "C1" in **Figure 3** is due to the need to cross the valley lands at the noted location. Due to the limited area and population that would drain to this crossing from the north, a syphon is not a viable option at this crossing. Therefore, the only

valid solution to service these lands by a gravity solution would be to construct a culvert crossing of the valley and provide a sanitary sewer over the culvert.

It should be noted that a culvert over the valley lands may have impacts on the natural heritage and systems. These impacts would need to be studied further.

2.3.2 Creek Crossing Constraint “C2”

The constraint at the location marked “C2” in **Figure 3** is due to the need to cross the valley at the noted location. As with constraint C1, it is impossible to provide a gravity sewer under this creek while maintaining a standard gravity drainage solution to Mearns Avenue. Two options were identified to provide sanitary servicing across this constraint location. The first option is to provide a gravity sewer over the creek using a culvert or bridge crossing. The second option is to provide a syphon to convey sanitary flow under the creek.

The option to convey flows under the creek via a syphon has fewer alignment constraints. However, the syphon will require a higher difference in elevation between the upstream and downstream locations. Full syphon design calculations will need to be provided at a later date to confirm its feasibility. It is proposed to service the lands west of Mearns in the eastern area to the portion of the development upstream of Constraint 3. A preliminary alignment for this sewer is shown in **Figure 3**.

2.3.3 Creek Crossing Constraint “C3”

The constraint C3, as marked in **Figure 3** is due to the need to cross the creek without impacting the existing culvert. Due to the existing culvert, it is impossible to provide a simple gravity solution under the creek while also meeting the original or lowered Mearns Avenue invert. As such, providing a crossing over the creek is required. This crossing is possible, however, the construction would have fairly tight tolerances as it would need to cross over the existing culvert with approximately 1.0 metres of clearance. Further investigation in the future is possible to increase the clearance between the sanitary sewer and the culverts in this area. A reduction in the culvert size by increasing the number of barrels is one option that could be explored at a later date.

2.3.4 Site Plan Servicing Areas

Based on this preliminary assessment of the sanitary servicing, the ground falls rapidly towards the southeast corner of the eastern lands. This area is marked in Figure 2 with an

asterisk. The extent of serviceability of this area via gravity solution depends on factors such as the ultimate lotting and street layouts, acceptable amount for fill as well as the ultimate alignment of the sewer.

In order to provide gravity servicing to these lands, these areas would require a substantial amount of fill to raise the site from existing conditions to provide positive gravity drainage to the west while maintaining sufficient cover. This area would require further study at a more detailed level to determine the feasibility of gravity drainage or grinder pump for lots. This option may require retaining walls to achieve the desired grade to provide servicing to all lots.

2.4. *Other Servicing Areas*

It should be noted that the lowered invert at Mearns Avenue does not impact the serviceability of the previously identified areas collectively referred to in Figure 3 as the Western Sanitary System areas. As discussed above, if the Region finds this solution to be acceptable, then it is recommended that the Mearns avenue reconstruction occurs as part of the construction of the sewer that connects Concession Street 3 to the Existing Mearns Trunk sewer. This will reduce the amount of work and the cost of works on Mearns Avenue.

3. Water Supply Servicing

The subject lands exist within pressure zone 2 as defined within the Class EA. Within the Vicinity of the subject lands, there are 300mm diameter and 200mm diameter watermain on Liberty Street North.

A Class EA was completed by the city which identified the need for improvements to pressure zone 2 in Bowmanville. The preferred solution involves the construction of :

- Zone 1 reservoir on Liberty Street (Construction 2024);
- Zone 1 feedermain for the Zone 1 reservoir (construction 2023);
- Zone 2 Pumping station from the Zone 1 reservoir on Liberty Street (Construction estimated 2026); and
- Feeder main from Zone 2 Pumping Station to Zone 2 Reservoir (Construction estimated 2026).

The timeline for the construction of each item was identified in the budget documents for the Durham Region. These dates are subject to change, subject to the rate of development. Previous analysis indicated that there would be sufficient pressure without these Capital Works, however, after the construction of these capital projects, there will be sufficient water for all developments.

It should be noted that with the existing infrastructure, there may be sufficient volume to provide servicing to a portion of developments. The possible extent of the developments that can be supported by the existing infrastructure should be assessed, analyzed and approved by the Region.

4. Conclusion

The presented servicing schemes represent a high-level servicing analysis and layout of infrastructure within and in the vicinity of the subject lands. It is shown that sanitary servicing can be provided through gravity sewers for the majority of the Soper Springs lands is possible given the lowering of the Mearns Avenue sewer to provide a more favourable invert. Water supply servicing opportunities and constraints have been discussed, with future projects in the area identified.

If you have any comments or concerns, please do not hesitate to contact the undersigned.

Respectfully submitted,

Schaeffer and Associates Ltd.



Pavel Recnik, B.A.Sc.

Modelling Lead

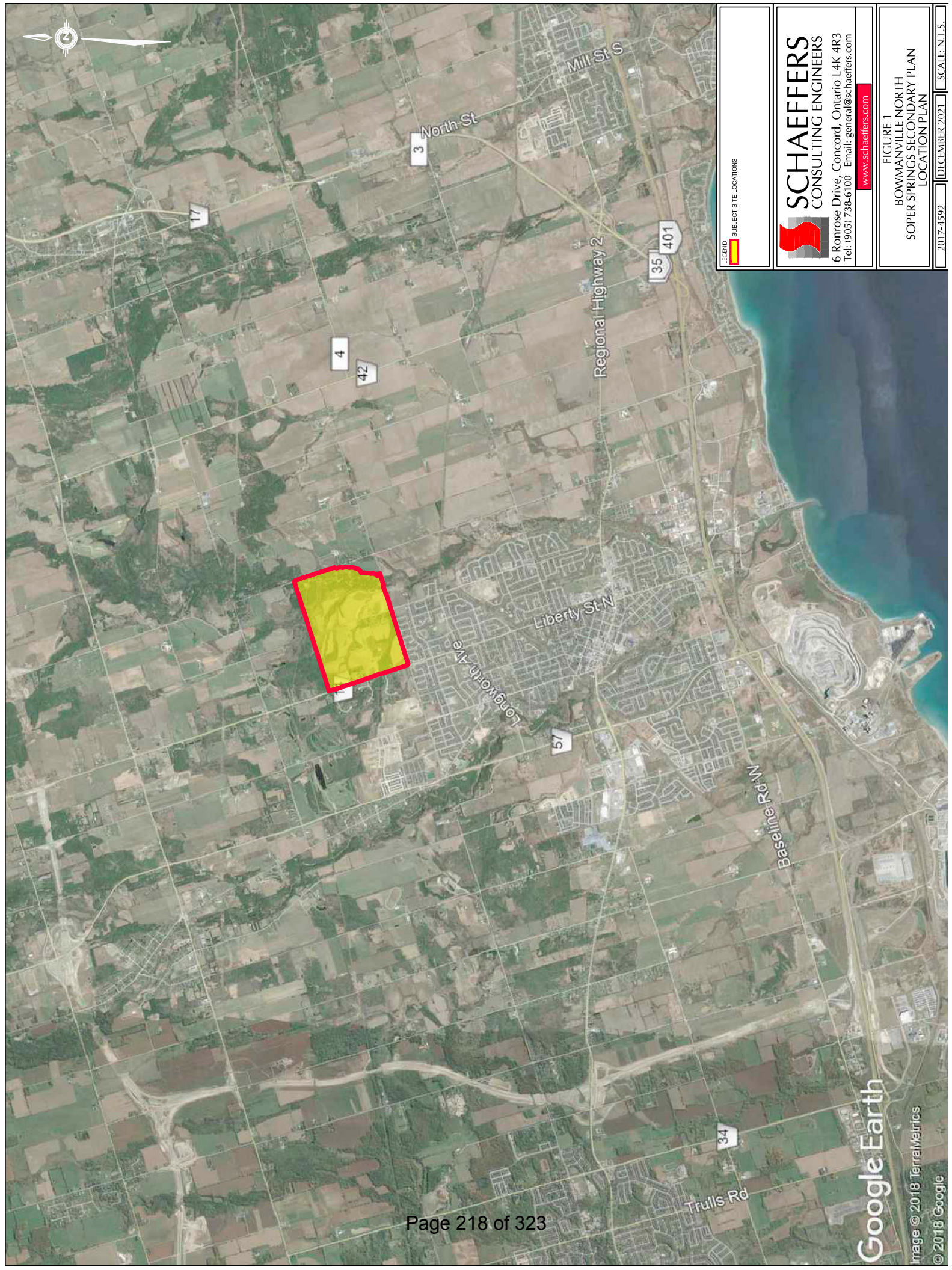


Koryun Shahbikian, P.Eng., M.Eng., LLM

Partner

ATTACHMENT A

Figures



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CONSULTING ENGINEERS

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FIGURE 1
BOWMANVILLE NORTH
SOPER SPRINGS SECONDARY PLAN
LOCATION PLAN

2017-4592 | DECEMBER 2021 | SCALE: N.T.S.

Google Earth

Image © 2018 TerraMetrics
© 2018 Google

BOWMANVILLE NORTH
SOPER SPRINGS SECONDARY PLAN

LEGEND

- DENOTES DRAINAGE EASTERN SANITARY SYSTEM
- DENOTES AREA REQUIRING DETAILED GRADING DESIGN TO CONFIRM FEASIBILITY
- DENOTES DRAINAGE NORTHWEST SANITARY SYSTEM
- DENOTES DRAINAGE SOUTHWEST SANITARY SYSTEM



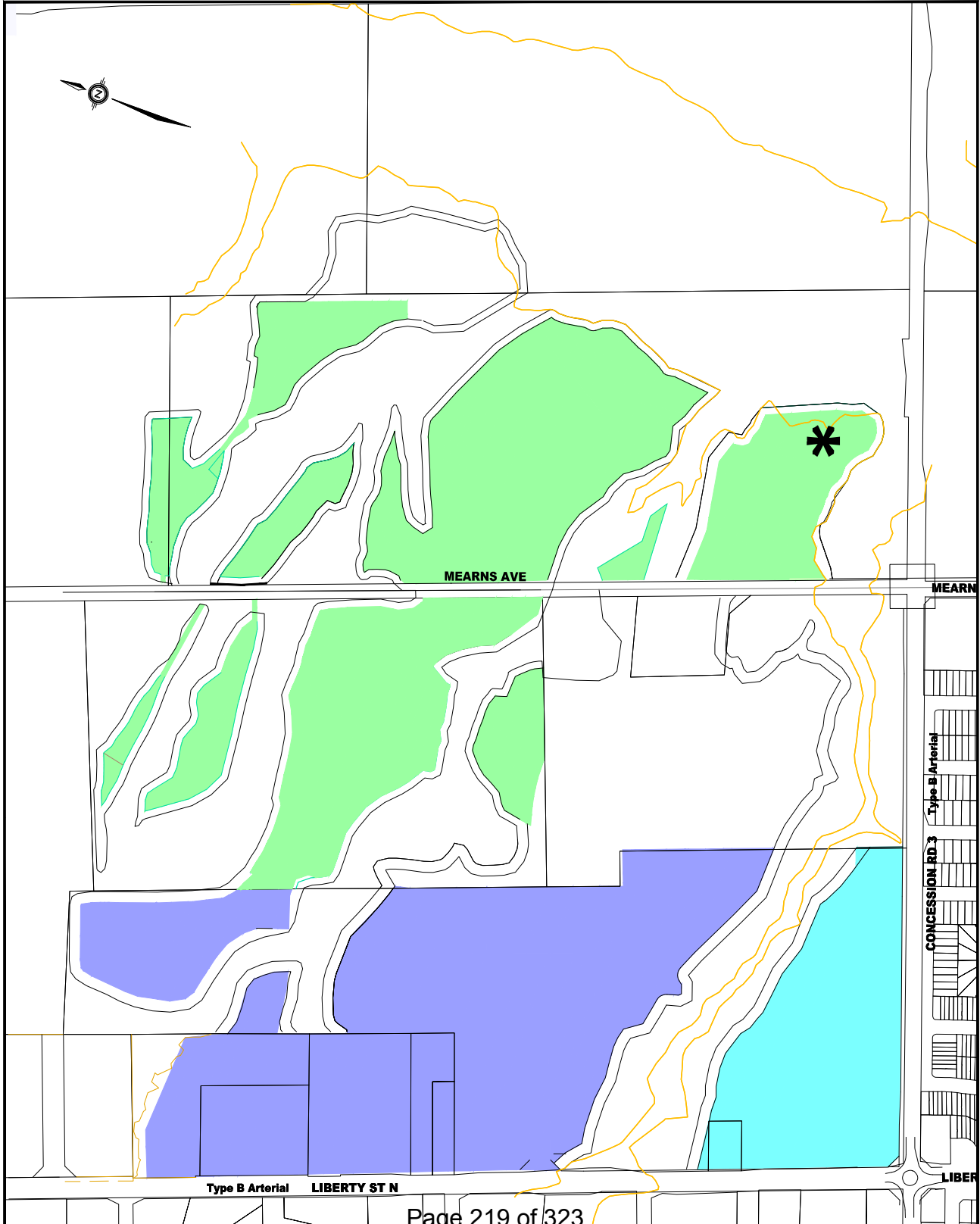
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FIGURE 2
SANITARY SERVICING AREAS

4592

DECEMBER 2021

SCALE: N.T.S.



LEGEND

- SITE DEVELOPMENT LIMITS
- OWNERSHIP BOUNDARY
- EXISTING SANITARY SEWER
- PROPOSED SANITARY SEWER
- CONCEPTUAL / POTENTIAL ROAD LAYOUT
- C1 CONSTRAINT LOCATIONS



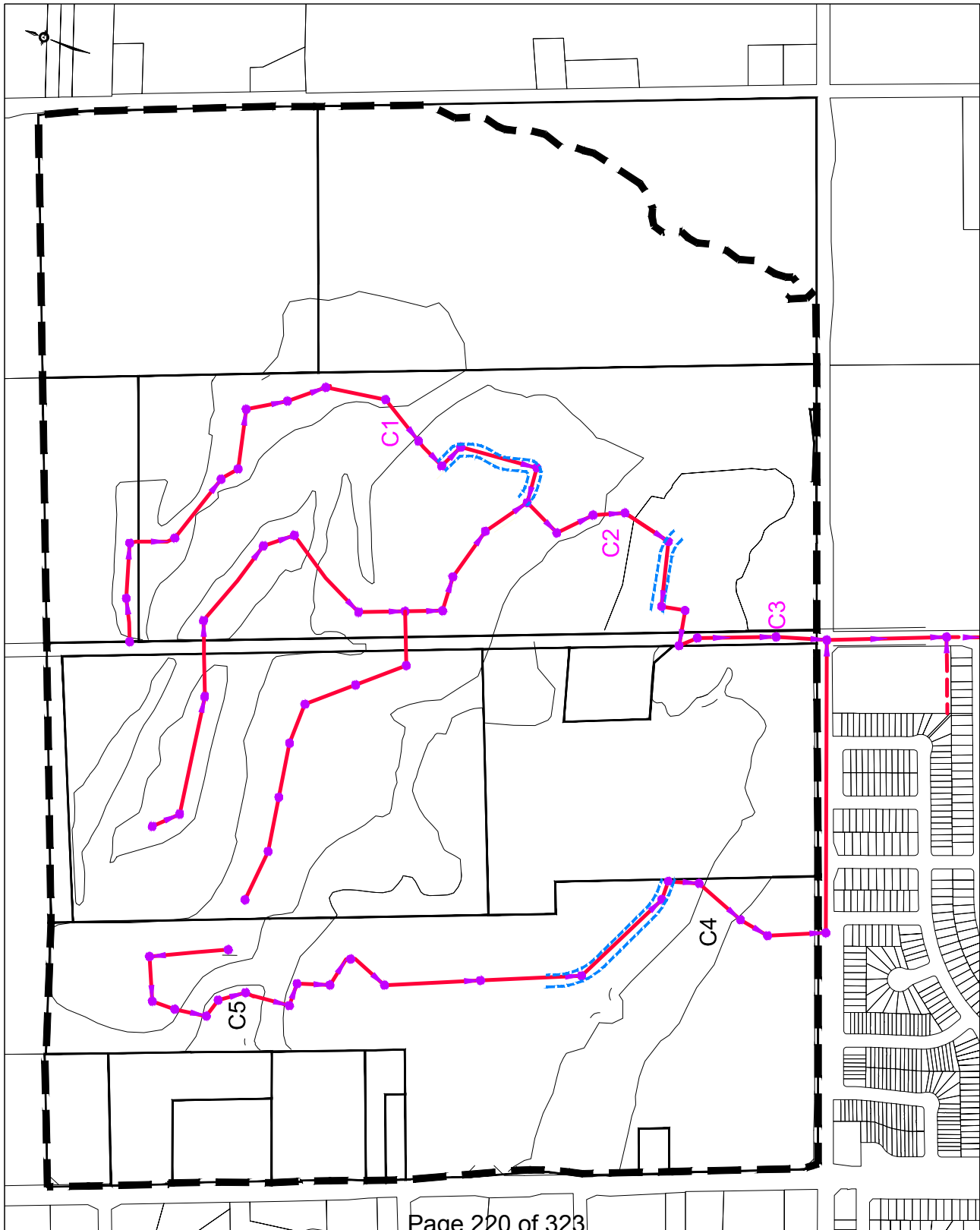
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FIGURE 3
PRELIMINARY
SANITARY SERVICING SCHEME

2017-4592

DECEMBER 2021

SCALE: N.T.S.





May 12, 2023

Hal Beck, P. Eng.
 Schaeffers Consulting Engineers
 6 Runrose Drive
 Concord, Ontario
 L4K 4R3

Dear Mr. Beck:

**The Regional
 Municipality
 of Durham**

Finance Department

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 CANADA

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 1-800-372-1102
 Fax: 905-666-6256

durham.ca

N. Taylor, BBA, CPA, CA
 Commissioner of Finance

RE: Response to Comments Submitted on Behalf of the Bowmanville North (Soper Springs) Landowners Group Inc., Related to the 2023 Regional Development Charge Background Study

Thank you for your letter dated May 5, 2023 regarding the 2023 Region-wide Development Charge (DC) Study. Please find responses below to the questions provided on behalf of Bowmanville North (Soper Springs) Landowners Group Inc.

Your questions regarding Sanitary Sewer

Figure G3 on page G-7 shows sewer Project 305 (\$1.65M) to be constructed on 3 legs of the Concession Road 3/ Mearns Avenue intersection. Also shown is the sanitary pumping station and forcemain Project 300 (\$7.9M), which is timed for full completion by 2030.

It is recommended that the DC pumping station and forcemain project be deleted in favour of a preferred and less costly alternative solution as follows.

- i. Remove the existing 525mm sewer on Mearns Avenue from the intersection of Longworth Avenue northwards to Concession Road 3, and replace with a flatter gradient sewer. This will add an approximate 450m length of gravity sewer to the DC project 305 and will eliminate the need for the costly DC sanitary pumping station project 300 currently proposed in the DC Study, the design for which may already be underway.**
- ii. Extend the west limit of proposed sewer on Concession Road 3 further west toward the east limit of the proposed roundabout at Liberty Street North. This will add approximately 270m of sewer length to the project.**

Regional Staff Response

Alternate solutions will be considered during the Class EA. The Class EA and Detailed Design for this facility have not started. Proposed solutions should be discussed as part of the Secondary Plan process. Regional staff are not recommending any changes to DC Item #300 and #305 at this time.

- iii. **In addition, the DC project list will need to be increased to allow for the following anticipated eligible sewer cost:**

Sanitary sewer exceeding minimum size on the proposed Mearns Avenue Extension, from Concession Road 3 to approximately 350m to the north.

Regional Staff Response

Oversizing of this sanitary sewer will be paid as per Region Share Policy within the individual subdivision agreements. Regional staff are recommending that no item for this work be added at this time.

Your questions regarding Water Supply

Figure F3 on page F-7 shows a feedermain Project 306 (\$44.9M) to be constructed on Lambs Road, Concession Road 3, and Liberty Street North, together with reservoir Project 301 (\$18.7M) and pumping station Project 303 (\$6.3M). The Landowner Group requests that the 2023-2026 timings shown for these projects as discussed with the Region staff on Feb 10, 2023 remain as shown for Council approval.

The DC project list will need to be increased to include the following project.

- iv. **1,200m of watermain extending north from the Concession Road 3/ Mearns Ave intersection, to follow within the proposed 26m radial collector right of way required by the municipality. This will connect watermains on Concession Road 3 and Liberty Street North, benefitting service quality and system redundancy.**

Regional Staff Response

This watermain is considered a local service to be constructed by the developer. If the Region requires the watermain to be oversized, the Region Share will be paid as per Region Share Policy. No specific item for this work will be added at this time.

Your questions regarding Regional Roads

The Figure on page E-9 includes a proposed roundabout project I.21 (\$1.0M) at the intersection of Concession Road 3 at Liberty Street North. The Group would like to ensure the DC Gross Cost of the project allows for appropriate right-of-way land acquisition in the Soper Springs Secondary Plan.

- v. Can the cost estimate or encroachment assumptions for this roundabout be provided?**

Regional Staff Response

The \$1.0 M included for I.21 Liberty St. (Reg. Rd. 14) / Concession Rd. 3 is additional construction funding needed in 2023 with previously approved budget netted off the total project cost estimate. The 2023 cost estimate does not include property acquisition as that funding has been previously allocated and approved in the Region's Capital Road Program budgets prior to 2023.

Your concerns regarding Post Period Benefit Assessment

Can the rationales for the Post Period Benefit (PPB) assessments be provided, to supplement the information in Section 5.6, as many are not intuitive.

Regional Staff Responses

a) Water Supply and Sanitary Sewer

For the majority of items in the water supply and sanitary sewer programs, the 2023 DC Period servicing scenario is for the full build out of the 2031 OP Urban Area by the end of the DC period of 2032. There is no population forecast beyond the build out of the Urban Area to apply Post Period Benefit to. The programs represent the servicing required to build out the 2031 OP Urban Area.

Specifically to Water Items 302 and 308, they only service lands within the 2031 Urban Boundary. They are located beyond the urban boundary because it is an inground reservoir and it needs to be at a higher ground elevation.

b) Roads

Post period benefit (PPB) is calculated for each road widening, new connection and corridor modification project in the 2030-2032 timeframe based on the forecasted 2033 traffic volumes and the road segment capacities from the Region's updated transportation model. The values for post-period benefit vary on a project-by-project basis and are derived from the Region's transportation model.

Appendix E, Page E-5 notes:

“Post Period Benefit”, is the value of any anticipated surplus capacity at the end of the forecast period which is to be recovered from subsequent development. The value of surplus capacity to be deducted was calculated on a project by project basis from the forecasted 2033 traffic volumes and capacities for those road widening and new connection projects to be constructed in the 2030-2032 time frame.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor
G. Muller, Planning Department
M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
D. Steinberg, Bowmanville North Landowners Group

May 5, 2023

Our File: 5310

BY EMAIL
Regional Municipality of Durham
605 Rossland Road East
Whitby, ON
L1N 6A3
Attn: Regional Clerk



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**Re: Draft 2023 DC Background Study
Mearns Ave Limited Partnership (933 Mearns Avenue)**

Dear Sir/ Madam,

We are writing on behalf of Mearns Ave Limited Partnership, the owner of the 933 Mearns Avenue, with respect to the Draft Regional Development Charges (DC) Background Study dated March 28, 2023.

The owner's lands are located south of Concession Road 3, spanning Mearns Avenue and Lambs Road, and generally extending southward to the rear lines of homes fronting Hanna Drive. The west half of the owner's property (fronting Mearns Avenue) lies within the current Official Plan. The east half (fronting Lamb's Road) is part of the community expansion set out in the Durham 2051 plan.

We have briefly reviewed the draft background study and note the following.

DC Project Requirements -Hard Services

In order for development to proceed on this property over the next 10 years of the DC Study horizon and beyond, the following additional projects will need to be included for in the DC project lists.

These project inclusions will ensure that sufficient DC funds are collected. A sufficient balance in the DC reserve fund will be needed for the Region to fund the projects required to create the immediate and post horizon year growth projected in the DC Background Study for the property and to meet any potential DC Credit applications.

Sanitary Sewerage

Figure G3 on page G-7 shows sewer Project 305 (\$1.65M) to be constructed on 3 legs of the Concession Road 3/ Mearns Avenue intersection.

The Region requires the property owner to construct a gravity sewer on the south leg of Concession Road 3/ Mearns Avenue intersection, along the entire frontage of the owner's property within the Mearns Ave right of way. This gravity sewer will not otherwise be needed by the property owner. This will require the sewer length shown in the DC Background Study to be extended approximately 275m further south.

- i. Mearns Ave Limited Partnership requests an additional 275m length of sewer to be included for in the sanitary DC project 305 to cover DC Credit needs and due to its ultimately providing redevelopment capacity alternatives for external properties.

Mearns Ave Limited Partnership also requests the DC project limits be expanded as follows.

- ii. Extend the proposed gravity sewer shown in the DC Background Study on Concession Road 3 by approximately 500m eastward to the intersection of Lambs Road.
- iii. Further add approximately 200m of upstream gravity sewer on the south leg of the Concession Road 3 and Lambs Road intersection.

Water Supply

Figure F3 on page F-7 shows a watermain Project 306 (\$44.9M) to be constructed on Lambs Road, Concession Road 3, and Liberty Street North serving the area.

The property owner is required to construct a watermain on the south leg of the Concession Road 3/ Mearns Avenue intersection, along the entire frontage of the owner's property within the Mearns Ave right of way.

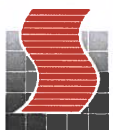
- iv. Mearns Ave Limited Partnership requests the additional Mearns Avenue watermain cost (from Concession Road 3 southward approximately 500m) be included for as a DC eligible project due to its ultimately providing service quality and system redundancy benefits to external lands.

Yours very truly,
SCHAEFFER & ASSOCIATES LTD.



Hal Beck, P.Eng.

c. Mearns Ave Limited Partnership





May 12, 2023

Hal Beck, P. Eng.
Schaeffers Consulting Engineers
6 Runrose Drive
Concord, Ontario
L4K 4R3

**The Regional
Municipality
of Durham**

Finance Department

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durham.ca

N. Taylor, BBA, CPA, CA
Commissioner of Finance

Dear Mr. Beck:

RE: Response to Comments Submitted on Behalf of Mearns Ave
Limited Partnership, Related to the 2023 Regional Development
Charge Background Study

Thank you for your letter dated May 5, 2023 regarding the 2023 Region-wide Development Charge (DC) Study. Please find responses below to the questions provided on behalf of Mearns Ave Limited Partnership.

Your questions regarding Sanitary Sewer

- 1. Figure G3 on page G-7 shows sewer Project 305 (\$1.65 million) to be constructed on 3 legs of the Concession Road 3/ Mearns A venue intersection.**

The Region requires the property owner to construct a gravity sewer on the south leg of Concession Road 3/ Mearns A venue intersection, along the entire frontage of the owner's property within the Mearns Ave right of way. This gravity sewer will not otherwise be needed by the property owner. This will require the sewer length shown in the DC Background Study to be extended approximately 275m further south.

- A. Mearns Ave Limited Partnership requests an additional 275m length of sewer to be included for in the sanitary DC project 305 to cover DC Credit needs and due to its ultimately providing redevelopment capacity alternatives for external properties.**
- B. Mearns Ave Limited Partnership requests the DC project limits be expanded as follows:**
 - a. Extend the proposed gravity sewer shown in the DC Background Study on Concession Road 3 by approximately 500m eastward to the intersection of Lambs Road.**

- b. Further add approximately 200m of upstream gravity sewer on the south leg of the Concession Road 3 and Lambs Road intersection.**

Regional Staff Response

Staff have reviewed your requests and are not recommending that new DC items be included or that any modifications to DC items in the proposed 2023 DC Background Study be made at this time. If the Region requires any oversizing of sanitary sewer infrastructure being constructed to service your lands, the Region will cost share in accordance with the Region Share Policy (Appendix B of the 2023 DC Background Study).

Your questions regarding Water Supply

- 2. Figure F3 on page F-7 shows a watermain Project 306 (\$44.9 million) to be constructed on Lambs Road, Concession Road 3, and Liberty Street North serving the area.**

The property owner is required to construct a watermain on the south leg of the Concession Road 3/ Mearns A venue intersection, along the entire frontage of the owner's property within the Mearns Ave right of way.

Mearns Ave Limited Partnership requests the additional Mearns Avenue watermain cost (from Concession Road 3 southward approximately 500m) be included for as a DC eligible project due to its ultimately providing service quality and system redundancy benefits to external lands.

Regional Staff Response

Staff have reviewed your requests and are not recommending that new DC items be included or that any modifications to DC items in the proposed 2023 DC Background Study be made at this time. If the Region requires any oversizing of water supply infrastructure being constructed to service your lands, the Region will cost share in accordance with the Region Share Policy (Appendix B of the 2023 DC Background Study).

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
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G. Muller, Planning Department
M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.

Mr. Alexander Harras, Regional Clerk
Regional Municipality of Durham
605 Rossland Road East
Whitby, ON L1N 6A3

Dear Mr. Harras,

**Re: 7370 Centre Road, Town of Uxbridge
2023 Durham Region DC Update Comments**

We are writing to provide comments on the draft Durham Region DC By-law, dated March 28, 2023, with regard to the proposed development of 7370 Centre Road in the Town of Uxbridge.

Our review has included both the 2018 and 2023 DC Background Studies as well as Durham's 2023 Consolidated Water Supply and Sanitary Sewerage Business Plans and Budgets dated December 13, 2022.

In general, we appreciate the Region's on-going management of water and sanitary infrastructure to service the Uxbridge area and the retention and addition of projects to meet the 2032 growth requirements. We understand that since this by-law update only includes the existing Official Plan area and a growth projection to 2032, a subsequent DC By-Law update may be undertaken prior to the new 10-year renewal process to facilitate the inclusion of the 2051 growth areas and associated infrastructure, following completion of the Region's Master Servicing Plan update.

The 7370 Centre Road lands are currently proceeding through the planning process. We anticipate that a draft plan approval could be in place by mid 2024 which would allow engineering design to proceed in 2025 and construction to proceed in 2026 with first building permits available by early 2027.

We have the following specific comments and questions related to the Uxbridge based water and sanitary infrastructure:

Re: **7370 Centre Road, Town of Uxbridge**
2023 Durham Region DC Update Comments

File #: 2099
 May 2, 2023
 Page 2 of 4

Water

Project 500 – New well, pumphouse and standby power – Uxbridge

1. We note that this item has been retained from the 2018 DC and has been escalated by 90.6%.
2. Pre-Construction funding has been moved from 2019 to 2023
3. Construction funding has been moved from 2020 to 2025
4. We note that the 2023 financing summary in Appendix A includes \$501,000 in total, with \$150,000 (30%) being sourced from the User Rate. The DC Background Study however does not identify any Benefit to Existing (BTE). **Should the DC Background Study be updated accordingly to incorporate the 30% BTE for the overall well cost?**
5. The total project cost in the 2023 DC Background study is \$6.9M. The 2023 budget however only identifies \$4.722M of new expenditures and \$1.5M of Prior to 2023 expenditures, for a total of \$6,222. **Why is the DC Background Study total \$678k higher than the budgeted cost?**

Project 501 – Expansion of Quaker Hill Reservoir from 2.8 to 5.2 ML – Uxbridge

1. We note that this item has been retained from the 2018 DC and has been escalated by 201%.
2. Pre-Construction funding has been moved from 2021 to 2024
3. Construction funding has been moved from 2022 to 2027
4. The total project cost in the 2023 DC Background study is \$11.5M. The 2023 budget however only identifies \$8.0M of new expenditures. Why is the DC Background Study total \$3.5M higher than the budgeted cost?
5. Based on the anticipated development timing of 7370 Centre Road, **should the timing of the Quaker Hill Reservoir expansion be moved to 2026?**

Future Water Projects

1. The western portion of the 7370 Centre Road lands is located in the Uxbridge Zone 2 water zone. Improvements of the existing water system or new infrastructure is anticipated to be required to accommodate this growth area.
2. Recognizing that the future growth in this area is subject to confirmation of additional capacity in the Uxbridge Water Pollution Control Plant, which is addressed in the draft 2023 DC, **we request that the future water system improvements to accommodate the western portion of 7370 Centre Road be included in the next update of the Region's DC**, unless it can be confirmed that the required upgrades can be accommodated as an on-site local infrastructure project through the planning process. We note that a local site-specific solution for the Zone 2 lands on 7370 Centre Road could be implemented through the Draft Plan approval process in the event that a solution is required ahead of a subsequent DC By-law update.

Sanitary

Project 500 – Uxbridge WPCP – Optimization Study and Upgrades

1. We note that this item has been retained from the 2018 DC and has been escalated by 324%.
2. We understand that the Pre-Construction studies have been completed



Re: 7370 Centre Road, Town of Uxbridge
2023 Durham Region DC Update Comments

File #: 2099
May 2, 2023
Page 3 of 4

3. Construction funding has been moved from 2019 to 2024
4. The total project cost in the 2023 DC Background study is \$10.6M. The 2023 budget however only identifies \$4.6M of new expenditures. **Why is the DC Background Study total \$6.0M higher than the budgeted cost?**

Project 500 – Uxbridge WPCP Capacity Expansion

1. We appreciate the addition of this item in the draft 2023 DC to expedite the existing growth areas in Uxbridge
2. We note that the draft 2023 DC includes Pre-Construction tasks in 2027 and 2029 for a cost allowance of \$250,000 and \$625,000 respectively. **Is this anticipated to be for the Class EA and Design work associated with the capacity expansion?**
3. 75% of the cost is identified as being a Post Period Benefit. **Is it anticipated that this cost will be included as an “in period” cost in the next Update of the Region’s DC** , which is anticipated to cover growth to 2051?
4. There does not appear to be a specific item related to the Pre-construction costs in the 2023 Budget. **Could the anticipated 2027 and 2029 costs be funded from the general categories of “Allowance for Engineering Studies” and “Preliminary Engineering” or other general categories?**

| Item | Gross Cost | | Timing | | BTE | PPB | In period costs | | Post Period Costs | 2023 10yr Budget* | | | | |
|---|------------|--------|---------------|--|-----|-----|-----------------|--------|-------------------|-------------------|-------|-------|-------|-------|
| | 2018 | 2023 | 2018 | 2023 | | | 2018 | 2023 | | 2023 | 2024 | 2025 | 2027 | Total |
| New 2.7ML Well and Pump House | 3,620 | 6,900 | 2019/ 2020 | 2023(500)/ 2025(6,400) | 0 | 0 | 3,620 | 6,900 | 0 | 500 | | 4,220 | | 4,722 |
| Quaker Hill Reservoir Expansion from 2.8 to 5.2ML | 3,820 | 11,500 | 2021/ 2022 | 2024(1,200)/ 2027(10,300) | 0 | 0 | 3,820 | 11,500 | 0 | | 1,200 | | 6,800 | 8,000 |
| Uxbridge WPCP Optimization Study and Upgrades | 2,500 | 10,600 | 2019 | 2024(10,600) | 0 | 0 | 2,500 | 10,600 | 0 | | 4,600 | | | 4,600 |
| Uxbridge WPCP Capacity Expansion | n/a | 19,700 | | 2027(250)/ 2029(625)/ 2032(4050) | 0 | 75% | n/a | 4,925 | 14,775 | | | | | |

*Note: Black text identifies Pre-Construction costs/Red text identifies Construction costs
All costs in 1000's.

Re: 7370 Centre Road, Town of Uxbridge
2023 Durham Region DC Update Comments

File #: 2099
May 2, 2023
Page 4 of 4

10yr Capital Plan Financing (Appendix A – Financing of Capital projects planned for 2023):

New Well and Pumphouse

1. 2023 financing budget = 501 (351-DC, 150 – User Rates)
2. Prior to 2023 = 1,500
3. 2024-2032 = 4,22
4. Total – 6,221

We appreciate the opportunity to provide comments on the draft DC By-Law update.

Please contact the undersigned if you have any questions or require any additional information.

Sincerely,

SCS Consulting Group Ltd.



Steve Schaefer, P. Eng.

Principal

sschaefer@scsconsultinggroup.com

- c. Mr. Aaron Christie, Durham Region
Mr. John Spina, Bridgebrook Corp.

P:\2099 7370 Centre Road Uxbridge\Correspondence\Letters\Durham-2023 05(may)02 - 2023 Durham DC Comments - SMS.docx





May 17, 2023

Steve Schaefer, P. Eng.
Principal, SCS Consulting Group Ltd.
30 Centurian Drive, Suite 100
Markham, Ontario
L3R 8B8

Dear Mr. Schaefer:

**The Regional
Municipality
of Durham**

Finance Department

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CANADA

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N. Taylor, BBA, CPA, CA
Commissioner of Finance

RE: Response to Comments Related to the 2023 Regional
Development Charge Background Study – 7370 Centre Road,
Township of Uxbridge

Thank you for your letter dated May 2, 2023 regarding the 2023 Region-wide Development Charge (DC) Study. Please find responses to the questions below regarding the development of 7370 Centre Road in the Township of Uxbridge.

Your questions regarding Water Supply

Project 500 – New Well, pumphouse and standby power – Uxbridge

- 4. We note that the 2023 financing summary in Appendix A includes \$501,000 in total, with \$150,000 (30%) being sourced from the User Rate. The DC Background Study however does not identify any Benefit to Existing (BTE). Should the DC Background Study be updated accordingly to incorporate the 30% BTE for the overall well cost?**

Regional Staff Response

The User Rate portion in the Budget for this capital project is related to the shortfall in funding from the Non-Residential DCs, it not related to Benefit to Existing.

- 5. The total project cost in the 2023 DC Background study is \$6.9M. The 2023 budget however only identifies \$4.722M of new expenditures and \$1.5M of Prior to 2023 expenditures, for a total of \$6,222. Why is the DC Background Study total \$678k higher than the budgeted cost?**

Regional Staff Response

The 2023 Budget Estimates were updated as part of the 2023 DC exercise and the majority of costs increased. The 2024 Budget will be updated to reflect the cost information from the 2023 DC Study.

Project 501 – Expansion of Quaker Hill Reservoir from 2.8 to 5.2 ML

- 4. The total project cost in the 2023 DC Background study is \$11.5M. The 2023 budget however only identifies \$8.0M of new expenditures. Why is the DC Background Study total \$3.5M higher than the budgeted cost?**

Regional Staff Response

The 2023 Budget Estimates were updated as part of the 2023 DC exercise and the majority of costs increased. The 2024 Budget will be updated to reflect the cost information from the 2023 DC Study.

- 5. Based on the anticipated development timing of 7370 Centre Road, should the timing of the Quaker Hill Reservoir expansion be moved to 2026?**

Regional Staff Response

Project timing shown in the 2023 DC is an estimate based on our expectations at this time. The timing is reviewed and subject to change on an annual basis as part of the Budget Process. The timing for this project in the 2023 DC will not be changed at this time.

Your questions regarding Future Water Projects

- 1. The western portion of the 7370 Centre Road lands is located in the Uxbridge Zone 2 water zone. Improvements of the existing water system or new infrastructure is anticipated to be required to accommodate this growth area.**

Regional Staff Response

The Region does not expect growth to occur in this area prior to 2032.

- 2. Recognizing that the future growth in this area is subject to confirmation of additional capacity in the Uxbridge Water Pollution Control Plant, which is addressed in the draft 2023 DC, we request that the future water system improvements to accommodate the western portion of 7370 Centre Road be included in the next update of the Region's DC, unless it can be confirmed that the required upgrades can be accommodated as an on-site local infrastructure project through the planning process. We note that a local site-specific solution for the Zone 2 lands on 7370 Centre Road could be implemented through the Draft Plan approval process in the event that a solution is required ahead of a subsequent DC By-law update.**

Regional Staff Response

As this request pertains to future DC work, the Region is unable to comment at this time. All DC projects will be reviewed at the time of the next study and will be based on an updated growth forecast.

Your questions regarding Sanitary Sewer

Project 500 – Uxbridge WPCP – Optimization Study and Upgrades

- 4. The total project cost in the 2023 DC Background study is \$10.6M. The 2023 budget however only identifies \$4.6M of new expenditures. Why is the DC Background Study total \$6.0M higher than the budgeted cost?**

Regional Staff Response

The 2023 Budget Estimates were updated as part of the 2023 DC exercise and the majority of costs increased. The 2024 Budget will be updated to reflect the cost information from the 2023 DC Study.

Project 501 – Uxbridge WPCP Capacity Expansion

- 1. We appreciate the addition of this item in the draft 2023 DC to expedite the existing growth areas in Uxbridge.**

Regional Staff Response

The forecast period of the DC Background Study now goes beyond 2031 which is theoretically beyond the current in-force Regional Official Plan 2031 population forecast of 16,480 and the future potential capacity of the Uxbridge WPCP following the Plant Optimization Project. Preliminary work on the future plant expansion has been identified to commence prior to 2031.

- 2. We note that the draft 2023 DC includes Pre-Construction tasks in 2027 and 2029 for a cost allowance of \$250,000 and \$625,000 respectively. Is this anticipated to be for the Class EA and Design work associated with the capacity expansion?**

Regional Staff Response

The expectation is that the 2027 funding would be for Assimilative Capacity and the 2029 funding would be for the Class EA. This is all subject to review and change on an annual basis as part of the budget process.

- 3. 75% of the cost is identified as being a Post Period Benefit. Is it anticipated that this cost will be included as an “in period” cost in the next Update of the Region’s DC, which is anticipated to cover growth to 2051?**

Regional Staff Response

As this request pertains to future DC work, the Region is unable to comment at this time. All DC projects will be reviewed at the time of the next study and will be based on an updated growth forecast.

4. There does not appear to be a specific item related to the Pre-construction costs in the 2023 Budget. Could the anticipated 2027 and 2029 costs be funded from the general categories of “Allowance for Engineering Studies” and “Preliminary Engineering” or other general categories?

Regional Staff Response

No work on this item is planned to proceed in 2023 so it does not need to be (and was not) identified in the 2023 Budget. Now that the project has been identified, it will start to be shown in future budget and forecast documents.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor
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M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
N. McIntosh, SCS Consulting

Ms. Mary Simpson

Director of Risk Management, Economic Studies & Procurement
Regional Finance Department
Regional Municipality of Durham
605 Rossland Road East
Whitby, Ontario, L1N 6A3

Dear Ms. Simpson:

**Re: 2023 Regional Development Charge Background Study
Regional Roads, Water Supply, Sanitary Sewerage Infrastructure Review
Regional Municipality of Durham**

On behalf of BILD and the Durham Region Home Builders Association we are pleased to provide you with our comments regarding the infrastructure costs within the March 28, 2023 Regional Development Charge Background Study, prepared by Watson & Associates Economists Ltd.

Our comments are focused specifically on the Regional Roads, Regional Water Supply and Regional Sanitary Sewerage Infrastructure Projects, as follows.

Regional Roads

1. There are a variety of projects, summarized in **Table 1** below, that widen roads from 4 to 6 and 5 to 7 lanes that are planned to be completed between 2030 and 2032 that have a 0% post period benefit. Please review and provide the justification, as it would seem reasonable that these roads would be designed to accommodate growth beyond the 2032 planning horizon.

| TABLE #1 | | | | | | | | |
|---|--------------------------|--|---|-------------------|---------------------|--------|--------|--------|
| DEVELOPMENT RELATED RESIDENTIAL SHARE SERVICE: REGIONAL ROADS | | | | GROSS COST (2023) | POST PERIOD BENEFIT | 2030 | 2031 | 2032 |
| | | | | \$ 000's | % | | | |
| 1.3 | Brock Rd. (Reg. Rd. 1) | Finch Ave. to Taunton Rd. | Widen road from 5 to 7 lanes to add HOV lanes, including structure widening | 68,495 | 0% | 1,072 | 42,871 | 0 |
| 4.1 | Taunton Rd. (Reg. Rd. 4) | Toronto / Pickering Townline Rd. to W. of Twelvetreel Bridge | Widen from 4 to 6 lanes to add HOV lanes | 27,810 | 0% | 5,267 | 0 | 0 |
| 4.2 | Taunton Rd. (Reg. Rd. 4) | W. of Twelvetreel Bridge to Peter Matthews Dr. | Widen from 4 to 6 lanes to add HOV lanes, including structure widening | 56,650 | 0% | 0 | 0 | 0 |
| 4.25 | Taunton Rd. (Reg. Rd. 4) | Peter Matthews Dr. to Brock Rd. | Widen from 4 to 6 lanes to add HOV lanes, including structure widening | 51,706 | 0% | 543 | 0 | 25,359 |
| 4.32 | Taunton Rd. (Reg. Rd. 4) | Lake Ridge Rd. to Brock St. | Widen from 5 to 7 lanes to add HOV lanes | 57,268 | 0% | 17,647 | 0 | 0 |
| 22.1 | Bayly St. (Reg. Rd. 22) | Brock Rd. to Westney Rd. | Widen from 5 to 7 lanes to add HOV lanes, including structure widening | 36,565 | 0% | 411 | 12,321 | 0 |
| 22.25 | Bayly St. (Reg. Rd. 22) | Harwood Ave. to Salem Rd. | Widen from 4 to 6 lanes to add HOV lanes | 19,570 | 0% | 0 | 11,597 | 0 |
| 22.3 | Bayly St. (Reg. Rd. 22) | Salem Rd. to Lake Ridge Rd. | Widen from 4 to 6 lanes to add HOV lanes | 32,239 | 0% | 2,160 | 0 | 18,216 |

2. Please review Project #4.2 Taunton Rd. (Reg. Rd. 4), Table E.1, as it appears that the costs for the project have not been allocated to a yearly forecast but have a residential share allocation of \$33.506 Million.
3. It appears that a significant amount of work has gone into evaluating the allocation of costs between benefit to existing and post period for road widenings, new connections and corridor projects, however, the corresponding intersections have a consistent allocation of 10% benefit to existing and 0% post period. Please review and consider updating the benefit to existing and post period allocations so that they align with the corresponding roads project.

Regional Water Supply

4. Please provide additional information with respect to the cost estimates for the Water Storage & Pumping Station projects, summarized in **Table 2** below. There has been a significant increase in the project costs in the range of 150% to 350%

| TABLE #2 - REGIONAL WATER COMPARISON | | | | | | | |
|--|--|--------------------------|--|--|--------------------------|------------------------------------|----------|
| Table F.1 - Regional Water Supply: Capital Cost Summary: Residential (Year 2023 - 2032) | | | Table F.1 - Regional Water Supply: Capital Cost Summary: Residential (Year 2018 - 2027) | | | Gross Project Cost Increase | |
| Growth - Related Residential Share Service: Water Supply 2023 D.C. Study | | Gross Cost (2023) | Growth - Related Residential Share Service: Water Supply 2018 D.C. Study | | Gross Cost (2018) | | |
| Item # | Description | \$ 000's | Item # | Description | \$ 000's | \$ | % |
| | Pickering / Ajax | | | Pickering / Ajax | | | |
| | Whitby/Oshawa/Clarington (Courtice) | | | Whitby/Oshawa/Clarington (Courtice) | | | |
| | Storage Facility | | | Storage Facility | | | |
| 201 | Expansion of Garrard Rd. Zone 1 Reservoir from 31 ML to 50 ML - Whitby | 40,000 | 202 | Expansion of Garrard Rd. Zone 1 Reservoir from 31 ML to 50 ML - Whitby | 16,700 | 23,300 | 140% |
| 202 | Expansion of Taunton Rd. Zone 2 Reservoir from 13 ML to 27 ML - Oshawa | 43,400 | 203 | Expansion of Taunton Rd. Zone 2 Reservoir from 13 ML to 27 ML - Oshawa | 12,500 | 30,900 | 247% |
| 203 | New Myrtle Rd. Zone 4 Reservoir 13 ML - Whitby | 37,500 | 205 | New Zone 4 storage facility 11 MLD - Whitby | 12,000 | 25,500 | 213% |
| 204 | New Winchester Rd. Zone 4 Reservoir 16 ML - Oshawa | 53,500 | 206 | New Zone 4 storage facility 11 MLD - Oshawa | 12,000 | 41,500 | 346% |
| | Pumping Stations (PS) | | | Pumping Stations (PS) | | | |
| 206 | Expansion of Garrard Rd. Zone 3 PS - Whitby | 5,100 | 207 | Upgrades at Garrard Rd. Zone 3 PS - Whitby | 1,400 | 3,700 | 264% |
| 211 | Expansion of Taunton Rd. Zone 3 PS - Oshawa | 5,000 | 211 | Expansion of Taunton Rd. Zone 3 PS from 27 to 75 MLD - Oshawa | 1,150 | 3,850 | 335% |
| | | | | | | | |
| | Clarington (Bowmanville) | | | Clarington (Bowmanville) | | | |
| | Storage Facility | | | Storage Facility | | | |
| 302 | Expansion of Zone 2 Reservoir from 9 to 18 ML | 22,500 | 302 | Expansion of Zone 2 Reservoir from 9 to 18 ML | 7,850 | 14,650 | 187% |
| | Storage Facility | | | Storage Facility | | | |
| 312 | New Zone 2 Reservoir - Newcastle | 22,500 | 314 | New Zone 2 Reservoir - Newcastle | 6,100 | 16,400 | 269% |
| | Uxbridge | | | Uxbridge | | | |
| | Storage Facility | | | Storage Facility | | | |
| 501 | Expansion of Quaker Hill Reservoir from 2.8 to 5.2 ML - Uxbridge | 11,500 | 501 | Expansion of Quaker Hill Reservoir from 2.8 to 5.2 ML - Uxbridge | 3,820 | 7,680 | 201% |
| | Brock | | | Brock | | | |
| | Storage Facility | | | Storage Facility | | | |
| 605 | Additional Water Storage from 1.4 to 3 ML - Cannington | 10,200 | 606 | Additional Water Storage from 1.4 to 3 ML - Cannington | 3,600 | 6,600 | 183% |
| 606 | New Elevated Tank for Water Storage including Removal of Existing Standpipe - Sunderland | 9,000 | 607 | Additional Water Storage from 1.4 to 3 ML - Sunderland | 3,600 | 5,400 | 150% |

5. Please provide the justification for the elimination of the post period allocation on Project #216 - Zone 1 West Whitby feedermain from Brock St./Victoria St. to Rossland Road – Whitby, between the 2018 and 2023 studies, as the timing for the completion of these works is schedule at the end of the planning period in 2032.
6. Please review and consider applying a post period allocation to new Project #230 - Zone 5 feedermain on Brawley Road from Ashburn Rd. to Simcoe St. N. - Whitby/Oshawa as these works are scheduled for 2032 at the end of the planning period and would appear to benefit growth beyond the planning horizon.

Continued on next page...



Regional Sanitary Sewerage

7. Please provide additional information with respect to the cost estimates for the following sanitary project, summarized in **Table 3** below, as there has been a significant increase in the project cost in the ranges of 100% to 500%.

| TABLE #3 - REGIONAL SANITARY COMPARISON | | | | | | | |
|---|---|-------------------|---|---|-------------------|-----------------------------|------|
| Table G.1 - Regional Sanitary Sewerage: Capital Cost | | | Table G.1 - Regional Sanitary Sewerage: Capital Cost | | | Gross Project Cost Increase | |
| Growth - Related Residential Share Service: Sanitary Sewerage 2023 D.C. Study | | Gross Cost (2023) | Growth - Related Residential Share Service: Sanitary Sewerage 2018 D.C. Study | | Gross Cost (2018) | | |
| Item # | Description | \$ 000's | Item # | Description | \$ 000's | \$ | % |
| | Pickering / Ajax | | | Pickering / Ajax | | | |
| | Water Pollution Control Plants (WPCP) | | | Water Pollution Control Plants (WPCP) | | | |
| | Pumping Stations (SSPS) | | | Pumping Stations (SSPS) | | | |
| 100 | Proposed Pickering Parkway Sanitary Sewage Pumping Station and forcemain, Pickering | 32,100 | 102 | SSPS and forcemain allowance - Pickering | 11,825 | 20,275 | 171% |
| | Whitby/Oshawa/Clarington(Courtice) | | | Whitby/Oshawa/Clarington(Courtice) | | | |
| | Water Pollution Control Plants (WPCP) | | | Water Pollution Control Plants (WPCP) | | | |
| 202 | Expansion of Courtice WPCP from 68 to 136 MLD - Courtice | 214,200 | 202 | Expansion of Courtice WPCP from 68 to 136 MLD - Courtice | 83,900 | 130,300 | 155% |
| | Pumping Stations (SSPS) | | | Pumping Stations (SSPS) | | | |
| 204 | Harbour Road SSPS and forcemain - Oshawa | 15,000 | 205 | New Harbour Road SSPS and forcemain Oshawa | | 12,230 | 442% |
| | Trunk Sanitary Sewers (TSS) | | | Trunk Sanitary Sewers (TSS) | | | |
| 211 | Sanitary sewer on Dundas St. from Des Newman Blvd. to Halls Rd. - Whitby | 12,400 | 222 | West Whitby sub-trunk sanitary sewer on Dundas St. from Coronation Rd. to Halls Rd. - Whitby (Region's Share) | 3,350 | 9,050 | 270% |
| 240 | Courtice trunk sanitary sewer on Adelaide Ave. extension from Trulls Rd. to Townline Rd. - Courtice | 62,200 | 212 | Courtice TSS Phase 5 - Adelaide Ave. extension from Trulls Rd. to Townline Rd. - Oshawa/Courtice | 14,740 | 47,460 | 322% |
| 241 | Courtice trunk sanitary sewer on Townline Rd. from Adelaide Ave. to Beatrice St. - Courtice | 54,100 | 213 | Courtice TSS Phase 6 - Stage 2 - Townline Rd. from Adelaide Ave. to Beatrice St. - Oshawa/Courtice | 14,460 | 39,640 | 274% |
| | Clarington (Bowmanville) | | | Clarington (Bowmanville) | | | |
| | Pumping Stations (SSPS) | | | Pumping Stations (SSPS) | | | |
| 300 | Northeast SSPS, forcemain allowance - Conc. Rd. 3 and Meams Ave. | 7,900 | 300 | Northeast SSPS, forcemain allowance - Conc. Rd. 3 and Meams Ave. | 3,675 | 4,225 | 115% |
| | Trunk Sanitary Sewers (TSS) | | | Trunk Sanitary Sewers (TSS) | | | |
| 302 | Twinning of sanitary sewer on Spry Ave. from Highway 401 to N/L Spry Ave. | 1,700 | 301 | Twinning of Spry Ave. TSS from Baseline Rd. to N/L Spry Ave. | 750 | 950 | 127% |
| 303 | Trunk sanitary sewer on Baseline Rd. Simpson Ave. to Bennett Rd. (Region Share) | 30,900 | 302 | Baseline Rd. TSS from Simpson Ave. to Bennett Rd. (Region's Share) | 7,000 | 23,900 | 341% |
| 306 | Trunk sanitary sewer on Port Darlington Rd. from Baseline Rd. to existing easement | 24,300 | 305 | Port Darlington Rd. TSS from Baseline Rd. to existing easement | 8,800 | 15,500 | 176% |
| 307 | Sanitary sewer on Bowmanville Ave. (RR57) from Stevens Rd. to Nash Rd. (Region Share) | 2,900 | 307 | Northwest TSS on RR57 from Stevens Rd. to Nash Rd. (Region's Share) | 1,295 | 1,605 | 124% |
| | Clarington (Newcastle) | | | Clarington (Newcastle) | | | |
| | Trunk Sanitary Sewers (TSS) | | | Trunk Sanitary Sewers (TSS) | | | |
| 311 | Sanitary sewer on Sunset Blvd. and Lakeview Rd. from Church St. to Rudell Rd. for flow diversion | 11,000 | 311 | Foster Creek TSS on Sunset Blvd./Lakeview Rd. from Church St. to Rudell Rd. | 3,325 | 7,675 | 231% |
| | Uxbridge | | | Uxbridge | | | |
| | Water Pollution Control Plants (WPCP) | | | Water Pollution Control Plants (WPCP) | | | |
| 500 | Uxbridge WPCP - Optimization Study and upgrades | 10,600 | 500 | Uxbridge WPCP - Optimization Study and upgrades | 2,500 | 8,100 | 324% |
| | Brock | | | Brock | | | |
| | Pumping Stations (SSPS) | | | Pumping Stations (SSPS) | | | |
| 603 | Beaverton Employment Lands SSPS and forcemain allowance | 10,800 | 603 | Beaverton Employment Lands SSPS and forcemain allowance | 4,000 | 6,800 | 170% |
| 604 | River Street SSPS expansion and forcemain allowance - Sunderland | 6,600 | 604 | River Street SSPS expansion - Sunderland | 2,500 | 4,100 | 164% |
| 605 | Laidlaw Street SSPS expansion and forcemain allowance - Cannington | 8,800 | 605 | Laidlaw Street SSPS expansion - Cannington | 2,500 | 6,300 | 252% |
| 606 | Harbour Street SSPS expansion and forcemain allowance - Beaverton | 15,000 | 606 | Harbour Street SSPS expansion - Beaverton | 2,500 | 12,500 | 500% |



May 17, 2023

Julie Bottos, A. Sc. T.
SCS Consulting Group Ltd.
30 Centurian Drive, Suite 100
Markham, Ontario
L3R 8B8

Dear Ms. Bottos:

**The Regional
Municipality
of Durham**

Finance Department

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CANADA

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N. Taylor, BBA, CPA, CA
Commissioner of Finance

RE: Response to Comments Related to the Water, Sewer, and Roads
Infrastructure Projects Contained in the 2023 Regional
Development Charge Background Study

Thank you for your letter dated May 5, 2023 regarding the Water, Sewer, and Roads infrastructure projects contained in the 2023 Region-wide Development Charge (DC) Study. Please find responses to the questions below.

Your questions regarding Regional Roads

- 1. There are a variety of projects, summarized in Table 1 (referenced in your letter), that widen roads from 4 to 6 and 5 to 7 lanes that are planned to be completed between 2030 and 2032 that have a 0% post period benefit. Please review and provide the justification, as it would seem reasonable that these roads would be designed to accommodate growth beyond the 2032 planning horizon.**

Regional Staff Response

The post period benefit was calculated for each project based on the forecasted 2033 traffic volumes and the road segment capacities from the updated transportation model. The projects listed in Table 1 (referenced in your letter) are assumed to be widened to 6 or 7 lanes to accommodate curbside High Occupancy Vehicle (HOV) lanes, guided by the Durham Transportation Master Plan (TMP). HOV lanes provide higher priority for transit, while maintaining additional capacity for automobiles with the goal of maximizing person carrying capacity.

HOV lanes also help to encourage behavioural shifts from less efficient modes of travel such as driving alone, to more efficient modes, such as carpooling and transit. From a transportation modelling perspective, and consistent with the HOV modelling assumption applied in the Durham TMP, HOV lane capacity is assumed to be less than that of a general lane.

- 2. Please review Project #4.2 Taunton Rd. (Reg. Rd. 4), Table E.1, as it appears that the costs for the project have not been allocated to a yearly forecast but have a residential share allocation of \$33.506 Million.**

Regional Staff Response

Thank you for pointing this out. An amended page will be included in the final Report to include the \$33.506 million in 2032. This will not impact the DC rate as both the rate calculation and the total cost estimate for the year 2032 include the \$33.506 million.

- 3. It appears that a significant amount of work has gone into evaluating the allocation of costs between benefit to existing and post period for road widenings, new connections and corridor projects, however, the corresponding intersections have a consistent allocation of 10% benefit to existing and 0% post period. Please review and consider updating the benefit to existing and post period allocations so that they align with the corresponding roads project.**

Regional Staff Response

For intersection modifications and signal installations, 10% Benefit to Existing (BTE) was estimated as an average and has been applied to all projects in this category. This methodology is consistent with previous Durham DC Background Studies.

For intersection modifications and signal installations, the Region continuously reviews locations to try to maximize capacity with signal timing, optimization and Intelligent Transportation System (ITS) projects therefore the Post Period Benefit (PPB) is assumed to be 0%.

Your questions regarding Regional Water Supply

- 4. Please provide additional information with respect to the cost estimates for the Water Storage & Pumping Station projects, summarized in Table 2 (referenced in your letter). There has been a significant increase in the project costs in the range of 150% to 350%?**

Regional Staff Response

The Region completed a full review of all project costs based on the most recent tendered projects and the latest cost estimates for active design projects and applied these to the proposed future work. Significant time had passed since this was last completed and project costs have increased significantly and well beyond typical annual inflation adjustments.

5. **Please provide the justification for the elimination of the post period allocation on Project #216 - Zone 1 West Whitby feedermain from Brock St./Victoria St. to Rossland Road – Whitby, between the 2018 and 2023 studies, as the timing for the completion of these works is schedule at the end of the planning period in 2032.**

Regional Staff Response

In the 2018 DC the PPB for this item was 5.1%. This was to account for the population growth between the DC period end of 2028 and the Region OP population threshold (2031). The 2023 DC forecast period servicing scenario is for the full build out of the 2031 OP Urban Area by the end of the DC period of 2032. There is no population forecast beyond the build out of the Urban Area to apply Post Period Benefit to. The purpose of this item is to increase system security and to protect the ability to move water between Whitby and Ajax water supply systems as they continue to grow. This project has been recommended for the build out of the 2031 OP Urban Area for many years.

6. **Please review and consider applying a post period allocation to new Project #230 - Zone 5 feedermain on Brawley Road from Ashburn Rd. to Simcoe St. N. - Whitby/Oshawa as these works are scheduled for 2032 at the end of the planning period and would appear to benefit growth beyond the planning horizon.**

Regional Staff Response

The 2023 DC forecast period servicing scenario is for the full build out of the 2031 OP Urban Area by the end of the DC period of 2032. The build out of the 2031 OP Urban Area includes the items for the Zone 5 water system in north Whitby and north Oshawa. There is no land in north Whitby and north Oshawa beyond the Urban Boundary that will benefit from this infrastructure and therefore no PPB was applied.

Your questions regarding Sanitary Sewer

7. **Please provide additional information with respect to the cost estimates for the following sanitary project, summarized in Table 3 (referenced in your letter), as there has been a significant increase in the project cost in the ranges of 100% to 500%.**

Regional Staff Response

The Region completed a full review of all project costs based on the most recent tendered projects and the latest cost estimates for active design projects and applied these to the proposed future work. Significant time had passed since this was last completed and project

costs have increased significantly and well beyond typical annual inflation adjustments.

8. Please provide justification of the removal of the benefit to existing allocation on Project #211 Sanitary sewer on Dundas St. from Des Newman Blvd. to Halls Rd. – Whitby of 10% from 2018.

Regional Staff Response

In 2018, an allowance of 10% BTE was applied to this item to account for the future conveyance of flows from the existing Almond Village community and a few commercial properties along Dundas Street. This allowance was reviewed in 2023 and a BTE of 0% was applied, based on the following points:

- The properties in Almond Village are serviced with private septic systems and they don't need to connect to the sanitary sewer.
- The sanitary sewer on Dundas Street is being proposed to service growth, not to provide service to Almond Village.
- It will be possible to extend local sanitary sewers from Item #211 to provide service to Almond Village in the future. This will all need to be paid for by the residents of Almond Village.
- The service population in Almond Village is so small that the size of the proposed sanitary sewer for Item #211 does not change with or without the flow from the Almond Village Community.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor

G. Muller, Planning Department
M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
V. Mortelliti, BILD
S. Hawkins, DRHBA
D. Keleher, Altus Group
C. MacDonald, SCS Consulting
S. Meiboom, SCS Consulting

From: Robert Webb <rwebb@webbco.ca>

Sent: May 5, 2023 4:48 PM

To: Clerks <Clerks@durham.ca>; Mary Simpson <Mary.Simpson@durham.ca>

Cc: Victoria Mortelliti <vmortelliti@bildgta.ca>; s.hawkins@drhba.com

Subject: Region of Durham Proposed 2023 Development Charge By-law - Brookhill North Landowners Group Comments
REVISED

You don't often get email from rwebb@webbco.ca. [Learn why this is important](#)

Good afternoon,

I wish to withdraw the email which I sent to you at 4:01 this afternoon and replace it with this email. The original email contained a reference error. My apologies for any confusion this error has caused.

I am the Group Manager for the Brookhill North Landowners Group (BNLG) in Clarington and am writing with respect to Durham's Proposed 2023 Development Charge By-law. BNLG's lands are generally bounded on the south by the future extension of Clarington Boulevard, on the west by a line west of Green Road, on the north by Nash Road and on the east by Bowmanville Creek.

BNLG are in support of submissions made by BILD and Durham Region Homebuilders Association.

In addition, BNLG has two specific comments:

1. A watermain is required on Bowmanville Avenue from approximately Luverme Court, north to Longworth Avenue. We believe that this project should be included in the 2023 Development Charge as it a planned extension of the Region's network and is required to service growth planned to occur within the period of the DC.
2. Transportation Project 57.1 (*Bowmanville Ave. (Reg. Rd. 57) - Baseline Rd. to N. of Stevens Rd. - Widen from 2 to 4 lanes, including structure widening*) has a Benefit to Existing allocation of 14%. Transportation Project 57.2 (*Bowmanville Ave #57 - N. of Stevens Rd. to Nash Rd. - Widen from 2 to 4 lanes*) has a Benefit to Existing allocation of 21%. Project 57.1 is south of Project 57.2, runs through an existing urban area and is closer to Highway 401, as such we believe that it should have a BTE component equal to (21%) or greater than Project 57.2.

BNLG would appreciate you also making these adjustments to the DC Background Study.

If you require additional information or wish to discuss these requests, please contact me.

Yours truly,

Robert Webb

647-407-1967

rwebb@webbco.ca



May 12, 2023

Robert Webb
Group Manager for Brookhill North Landowners Group
Email: rwebb@webbco.ca

Dear Mr. Webb:

**The Regional
Municipality
of Durham**

Finance Department

605 ROSSLAND ROAD EAST
PO BOX 623
WHITBY, ON L1N 6A3
CANADA

905-668-7711
1-800-372-1102
Fax: 905-666-6256

durham.ca

N. Taylor, BBA, CPA, CA
Commissioner of Finance

RE: Response to Comments Related to the 2023 Regional
Development Charge Background Study

Thank you for your email on May 5, 2023 regarding the 2023 Region-wide Development Charge (DC) Study. Please find responses to the questions below.

1. I am the Group Manager for the Brookhill North Landowners Group (BNLG) in Clarington and am writing with respect to Durham's Proposed 2023 Development Charge By-law. BNLG's lands are generally bounded on the south by the future extension of Clarington Boulevard, on the west by a line west of Green Road, on the north by Nash Road and on the east by Bowmanville Creek.

BNLG are in support of submissions made by BILD and Durham Region Homebuilders Association.

In addition, BNLG has two specific comments:

A. A watermain is required on Bowmanville Avenue from approximately Luverme Court, north to Longworth Avenue. We believe that this project should be included in the 2023 Development Charge as it a planned extension of the Region's network and is required to service growth planned to occur within the period of the DC.

Regional Staff Response

This section of watermain is considered to be a local watermain and would require the developers to take the lead on constructing this main. If the Region requires any oversizing of this watermain, the Region Share will be paid as per the Region Share Policy (if applicable).

B. Transportation Project 57.1 (Bowmanville Ave. (Reg. Rd. 57) - Baseline Rd. to N. of Stevens Rd. - Widen from 2 to 4 lanes, including structure widening) has a Benefit to Existing allocation of 14%. Transportation Project 57.2

(Bowmanville Ave #57 - N. of Stevens Rd. to Nash Rd. - Widen from 2 to 4 lanes) has a Benefit to Existing allocation of 21%. Project 57.1 is south of Project 57.2, runs through an existing urban area and is closer to Highway 401, as such we believe that it should have a BTE component equal to (21%) or greater than Project 57.2. Figure G3 on page G-7 shows sewer Project 305 (\$1.65 million) to be constructed on 3 legs of the Concession Road 3/ Mearns Avenue intersection.

Regional Staff Response

As noted in Appendix E of the 2023 DC Background Study, the Region of Durham calculates Benefit to Existing (BTE) for roads as follows:

““Benefit to Existing Development”, which is the anticipated value of new capital works attributable to existing development. This deduction is assessed on a project by project basis and is primarily applicable to reconstruction, rehabilitation and replacement portion of project construction. As an example, in widening an existing 2-lane road to 4 lanes, the construction work may involve either rehabilitation or reconstruction of the two centre lanes. On this basis, the share of the total project cost associated with rehabilitating or reconstructing the existing two centre lanes was calculated and deemed to be beneficial to the existing community.”

Therefore, the Region deducts an amount for the estimated reconstruction / rehabilitation costs of the existing travel lanes which becomes a % of the total gross cost of the project. Both projects have 2 existing lanes with similar assumed road reconstruction needs based on existing condition. However, project 57.1 has a structure widening which makes the relative total gross project cost higher than project 57.2 which lowers the BTE percentage as an overall percent of the project. The relative BTE reconstruction deductions are similar on a cost per km length but vary on a percentage basis.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor
G. Muller, Planning Department
M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
V. Mortelliti, BILD
S. Hawkins, DRHBA



RIO CAN
REAL VISION. SOLID GROUND.

April 28, 2023

Director of Finance
Regional Municipality of Durham
605 Rossland Road East,
Whitby, Ontario L1N 6A3

RE: Proposed Development Charges By-law

Dear Regional Municipality of Durham,

We are writing to express our objection to the commercial development charge increase proposed by the Region of Durham on April 6th, 2023. As one of Canada's largest commercial landlords, RioCan owns 200 shopping Centres across Canada, including eleven in Durham Region. We are currently developing the Windfields Farm commercial centre and are committed to investing in commercial growth within the Region. Unfortunately, the proposed DC increases will make investing in new Commercial centres in Durham increasingly more difficult. As we continue to emerge from the Covid pandemic, there has been a slow but steady resurgence in the commercial retail sector, but this new growth has come with economic restrictions. Retail was one of the hardest-hit economic sectors during the pandemic, and most retail businesses are still recovering from 2 years of reduced or wholly lost revenues. Increased interest rates and construction prices make the margins on constructing new commercial space are very tight. The proposed DC increase will add hundreds of thousands of dollars to the costs of building new commercial space without the ability to offset those costs through increased rental revenues. The obvious result is a drag on commercial expansion and a subsequent reduction in investment, new job creation, and tax revenues for the Region and its member municipalities.

As mentioned RioCan's investment in Durham Region is represented by the following eleven properties:

- RioCan Harwood (Ajax),
- RioCan Durham (Ajax),
- Ajax Marketplace (Ajax) ,



RIO CAN
REAL VISION. SOLID GROUND.

- Glendale Market Place (Pickering),
- Meadow Ridge Plaza (Ajax),
- RioCan Windfields (Oshawa),
- Five Points Shopping Centre (Oshawa),
- Gerrard and Taunton (Whitby),
- Kendalwood Park Plaza (Whitby),
- RioCan Dundas East (Whitby),
- RioCan Thickson Ridge (Whitby)

RioCan's goal is to continue investing in Durham Region, but the proposed DC rate hikes will significantly impact our ability.

We would like the opportunity to work with Region staff to establish a balanced and economically viable approach to future commercial development charge increases. We urge the Region to reconsider its proposed DC bylaw and work with the development industry to establish a more sustainable approach that supports growth and development in the Region.

Thank you for your attention. We look forward to hearing back from you.

Sincerely,

Stuart Craig

Vice President, Planning & Development

RioCan Real Estate Investment Trust

CC: Maryam Waseem

From: Glenn Pitura <glenn@arutip.com>

Sent: May 8, 2023 9:19 AM

To: Clerks <Clerks@durham.ca>; Mary Simpson <Mary.Simpson@durham.ca>

Subject: Region of Durham: Development Charges - Seaton Landowners Comment

On behalf of North Pickering Community Management Inc (the Seaton Landowners Group), we provide the following comment on the Region's DC Background Study.

- The attached chart shows the Benefit to Existing (BTE) and Post Period Benefit(PPB) allocations for the various roads that we understand are required for development of Seaton to proceed and are included in the list of projects attached to the October 2012 MOU between the Seaton Landowners and the Region. The chart shows the BTE / PPB % allocations in the 2018 Region DC Background Study and the proposed allocations in the 2023 Study, some of which have changed significantly. Could the Region please provide the detailed assumptions to arrive at the 2023 BTE/PPB allocations for the individual roads included in the chart.

Once you have had a chance to review this comment, we would be happy to meet to discuss further.

Thanks.

Glenn Pitura, P. Eng.

The Arutip Group

25 William Andrew Avenue

Stouffville, ON

L4A 3S4

416-708-2212

| Regional DC Item No. (2023) | Regional DC Item No. (2018) | Road Name | Limits | Description | BTE (2023) | BTE (2018) | POST PERIOD (2023) | POST PERIOD (2018) |
|-----------------------------|-----------------------------|--|--|--|----------------------------------|------------|----------------------------------|--------------------|
| PHASE 1 | | | | | | | | |
| 38.4 | 38.4 | Whites Road RR 38 | South of Third Concession Rd to Taunton Rd. #4 | Construct new alignment to 6 lanes, with new bridge crossing of West Duffins Creek | 1.00% | 1.00% | 0.00% | 0.00% |
| O14 | 38.5 & 38.6 | Whites Road RR38 | Taunton Rd #4 to Hy #7 | New 6 Lanes | 0.00% | 0.00% | 0.00% | 0.00% |
| I.2 | I.1 | At Tauton Road RR4 and Brock Road RR 1 | | Intersection Improvement & Signal Installation | 10.00% | 10.00% | 0.00% | 0.00% |
| | | Hwy 7 | Brock Road RR1 to Green River | Intersection Improvement & Signal Installation | 0.00% | 0.00% | 0.00% | 0.00% |
| O15 | 28.3 | Peter Matthews Drive #28 | Brock Rd #1 to Alexander Knox | New 4 Lanes with CPR Crossing | 0.00% | 0.00% | 0.00% | 0.00% |
| O16 | 40.2 (a) | Alexander Knox Road #40 | Phase 1 Boundary to E. of Brock Road #1 | New 4 Lanes | 0.00% | 0.00% | 0.00% | 0.00% |
| SUBSEQUENT PHASES | | | | | | | | |
| | 38.7 | Whites Road RR 38 | Whitevale Road to Highway 7 | Widen from 4 to 6 lanes | PROJECT BUMPED OUT OF CURRENT DC | 20.00% | PROJECT BUMPED OUT OF CURRENT DC | 0.00% |
| 28.4 | 28.4 | Peter Matthews Drive #28 | Alexander Knox Road #40 to Hwy 7 | Construct new alignment to 2 lanes | 0.00% | 0.00% | 19.00% | 0.00% |
| 40.25 | 40.2 (b) | Alexander Knox Road #40 | Golf Club Road to Phase 1 Boundary | Construct new alignment to 4 lanes | 0.00% | 0.00% | 0.00% | 0.00% |
| 38.3 | 38.3 | Whites Road RR 38 | Finch Ave #37 to S. of Third Conc. Road | Widen from 2 to 6 lanes, with new CPR grade separation | 3.00% | 17.00% | 0.00% | 40.00% |
| 4.2 | 4.2 | Taunton Road RR4 | W. of Twelvvetrees Bridge to Peter Matthews Dr | Widen from 4 to 6 lanes to add HOV lanes, including structure widening | 20.00% | 4.00% | 0.00% | 45.00% |
| 4.25 | 4.2 | Taunton Road RR4 | Peter Matthews Dr. to Brock Rd. | Widen from 4 to 6 lanes to add HOV lanes, including structure widening | 28.00% | | 0.00% | |
| 1.45 | 1.45 | Brock Road RR1 | Taunton Rd #4 to Alexander Knox Rd #40 - Fifth Concession Rd | Widen from 4 to 6 lanes | 51.00% | 12.00% | 14.00% | 0.00% |
| | 1.6 | Brock Road RR1 | Alexander Knox Rd #40 - Fifth Concession Rd to Hwy 7 | Widen from 4 to 6 lanes, including structure widening | PROJECT BUMPED OUT OF CURRENT DC | 10.00% | PROJECT BUMPED OUT OF CURRENT DC | 0.00% |

Seaton Landowner Constructed



May 17, 2023

Glenn Pitura
The Arutip Group
25 William Andrew Avenue
Stouffville, Ontario
L4A 3S4

Dear Mr. Pitura:

**The Regional
Municipality
of Durham**

Finance Department

605 ROSSLAND ROAD EAST
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CANADA

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N. Taylor, BBA, CPA, CA
Commissioner of Finance

RE: Response to Comments Related to the 2023 Regional
Development Charge Background Study

Thank you for your email on May 8, 2023 regarding the 2023 Region-wide Development Charge (DC) Study. Please find the attached document that provides responses to your questions.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.

Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

Attachment #1: PDF Document with Responses

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor
G. Muller, Planning Department
M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.

| Regional DC Item No. (2023) | Regional DC Item No. (2018) | Road Name | Limits | Description | BTE (2023) | BTE (2018) | POST PERIOD (2023) | POST PERIOD (2018) |
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| --- | --- | Hwy 7 | Brock Road RR1 to Green River | Intersection Improvement & Signal Installation | N/A | N/A | N/A | N/A |
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Seaton Landowner Constructed

Durham Responses:

| General Comments | BTE Comments | PPB Comments |
|--|--|---|
| No Change | 1% BTE calculated for tie-in to existing road at south limit. | For 2023 DC - Project not in 2030-2032 timeframe, PPB not calculated. |
| 2023 DC: Included as an Allowance for DC Credits - Seaton Phase 1 Front-ending Agreement | New road, 0% BTE. | For 2023 DC - Project not in 2030-2032 timeframe, PPB not calculated. |
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| Not in 2018 or 2023 Durham DC Study | --- | --- |
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| Project shifted beyond 2032 | --- | --- |
| | New road/alignment, 0% BTE. | 2023 DC Background Study PPB calculated as construction funding in the 2030-2032 |
| No change | New road/alignment, 0% BTE. | For 2023 DC - Project not in 2030-2032 timeframe, PPB not calculated. |
| | There are 2 main reasons for the difference in the BTE from 2018 to 2023. 1) The existing pavement condition index has remained relatively stable in good condition, but the construction forecast is now 5 years nearer (shown in 2027 in both DC Background Studies) so it is assumed the existing 2 lanes will be rehabilitated vs reconstructed. 2) The total gross cost estimate has increased more than the assumed rehabilitation costs, which lowers the BTE % as an overall percent of the project. | PPB is calculated for projects in the last 3 years of the forecast timing (2018 DC was 2025-2027, 2023 DC is 2030-2032). In both DC Background Studies, the project is shown in 2027, therefore PPB was calculated for the 2018 DC but not for the 2023 DC Background Study. |
| | Condition of existing lanes have deteriorated resulting in an assumption of road reconstruction needed vs road rehabilitation on existing lanes, therefore increasing the BTE % in the 2023 DC Background Study. | The PPB was calculated for both the 2018 and 2023 DC Background Study. Since 2018, the Region's transportation model (which is used to calculate PPB) has evolved and been updated to reflect revised population and employment forecasts and more recent travel behaviour and patterns. In addition, the model used in the 2018 DC was calibrated to the 2011 Transportation Tomorrow Survey (TTS) and the model for the 2023 DC is calibrated to the 2016 TTS (the latest household travel survey available). The 2023 DC Background Study results in a PPB calculation of 0% for this project. |
| | | |
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Seaton Landowner Constructed

Durham Responses:

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FAR SIGHT HOMES
117 Ringwood Drive, Unit 18
Stouffville, Ontario, L4A 8C1
TEL: 905-642-8383
FAX: 905-642-6535

May 5, 2023

Regional Municipality of Durham
605 Rossland Road East
Whitby, Ontario
L1N 6A3
Attention: Mr. A. Harras, Director of Legislative Services / Regional Clerk

Dear Mr. Harras:

RE: Region of Durham, Development Charge By-Law Review

We are writing to provide comments with respect to the Region of Durham Development Charge By-Law review and the proposed new rates. Far Sight Homes is the owner of several designated residential development lands within the Region, specifically in the City of Pickering and the Municipality of Clarington. We are concerned with the proposed calculated residential rates which are approximately 91% to 102% higher when compared to current rates. Furthermore, this substantial increase will have a dramatic impact of the price of housing of all types, thereby, making it increasingly difficult for families and individuals to be able to afford a home within the Region.

While we understand that Development Charges provide funding for the infrastructure required to accommodate growth, it must be applied in a fair manner not only towards new growth but also to the existing neighborhoods and communities who are also direct beneficiaries of various infrastructure improvements. In review of the background studies, we are concerned that various road, water supply and sanitary sewerage projects do not account for a benefit to existing and place the entire burden on future growth. These inconsistencies need to be re-evaluated to insure that a fair allocation of costs are reflected in the proposed Development Charge rates.

Far Sight's Timber Trails project on Lambs Road on the eastern edge of the Bowmanville Community, Municipality of Clarington, is "shovel ready" and we are proceeding to commence construction in the coming weeks. A portion of the infrastructure required is an external sanitary sewer which essentially will service the entire eastern quadrant of Bowmanville, therefore, these works should be a Development Charge capital project and included within the proposed Development charge By-Law.

Thank you for considering our concerns and we are be pleased to provide further details and would be available at your convenience.

Yours truly,
Far Sight Homes



Bob Schickedanz
bob@farsight.ca



May 17, 2023

Bob Schickedanz
Far Sight Homes
117 Ringwood Drive, Unit 18
Stouffville, Ontario
L4A 8C1

Dear Mr. Schickedanz:

**The Regional
Municipality
of Durham**

Finance Department

605 ROSSLAND ROAD EAST
PO BOX 623
WHITBY, ON L1N 6A3
CANADA

905-668-7711
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durham.ca

N. Taylor, BBA, CPA, CA
Commissioner of Finance

RE: Response to Comments Submitted Related to the 2023 Regional
Development Charge Background Study

Thank you for your letter dated May 5, 2023 regarding the 2023 Region-wide Development Charge (DC) Study. Please find responses below to your questions.

Your questions regarding Benefit to Existing

1. You have raised concerns that various road, water supply and sanitary sewerage projects do not account for a benefit to existing and place the entire burden on future growth.

Regional Staff Response

A benefit to existing share has been applied to a number of water, sewer and roads projects. Below provides the methodology used to estimate the benefit to existing shares.

Roads

Benefit to existing development is assessed on a project-by-project basis and is primarily applicable to reconstruction, rehabilitation and replacement portion of project construction. As an example, in widening an existing 2-lane road to 4 lanes, the construction work may involve either rehabilitation or reconstruction of the two centre lanes. On this basis, the share of the total project cost associated with rehabilitating or reconstructing the existing two centre lanes was calculated and deemed to be beneficial to the existing community.

Based on the above and the approach Durham has undertaken for several DC Studies, new roads and projects with new road alignments are attributed entirely to growth (vs existing roads and existing road alignments), therefore no BTE is provided.

Water/Sewer

The majority of projects within the DC Study reflect infrastructure that is required entirely to service growth and is not replacing or rehabilitating existing infrastructure, therefore a benefit to existing

share is not applicable. For projects that involve expansion of existing infrastructure, a substantial portion of this infrastructure remains in good condition and is adequate for servicing the existing population. If growth did not occur, most of the infrastructure could have remained as-is. The existing population is not benefiting from the majority of the new infrastructure.

A benefit to existing share was applied to projects which involved the replacement of an asset that was in poor condition. For example, the expansion of the Newcastle Water Supply Plant involved replacing an old plant that was in poor condition.

Your question regarding a new Sanitary Sewer Project Request

2. Far Sight's Timber Trails project on Lambs Road on the eastern edge of the Bowmanville Community, Municipality of Clarington, is "shovel ready" and we are proceeding to commence construction in the coming weeks. A portion of the infrastructure required is an external sanitary sewer which essentially will service the entire eastern quadrant of Bowmanville, therefore, these works should be a Development Charge capital project and included within the proposed Development charge By-Law.

Regional Staff Response

This sanitary sewer is considered a local service to be constructed by the developer. If the Region requires the sanitary sewer to be oversized, the Region Share will be paid as per Region Share Policy. No specific item for this work will be added.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance

J. Hunt, Regional Solicitor
G. Muller, Planning Department
M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
J. Schickedanz, Far Sight Homes
J. Meader, Turkstra Mazza Associates

FIELDGATE DEVELOPMENTS

5400 Yonge Street, Suite 501
Toronto, ON M2N 5R5
Tel: (416) 227-9005
Fax: (416) 227-9007

May 8, 2023

Regional Clerk,
Regional Municipality of Durham,
605 Rossland Road East,
Whitby, ON L1N 6A3

Attention: Alexander Harras, Director of Legislative Services/Regional Clerk

Dear: Alexander

RE: 2023 Durham Region Development Charge Update

Please accept the following comments on the proposed underlying background studies to the 2023 Regional Development Charges Update.

Fieldgate is concerned about the turnaround time to review, and the short consultation period on the material that has been presented in support of the new development charge rates. As this increase is significant it would be beneficial to have meetings with industry representatives to better understand the supporting inputs, information and provide meaningful comments and if necessary, make revisions to the charge.

Moreover, the impact on the cost of housing will be significant and such a unprecedented increase would not have been factored into the budgets of ongoing projects where sales may have occurred and financing established.

We urge the Region to include a transitional period for the new rates (i.e. 6 months) specifically for projects which are draft approved and well underway in design or servicing approval and for which sales have already occurred.

Yours very truly,
FIELDGATE DEVELOPMENTS,



Russel White
Vice President



**The Regional
Municipality
of Durham**

Finance Department

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N. Taylor, BBA, CPA, CA
Commissioner of Finance

May 15, 2023

Russel White
Vice President
Fieldgate Developments
5400 Yonge Street, Suite 501
Toronto, ON
M2N 5R5

Dear Mr. Russell:

RE: Response to Comments Related to the 2023 Regional
Development Charge Background Study

Thank you for your letter dated May 8, 2023 regarding the 2023 Region-wide Development Charge (DC) Study. Please find responses below to your questions.

Your questions regarding Transitional Policies

- 1. You have noted that the impact on the cost of housing will be significant and such a unprecedented increase would not have been factored into the budgets of ongoing projects where sales may have occurred and financing established.**

You have asked the Region to include a transitional period for the new rates (i.e. 6 months) specifically for projects which are draft approved and well underway in design or servicing approval and for which sales have already occurred.

Response

The final Development Charge Report, being presented for approval at the June 14th Special Meeting of Regional Council, will include proposed transitional policies for the new by-law. The final report will be released to the public prior to the meeting and will be posted to the Regional website.

Also note that the new DC rates are subject to the new mandatory five-year phase-in, with the new rates subject to the initial 20 per cent discount when they are implemented on July 1, 2023.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor
G. Muller, Planning Department
M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
M. May, Fieldgate Developments
N. Smith, Fieldgate Developments



May 11, 2023

Regional Clerk

Regional Municipality of Durham
605 Rossland Road East
Whitby, ON L1N 6A3

Re: 2023 Durham Region Development Charge Review

On behalf of Mattamy Homes Canada, please accept this letter which supports the submission by the Building Industry and Land Development Association (BILD) Durham Chapter and Durham Region Home Builders Association concerning the ongoing development charge (DC) review.

We support the notion that growth should pay for growth. We also acknowledge that DCs serve an important function by securing the adequate and timely delivery of necessary infrastructure. However, it is important that we find a balance between ensuring that there is sufficient funding from DCs, while also not overburdening new home buyers at a time when home ownership is out of reach for so many Ontarians. An example of these increased costs is a recent C.D. Howe study which found that homes in the Toronto CMA now cost buyers \$350,000 extra over the cost to build.¹ This includes upfront costs such as DCs, as well as the impact of various regulations.

In addition to our overall support of BILD's submission and our comments above, we would also like to highlight the following:

1. Several instances where no, or low Benefit to Existing is allocated to projects which clearly have significant benefit to the existing community.
2. There are several projects that are forecast for completion near the end of the Region's planning horizon that have no associated Post Period Benefit, meaning every housing

¹ [Buyers Beware: The Cost of Barriers to Building Housing in Canadian Cities](#) (C.D. Howe Institute)

unit built in the planning horizon will bear the full burden of projects which are not completed until the very end of the planning horizon

3. Several project costs have increased excessive amounts, up to 500%.

As a long-standing community building partner of the Region of Durham, we look forward to working together so that we can meet the province's housing targets and begin to genuinely address the housing supply crisis.

For further information:

Andrew Sjogren
Senior Vice President, Land Development, Mattamy Homes Canada
905.907.8371
Andrew.Sjogren@mattamycorp.com



**The Regional
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of Durham**

Finance Department

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N. Taylor, BBA, CPA, CA
Commissioner of Finance

May 19, 2023

Andrew Sjogren
Senior Vice President, Land Development
Mattamy Homes Canada
433 Steeles Avenue
Milton, Ontario
L9T 8Z4

Dear Mr. Sjogren:

RE: Response to Comments Related to the 2023 Regional
Development Charge Background Study

Thank you for your letter dated May 11, 2023 regarding the 2023 Region-wide Development Charge (DC) Study. Please find responses below to your questions.

Your letter highlights the following:

- 1. Several instances where no, or low Benefit to Existing is allocated to projects which clearly have significant benefit to the existing community.**

Regional Staff Response

Roads

Benefit to existing development is assessed on a project-by-project basis and is primarily applicable to reconstruction, rehabilitation and replacement portion of project construction. As an example, in widening an existing 2-lane road to 4 lanes, the construction work may involve either rehabilitation or reconstruction of the two centre lanes. On this basis, the share of the total project cost associated with rehabilitating or reconstructing the existing two centre lanes was calculated and deemed to be beneficial to the existing community."

Based on the above and the approach Durham has undertaken for several DC Studies, new roads and projects with new road alignments are attributed entirely to growth (vs existing roads and existing road alignments), therefore no BTE is provided. All other road projects do include a benefit to existing.

Water/Sewer

The majority of projects within the DC Study reflect infrastructure that is required entirely to service growth and is not replacing or rehabilitating existing infrastructure, therefore a benefit to existing share is not applicable. For projects that involve expansion of existing infrastructure, a substantial portion of this infrastructure remains in

good condition and is adequate for servicing the existing population. If growth did not occur, most of the infrastructure could have remained as-is. The existing population is not benefiting from the majority of the new infrastructure.

A benefit to existing share was applied to projects which involved the replacement of an asset that was in poor condition. For example, the expansion of the Newcastle Water Supply Plant involved replacing an old plant that was in poor condition.

- 2. There are several projects that are forecast for completion near the end of the Region's planning horizon that have no associated Post Period Benefit, meaning every housing unit built in the planning horizon will bear the full burden of projects which are not completed until the very end of the planning horizon.**

Regional Staff Response

Roads

Post period benefit (PPB) is calculated for each road widening, new connection and corridor modification project in the 2030-2032 timeframe based on the forecasted 2033 traffic volumes and the road segment capacities from the Region's updated transportation model. The values for post-period benefit vary on a project-by-project basis and are derived from the Region's transportation model.

Water/Sewer

For the majority of items in the water supply and sanitary sewer programs, the 2023 DC Period servicing scenario is for the full build out of the 2031 Regional Official Plan (ROP) Urban Area by the end of the DC period of 2032. There is no population forecast beyond the build out of the Urban Area to apply Post Period Benefit to. The programs represent the servicing required to build out the 2031 ROP Urban Area.

- 3. Several project costs have increased excessive amounts, up to 500%.**

Regional Staff Response

The higher costs for the infrastructure included in the DC Study were based on the costs of recent projects. The costs are in \$2023 and a further inflation factor was not incorporated.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
N. Taylor, Commissioner of Finance
J. Hunt, Regional Solicitor
G. Muller, Planning Department
M. Hubble, Works – Environmental Services
R. Jagannathan, Works – Transportation & Field Services
P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
M. Minniti, Mattamy Homes



May 5, 2023

Regional Clerk
Regional Municipality of Durham
111 Sandiford Dr.,
Stouffville ON
L4A 0Z8

Sent via email: Clerks@Durham.ca

Attention: Regional Clerk & Regional Council

Re: Comment Letter
Durham Region Development Charges Study
Frontdoor Developments Inc.

Frontdoor Developments Inc. owns a 1.9-hectare property located on the east side of Garrard Road between Donald Wilson Street and Eric Clark Drive in the Town of Whitby. The property is legally described as Block 189, Plan 40M-1715, part of Lot 18, Concession 3, Town of Whitby, Regional Municipality of Durham. Frontdoor Developments Inc. also owns 400 Palmerston Avenue, Town of Whitby, Regional Municipality of Durham. We have reviewed the Background Study information related to the Durham Region Development Charges (DC) Study and have the following comments on the DC Study.

We have reviewed the contents of the memorandum from Altus Group dated April 24, 2023, which raises a lot of detailed questions and comments on the DC Study. We look forward to reviewing the Region's detailed responses to the question and comment raised by Altus Group in order to help elevate the concerns we have with the significant increase in DCs.

Given the significant increase in development charges, which include a 102% increase in DCs for single detached and semidetached dwellings, we respectfully request that Regional Council consider Early Payment Agreements for any landowner who has had a pre-consultation meeting with Staff for an upcoming development. This would afford landowners the option of pre-paying the DC's early on in the process at the current rates before the increase.

Sincerely,

FRONTDOOR DEVELOPMENTS INC.

A handwritten signature in dark ink, appearing to read "MR McConville", is written over a light blue horizontal line.

Mark McConville, MCIP, RPP, M.Sc.PI.
Director of Planning



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N. Taylor, BBA, CPA, CA
Commissioner of Finance

May 16, 2023

Mark McConville, MCIP, RPP, M.Sc.Pl.
Director of Planning
Frontdoor Developments
1 West Pearce Street, Suite 401
Richmond Hill, Ontario
L4B 3K3

Dear Mr. McConville:

RE: Response to Comments Submitted Related to the 2023 Regional
Development Charge Background Study

Thank you for your letter dated May 5, 2023 regarding the 2023 Region-wide Development Charge (DC) Study. Please find responses below to your questions.

Your question regarding Early Payment Agreements

- 1. Given the significant increase in development charges, which include a 102% increase in DCs for single detached and semidetached dwellings, we respectfully request that Regional Council consider Early Payment Agreements for any landowner who has had a pre-consultation meeting with Staff for an upcoming development. This would afford landowners the option of pre-paying the DC's early on in the process at the current rates before the increase.**

Regional Staff Response

The final Development Charge Report, being presented for approval at the June 14th Special Meeting of Regional Council, will include proposed transitional policies for the new by-law. The final report will be released to the public prior to the meeting and will be posted to the Regional website.

Also note that the new DC rates are subject to the new mandatory five-year phase-in, with the new rates subject to the initial 20 per cent discount when they are implemented on July 1, 2023.

If you have any further questions or comments, please email me at

mary.simpson@durham.ca.



Mary E. Simpson, CPA, CMA, MA
Director of Risk Management, Economic Studies and Procurement

cc: A. Harras, Regional Clerk / Director of Legislative Services
J. Presta, Commissioner of Works
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P. Gillespie, Works – Development Approvals
P. Davidson, Economist
M. Campo, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.
G. Tiz, Frontdoor Developments

Appendix #7

Recommended Regional Development Charge By-law

By-law Number *-2023**
of The Regional Municipality of Durham

Being a by-law regarding the imposition of development charges.

WHEREAS section 2(1) of the *Development Charges Act, 1997*, provides that council of a municipality may by by-law, impose development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies if the development requires one or more of the approvals identified in section 2(2) of the *Development Charges Act, 1997*;

AND WHEREAS a development charge background study, dated March 28, 2023, has been prepared in support of the imposition of development charges;

AND WHEREAS the Council of the Regional Municipality of Durham has given notice and will hold a public meeting on April 12, 2023, in accordance with section 12(1) of the *Development Charges Act, 1997*;

AND WHEREAS the Council of the Regional Municipality of Durham has permitted any person who attended the public meeting to make representations in respect of the proposed development charges;

AND WHEREAS Council considered all of the submissions made in respect of the background study and the proposed development charges;

AND WHEREAS at the Council meeting on June 14, 2023, Council approved the Study and adopted the recommendations in Report •

NOW THEREFORE, the Council of The Regional Municipality of Durham hereby enacts as follows:

1. Interpretation

Definitions

1.1 In this By-law,

- (a) “Act” means the *Development Charges Act, 1997*, or a successor statute;
- (b) “agricultural use” means lands, buildings or structures, excluding any portion thereof used as a dwelling unit or for a commercial use, used or designed or intended for use for the purpose of a *bona fide* farming operation including, but not limited to, animal husbandry, dairying, livestock, fallow, field crops, removal of sod, forestry, fruit farming, greenhouses, horticulture, market gardening, pasturage, poultry keeping, and equestrian facilities;
- (c) “air-supported structure” means a structure consisting of a pliable membrane that achieves and maintains its shape and is supported by internal air pressure;
- (d) “apartment building” means a residential building, or the residential portion of a mixed-use building, consisting of more than 3 dwelling units, which dwelling units have a common entrance to grade but does not include a triplex, semi-detached duplex, semi-detached triplex, or townhouse. Despite the foregoing, an “apartment building” includes stacked townhouses;

- (e) “apartment” means a dwelling unit in an apartment building or a single storey dwelling unit located within or above a residential garage or a commercial use;
- (f) “area municipality” means a lower-tier municipality that forms part of the Region;
- (g) “bedroom” means a habitable room, of at least seven square meters (7 m²) where a built-in closet is not provided, or at least six square meters (6 m²) where a built-in closet is provided, including a den, study, loft, or other similar area, but does not include a living room, a dining room, a bathroom or a kitchen;
- (h) “building or structure” means a permanent enclosed structure and includes an air-supported structure;
- (i) “commercial accessory building or structure” means a building or structure that complies with all of the following criteria:
 - (i) is not essential to,
 - (ii) is naturally and normally incidental to or subordinate in purpose to,
 - (iii) is exclusively devoted to,
 - (iv) is detached from, and
 - (v) is situated on the same property as,

a principal commercial use. Commercial accessory buildings or structures shall include, but not limited to, the separate storage of refuse or the storage of mechanical equipment related to the operation or maintenance of the principal use, building, structure or site. Commercial accessory buildings or structures shall not include any building or structure, whether in whole or in part, falling within the definition of “commercial use” in this by-law;

- (j) “commercial use” means land, buildings or structures used, designed or intended for use for either or both of office and retail uses as defined in this by-law;
- (k) “Council” means the Council of the Regional Municipality of Durham;
- (l) “detached dwelling” and “detached” means a residential building on one parcel of land comprising at least 1 dwelling unit and not more than 3 dwelling units on that parcel of land, where no portion of the building is attached to any building on another parcel of land;
- (m) “development” includes redevelopment;
- (n) “development charges” means charges imposed pursuant to this By-law in accordance with the Act, except in sections 3.2 to 3.11 where “development charges” means charges with respect to water supply services, sanitary sewer services and regional road services;
- (o) “duplex” means a building comprising, by horizontal division, two dwelling units on one parcel of land;
- (p) “dwelling unit” means a room or suite of rooms used, or designed or intended for use by one person or persons living together, in which culinary and sanitary facilities are provided for the exclusive use of such person or persons;
- (q) “existing industrial building” means a building used for or in connection with,

- (i) manufacturing, producing, processing, storing or distributing something,
- (ii) research or development in connection with manufacturing, producing or processing something,
- (iii) retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, if the retail sales are at the site where the manufacturing, production or processing takes place,
- (iv) office or administrative purposes, if they are,
 - 1. carried out with respect to manufacturing, producing, processing, storage or distributing of something, and
 - 2. in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution;
- (r) “farm building” means a building or structure used, in connection with a bona fide agricultural use and includes barns, silos, and similar structures, and includes a dwelling located on the same lot as the agricultural use or on a lot directly abutting the agricultural use, which is used exclusively for the housing of temporary or seasonal persons employed exclusively for the farming of that agricultural use, but otherwise excludes a building or structure used, or designed or intended for use for residential or commercial uses;
- (s) “gross floor area” means (except for the purposes of sections 2.24 to 2.26), in the case of a non-residential building or structure or the non-residential portion of a mixed-use building or structure, the aggregate of the areas of each floor, whether above or below grade, measured between the exterior faces of the exterior walls of the building or structure or pliable membrane in the case of an air supported structure, or from the centre line of a common wall separating a non-residential and a residential use, and, for the purposes of this definition, the non-residential portion of a mixed-use building is deemed to include one-half of any area common to the residential and non-residential portions of such mixed-use building or structure;
- (t) “hospice” means a building or structure used to provide not for profit palliative care to the terminally ill;
- (u) “industrial use” means lands, buildings or structures used or designed or intended for use for manufacturing, producing, processing, fabricating or assembly of raw goods, research or development in connection therewith, and includes office uses, warehousing or bulk storage of goods and the sale of commodities to the general public where such uses are accessory to an industrial use, but does not include the sale of commodities to the general public through a warehouse club or similar use;
- (v) “institutional use” means lands, buildings or structures used or designed or intended for use by a non-profit organized body, society or religious group for promoting a public and non-profit purpose, and would include a hospice and office uses where such uses are accessory to an institutional use;
- (w) “institutional development” for the purposes of section 3.13 means development of a building or structure intended for use,
 - (i) as a long-term care home within the meaning of subsection 2 (1) of the Long-Term Care Homes Act, 2007;
 - (ii) as a retirement home within the meaning of subsection 2 (1) of the Retirement Homes Act, 2010;

- (iii) by any of the following post-secondary institutions for the objects of the institution:
 - 1. a university in Ontario that receives direct, regular and ongoing operating funding from the Government of Ontario,
 - 2. a college or university federated or affiliated with a university described in subclause (i), or
 - 3. an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institutes Act, 2017;
- (iv) as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion; or
- (v) as a hospice to provide end of life care.
- (x) “local board” means a local board as defined in the Municipal Affairs Act, other than a board defined in subsection 1(1) of the Education Act;
- (y) “medium density multiples” includes plexes, townhouses and all other residential uses that are not included in the definition of “apartment building”, “apartment”, “mobile homes”, “retirement residence units”, “detached”, “detached dwelling” or “semi-detached dwelling”;
- (z) “mixed-use” means land, buildings or structures used, or designed or intended for use, for a combination of at least two of commercial, industrial, institutional or residential uses;
- (aa) “mobile home” means any dwelling that is designed to be made mobile, and constructed or manufactured to provide a permanent or temporary residence for one or more persons, but does not include a travel trailer or tent trailer or trailer otherwise designed;
- (bb) non-profit housing development, means development of a building or structure intended for use as residential premises and developed by,
 - (i) a corporation to which the Not-for-Profit Corporations Act, 2010 applies, that is in good standing under that Act and whose primary object is to provide housing;
 - (ii) a corporation without share capital to which the Canada Not-for-profit Corporations Act applies, that is in good standing under that Act and whose primary object is to provide housing; or
 - (iii) a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act.
- (cc) “non-residential use” means lands, buildings or structures or portions thereof used, or designed or intended for use for other than residential use, and includes commercial, industrial and institutional uses;
- (dd) “office use” means lands, buildings or structures used or designed or intended for use for the practice of a profession, the carrying on of a business or occupation and, for greater certainty, but without in any way limiting the generality of the foregoing, shall include but not be limited to the office of a physician, lawyer, dentist, architect, engineer, accountant, real estate or insurance agency, insurance company, veterinarian, surveyor, appraiser, financial institution, consumer loan company, employment agency, advertising agency, consulting firm, business service, investment company, security broker, mortgage company, medical clinic, builder, land developer;

- (ee) “place of worship” means a building or structure or part thereof that is used primarily for worship and is exempt from taxation as a place of worship under the Assessment Act;
- (ff) “plex” means a duplex, a semi-detached duplex, a triplex or a semi-detached triplex;
- (gg) “Region” means the Regional Municipality of Durham;
- (hh) “region-wide charges” means the development charges imposed in regard to the region-wide services;
- (ii) “region-wide services” means services in regard to regional roads, regional police, paramedic services, long term care, and waste diversion;
- (jj) “rental housing”, means development of a building or structure with four or more dwelling units all of which are intended for use as rented residential premises.
- (kk) “residential use” means lands, buildings or structures used, or designed or intended for use as a home or residence of one or more individuals, and shall include any building or structure containing dwelling units, and include but not limited to, a detached dwelling, a semi-detached dwelling, a townhouse, a plex, a stacked townhouse, an apartment, an apartment building, a mobile home, a retirement residence and a residential dwelling unit accessory to a non-residential use;
- (ll) “retail use” means lands, buildings or structures used or designed or intended for use for the sale or rental or offer for sale or rental of goods or services for consumption or use and, for greater certainty, but without in any way limiting the generality of the foregoing, shall include, but not be limited to, food stores, pharmacies, clothing stores, furniture stores, department stores, sporting goods stores, appliance stores, garden centres, automotive dealers, automotive repair shops, gasoline service stations, government owned retail facilities, private daycare, private schools, private lodging, private recreational facilities, sports clubs, golf courses, skiing facilities, race tracks, gambling operations, medical clinics, funeral homes, motels, hotels, rooming houses, restaurants, theatres, facilities for motion picture, audio and video production and distribution, sound recording services, self-storage facilities and secure document storage;
- (mm) “retirement residence” means a residential building or the residential portion of a mixed-use building which provides accommodation for persons of retirement age, where common facilities for the preparation and consumption of food are provided for the residents of the building, and where each unit or living accommodation has separate sanitary facilities, less than full culinary facilities and a separate entrance from a common hall;
- (nn) “retirement residence unit” means a unit within a retirement residence;
- (oo) “rooming house” means a detached building or structure which comprises rooms that are rented for lodging and where the rooms do not have both culinary and sanitary facilities for the exclusive use of individual occupants;
- (pp) “Seaton Community” means the lands shown on Schedule “F”, which may generally be described as being bounded: to the south by the Canadian Pacific Railway right-of-way; to the west by West Duffins Creek; to the north by Provincial Highway No. 7; and to the east by Sideline 16 and the boundary between the City of Pickering and the Town of Ajax, and excludes the lands comprising the Hamlet communities of Whitevale, Green River and Brougham;

- (qq) “semi-detached building” means a building on two parcels of land, divided vertically (above or below ground) along the common lot line of the two parcels and comprising at least 1 dwelling unit and not more than 3 dwelling units on each parcel;
 - (rr) “semi-detached dwelling” means the portion of a semi-detached building on one parcel of land comprising at least 1 dwelling unit and not more than 3 dwelling units;
 - (ss) “semi-detached triplex” means one of a pair of triplexes divided vertically one from the other by a party wall;
 - (tt) “serviced” means the particular service is connected to or available to be connected to the lands, buildings or structures, or, as a result of the development, will be connected to or will be available to be connected to the lands, buildings or structures, or the lands to be developed are in an area designated for the particular service in the Region’s Official Plan;
 - (uu) “services” means the services designated in section 2.10 of this by-law;
 - (vv) “stacked townhouse” means a building, other than a plex, a detached dwelling or townhouse, containing at least 3 dwelling units; each dwelling unit separated from the other vertically and/or horizontally and each dwelling unit having a separate entrance to grade;
 - (ww) “townhouse building” means a residential building, on at least 3 parcels of land divided vertically (above or below ground) along the common lot line between each of the parcels and comprising at least 1 dwelling unit and not more than 3 dwelling units on each parcel;
 - (xx) “townhouse dwelling” means the portion of a townhouse building on one parcel of land comprising at least 1 dwelling unit and not more than 3 dwelling units;
 - (yy) “triplex” means a building comprising 3 dwelling units.
- 1.2 In this by-law where reference is made to a statute or a section of a statute such reference is deemed to be a reference to any successor statute or section.

2. Application of By-Law — Rules

Circumstances Where Development Charges are Payable

- 2.1 Development charges shall be payable in the amounts set out in sections 2.11, 2.17 to 2.22 of this by-law where:
- (a) the lands are located in the area described in subsection 2.2 of this by-law; and
 - (b) the development of the lands requires any of the approvals set out in section 2.5.

Area to Which By-law Applies

- 2.2 Subject to subsections 2.3 and 2.4, this by-law applies to all lands in the Region.
- 2.3 This by-law shall not apply to lands that are owned by and used for the purposes of:
- (a) the Region or a local board thereof;
 - (b) a board as defined in subsection 1(1) of the Education Act; and
 - (c) an area municipality or a local board thereof in the Region.

- 2.4 Development charges imposed under this by-law in regard to water supply and sanitary sewerage services do not apply to the development of lands located within the Seaton Community. For greater certainty, the balance of the development charges imposed under this by-law apply to the development of lands located within the Seaton Community.

Approvals for Development

- 2.5 Development charges shall be imposed upon all lands, buildings or structures that are developed for residential or non-residential uses if the development requires,
- (a) the passing of a zoning by-law or of an amendment thereto under section 34 of the Planning Act;
 - (b) the approval of a minor variance under section 45 of the Planning Act;
 - (c) a conveyance of land to which a by-law passed under subsection 50(7) of the Planning Act applies;
 - (d) the approval of a plan of subdivision under section 51 of the Planning Act;
 - (e) a consent under section 53 of the Planning Act;
 - (f) the approval of a description under section 9 of the Condominium Act, 1998; or
 - (g) the issuing of a permit under the Building Code Act, 1992 in relation to a building or structure.

Designation of Services

- 2.6 It is hereby declared by Council that all development of land within the area to which this By-law applies will increase the need for services.
- 2.7 The development charges under this By-law applicable to a development shall apply without regard to the services required or used by a particular development.
- 2.8 No more than one development charge for each service designated in section 2.10 shall be imposed on land to which this by-law applies even though two or more of the actions described in section 2.5 are required before the land can be developed.
- 2.9 Notwithstanding subsection 2.8, if two or more of the actions described in section 2.5 occur at different times, additional development charges shall be imposed if the subsequent action has the effect of increasing the need for services.
- 2.10 The categories of services for which development charges are imposed under this by-law are as follows:
- (a) water supply;
 - (b) sanitary sewerage;
 - (c) regional roads;
 - (d) long term care;
 - (e) regional police;
 - (f) paramedic services; and
 - (g) waste diversion;

The components of the services designated in subsection 2.10 are described on Schedule “A”.

Amount of Charge

Residential

2.11 The development charges described in Schedule “B” to this by-law shall be imposed upon residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed use building or structure, upon the residential uses in the mixed use building or structure, according to the type of residential unit. The development charges payable shall comprise the following:

- (a) Region-wide Charges
 - (i) a development charge with respect to each of the region-wide services according to the type of residential use;
- (b) Regional Water Supply and Sanitary Sewer Charges
 - (i) where the lands, buildings or structures are serviced by regional water supply services, the development charge with respect to water supply services according to the type of residential use;
 - (ii) where the lands, buildings or structures are serviced by regional sanitary sewer services, the development charge with respect to sanitary sewer services according to the type of residential use.

Exemptions

2.12 Development charges shall not be imposed in respect to:

- (a) the issuance of a building permit not resulting in the creation of an additional dwelling unit;
- (b) the enlargement of an existing dwelling unit;
- (c) the creation of additional dwelling units in accordance with the following table:

| Description of Class of Existing Residential Buildings | Maximum Number of Additional Dwelling Units | Restrictions |
|---|---|---|
| 2.12 (c)(i) Existing detached, semi-detached or townhouse dwellings, which contain a single dwelling unit, and where there are no other dwelling units in other buildings or structures on the parcel of land | Two | No exemption applies for the creation of a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land |
| 2.12 (c)(ii) Existing detached, semi-detached or townhouse dwellings, each of which contains a single dwelling unit and where there is no more than one dwelling unit in | One | No exemption applies for the creation of a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land |

| | | |
|--|---|--|
| other buildings or structures on the parcel of land | | |
| 2.12 (c)(iii) Existing detached, semi-detached or townhouse dwellings, each of which contains no more than 2 dwelling units and where there are no other dwelling units in other buildings or structures on the parcel of land | One | This exemption applies only for the creation of a dwelling unit in an ancillary building or structure and no exemption applies for the creation of a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land |
| 2.12 (c)(iv) Existing rental residential buildings, each of which contains four or more dwelling units. | Greater of one and 1% of the existing units in the building | No exemption applies where it would result in a total number of dwelling units where units created under the exemption in this By-law would exceed the greater of one unit or 1% of the units existing in the building prior to the first exemption for an additional dwelling unit. |
| 2.12 (c)(v) An existing residential building not in another class of residential building described in this table. | One | No exemption applies where a dwelling unit has already been created with an exemption this By-law. |

(d) the creation of additional dwelling units in accordance with the following table:

| Description of Class of Proposed New Residential Buildings & Number of Units Proposed | Restrictions |
|--|--|
| 2.12 (d)(i) the second or third dwelling units in a proposed detached, semi-detached or townhouse dwelling where there are no other dwelling units, existing or proposed, in other buildings or structures on the parcel of land | No exemption applies for the creation of first dwelling unit or where a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land |
| 2.12 (d)(iii) one dwelling unit in a proposed new residential building that would be ancillary to a proposed new detached dwelling, semi-detached dwelling or townhouse dwelling which would not contain more than a two dwelling units. | No exemption applies for the creation of a dwelling unit which would result in more than a total of three dwelling units on a parcel of land. |

- (e) non-profit housing development; and
- (f) residential units that are affordable housing units required to be included in a development or redevelopment (“inclusionary zoning units”) pursuant to a by-law passed under section 34 of the Planning Act to give effect to the policies described in subsection 16 (4) of that Act;

Mobile Home

- 2.13 The development charges imposed upon a mobile home under section 2.11 shall be payable at the rate applicable to an apartment of two bedrooms or larger.
- 2.14 The development charges paid in regard to a mobile home shall be refunded in full to the then current owner thereof, upon request, if the mobile home is removed within ten years of the issuance of the building permit relating thereto.
- 2.15 The onus is on the applicant to produce evidence to the satisfaction of the Region, acting reasonably, which establishes that the applicant is entitled to the refund claimed under this section.

Retirement Residence Unit

- 2.16 The development charges imposed on a retirement residence unit under section 2.11 shall be payable at the rate applicable to an apartment of one bedroom and smaller.

Non-Residential

Commercial

- 2.17 The development charges described in Schedule “C” to this by-law shall be imposed upon commercial uses of lands, buildings or structures, and, in the case of a mixed use building or structure, upon the commercial uses in the mixed use building or structure. The development charges payable shall comprise the following:
- (a) Regional Road Charges
 - (i) a development charge with respect to regional road services according to the gross floor area of the commercial use;
 - (b) Regional Water Supply and Sanitary Sewer Charges
 - (i) where the lands, buildings or structures are serviced by regional water supply services, the development charge with respect to water supply services according to the gross floor area of the commercial use;
 - (ii) where the lands, buildings or structures are serviced by regional sanitary sewer services, the development charge with respect to sanitary sewer services according to the gross floor area of the commercial use.
- 2.18 Subject to subsections 2.19 and 2.20 of this by-law, the development charges imposed on commercial accessory buildings or structures shall be payable at the rate applicable to industrial development under Schedule “E”.
- 2.19 The application of development charges at the industrial rate in regard to commercial accessory buildings or structures shall be limited to an aggregate of 7,000 square feet of gross floor area of all such buildings or structures on the same site.
- 2.20 Development charges at the rate applicable to commercial development under Schedule “C” shall be imposed upon the gross floor area of commercial accessory buildings or structures in excess of 7,000 square feet on the same site.

Institutional

- 2.21 The development charges described in Schedule “D” to this by-law shall be imposed upon institutional uses of lands, buildings or structures, and, in the case of a mixed use building or structure, upon the institutional uses in the

mixed use building or structure. The development charges payable shall comprise the following:

- (a) Regional Road Charges
 - (i) a development charge with respect to regional road services according to the gross floor area of the institutional use;
- (b) Regional Water Supply and Sanitary Sewer Charges
 - (i) where the lands, buildings or structures are serviced by regional water supply services, the development charge with respect to water supply services according to the gross floor area of the institutional use;
 - (ii) where the lands, buildings or structures are serviced by regional sanitary sewer services, the development charge with respect to sanitary sewer services according to the gross floor area of the institutional use.

Industrial

2.22 The development charges described in Schedule “E” to this by-law shall be imposed upon industrial uses of lands, buildings or structures, and, in the case of a mixed use building or structure, upon the industrial uses in the mixed use building or structure. The development charges payable shall comprise the following:

- (a) Regional Road Charges
 - (i) a development charge with respect to regional road services according to the gross floor area of the industrial use;
- (b) Regional Water Supply and Sanitary Sewer Charges
 - (i) where the lands, buildings or structures are serviced by regional water supply services, the development charge with respect to water supply services according to the gross floor area of the industrial use;
 - (ii) where the lands, buildings or structures are serviced by regional sanitary sewer services, the development charge with respect to sanitary sewer services according to the gross floor area of the industrial use.

Exemptions

2.23 Notwithstanding the provisions of this by-law, development charges shall not be imposed in regard to:

- (a) agricultural uses and farm buildings;
- (b) places of worship;
- (c) public hospitals receiving aid under the Public Hospitals Act, R.S.O. 1990, c. P.40, excluding such buildings or structures or parts thereof used, designed or intended for use primarily for or in connection with a commercial purpose;
- (d) any part of a building or structure used for the parking of motor vehicles, excluding parking spaces for display of motor vehicles for sale or lease or parking spaces associated with the servicing of motor vehicles;
- (e) free standing roof-like structures and canopies that do not have exterior walls; and

- (f) land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education, but only if the lands are occupied and used by the university.

Exemption for Enlargement of Existing Industrial Building

2.24 Despite any other provisions of this by-law, if a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge that is payable in respect of the enlargement shall be calculated as follows:

- (a) if the gross floor area is enlarged by fifty percent or less, the amount of the development charge in respect of the enlargement is zero;
- (b) if the gross floor area is enlarged by more than fifty percent the amount of the development charge in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:
 - (i) determine the amount by which the enlargement exceeds fifty percent of the gross floor area before the enlargement; and
 - (ii) divide the amount determined under paragraph (i) by the amount of the enlargement.

2.25 For the purposes of subsection 2.24 the following provisions apply:

- (a) the gross floor area of an existing industrial building shall be calculated as it existed as of July 1, 2023;
- (b) subject to (c) below, the enlargement need not be an attached addition or expansion of an existing industrial building, but rather may be a new standalone structure, provided it is located on the same parcel of land as the existing industrial building;
- (c) in the event that the enlargement is in the form of a standalone building or structure located on the same parcel of land as per (b) above, prior to the issuance of a building permit for the standalone building or structure, the owner shall be required to enter into an agreement with the Region under section 27 of the Act respecting the timing and calculation of payment of development charges, notice of which the owner shall register on the title to the lands at its sole cost and expense with the intention that the provisions shall bind and run with title to the lands. Such agreement will require that in the event that the lands upon which any standalone building or structure is located are the subject of an application for consent under section 53 of the Planning Act; or for which a by-law is passed under subsection 50(7) of the Planning Act, within 10 years of building permit issuance for such standalone building or structure, that the development charges that would have otherwise been payable for such standalone building or structure, shall become due and payable.

2.26 In subsections 2.24 and 2.25 “gross floor area” means the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors above the average level of finished ground adjoining the building at its exterior walls.

Reduction of Development Charges For Redevelopment

2.27 Despite any other provision of this by-law, where, as a result of the redevelopment of land, a building or structure existing on the land within five years prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another, in order to facilitate the redevelopment, the

development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

- (a) in the case of a residential building or structure, the amount of the reduction in the applicable development charges will equal the applicable development charges under section 2.11 of this by-law that would have been chargeable on the type of dwelling units demolished or to be demolished or converted to another use; and
- (b) in the case of a non-residential building or structure, the amount of the reduction in the applicable development charges will equal the applicable development charges under sections 2.17 to 2.22 of this by-law that would have been chargeable on the gross floor area of the non-residential building or structure that was demolished or to be demolished or converted to another use;
- (c) in the case of a non-residential building or structure that would have been exempt from the payment of development charges under the current Regional Development Charge By-law, the amount of the reduction in the applicable development charge will equal the applicable development charge under section 2.21 of this by-law that, had the building or structure not been exempt, could have been chargeable on the gross floor area of the non-residential building or structure that was demolished or to be demolished or converted to another use; and
- (d) in the case of a mixed-use building or structure, the amount of the reduction in the applicable development charges will equal the applicable development charges under sections 2.11, 2.17 to 2.22 of this by-law that would have been chargeable either upon the type of dwelling units or the gross floor area of non-residential use in the mixed-use building or structure that is being demolished or to be demolished or converted to another use;

provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

- 2.28 The five year period referred to in subsection 2.27 of this by-law shall be calculated from the date of the issuance of the first demolition permit.
- 2.29 The onus is on the applicant to produce evidence to the satisfaction of the Region, acting reasonably, which establishes that the applicant is entitled to the reduction in the payment of development charges claimed under this section.

Reduction for Rental Housing Development

- 2.30 The development charges set out on Schedule B shall be:
- (a) In rental housing development, for dwelling units with 3 or more bedrooms: 75% of the Total of All Charges shown on Schedule B;
 - (b) In rental housing development, for dwelling units with 2 bedrooms: 80% of the Total of All Charges shown on Schedule B; and
 - (c) In rental housing development, for all other dwelling units: 85% of the Total of All Charges shown on Schedule B;
 - (d) The amounts in subsections (a) to (c) are in addition to any applicable mandatory phase-in reductions pursuant to section 3.18 of this by-law.

3. Administration

Timing of Payment of Development Charges

- 3.1 Development charges, determined in accordance with section 3.14 and adjusted in accordance with section 3.16 of this by-law, are payable in full on the date on which a building permit is issued with respect to each dwelling unit, building or structure.
- 3.2 Notwithstanding section 3.1, development charges, determined in accordance with sections 3.14 and adjusted in accordance with section 3.16 of this by-law, with respect to water supply services, sanitary sewer services and regional road services shall be payable, with respect to an approval of a residential plan of subdivision under section 51 of the Planning Act, immediately upon the owner entering into the subdivision agreement with the Region, on the basis of the proposed number and type of dwelling units in the plan of subdivision.
- 3.3 Notwithstanding section 3.2, development charges applicable to a high density or condominium block in a residential plan of subdivision are payable in accordance with section 3.1.
- 3.4 Notwithstanding subsection 3.2, where an owner elects to enter into an agreement with the Region pursuant to section 27 of the Act, development charges with respect to water supply services, sanitary sewer services and regional road services may be payable as follows:
- (a) upon the execution of the subdivision agreement, 50% of the development charges otherwise payable under subsection 3.2, adjusted in accordance with section 3.16 to the date of payment; and
 - (b) on the first anniversary date of the execution of the subdivision agreement, 50% of the development charges otherwise payable under subsection 3.2, adjusted in accordance with section 3.16 to the date of payment;

provided, however, in regard to any lot on the plan of subdivision, any balance of the development charges owing during the one year period following execution of the subdivision agreement shall become payable, after adjustment in accordance with section 3.16 to the date of payment, on the date a building permit is issued in regard to such lot.

- 3.5 The balance of the development charges outstanding at any time that are payable in accordance with subsection 3.4 shall be secured by a letter of credit, in a form acceptable to the Region, in an amount which is equal to 55% of the development charges as determined under section 2.11. The payment of the outstanding balance under subsection 3.4 may be made by way of a draw by the Region on the letter of credit.
- 3.6 Notwithstanding subsection 3.1 and subsection 3.4, Council, from time to time, and at any time, may enter into agreements in accordance with section 27 of the Act which provide for all or any part of a development charge to be paid before or after it would otherwise be payable.
- 3.7 If, at the time of issuance of a building permit or permits in regard to a lot on a plan of subdivision for which payments have been made pursuant to subsection 3.2 or 3.4, the type of dwelling unit for which building permits are being issued is different than that used for the calculation and payment under subsection 3.2 or 3.4, and there has been no change in the zoning affecting such lot, and the development charges for the type of dwelling unit for which building permits are being issued were greater at the time that payments were made pursuant to subsection 3.2 or 3.4 than for the type of dwelling unit used to calculate the payment under subsection 3.2 or 3.4, an additional payment to the Region is required, which payment, in regard to such different unit types, shall be the difference between the development charges in respect to the type of dwelling unit for which building permits are being issued, calculated as at the date of issuance of the building permit or permits, and the development charges previously collected in regard thereto, adjusted in accordance with section 3.16 of this by-law to the date of issuance of the building permit or permits.

- 3.8 If, at the time of issuance of a building permit or permits in regard to a lot on a plan of subdivision for which payments have been made pursuant to subsection 3.2 or 3.4, the total number of dwelling units of a particular type for which building permits have been or are being issued is greater, on a cumulative basis, than that used for the calculation and payment under subsection 3.2 or 3.4, and there has been no change in the zoning affecting such lot, an additional payment to the Region is required, which payment shall be calculated on the basis of the number of additional dwelling units at the rate prevailing as at the date of issuance of the building permit or permits for such dwelling units.
- 3.9 If, at the time of issuance of a building permit or permits in regard to a lot on a plan of subdivision for which payments have been made pursuant to subsection 3.2 or 3.4, the type of dwelling unit for which building permits are being issued is different than that used for the calculation and payment under subsection 3.2 or 3.4, and there has been no change in the zoning affecting such lot, and the development charges for the type of dwelling unit for which building permits are being issued were less at the time that payments were made pursuant to subsection 3.2 or 3.4 than for the type of dwelling unit used to calculate the payment under subsection 3.2 or 3.4, a refund in regard to such different unit types shall be paid by the Region, which refund shall be the difference between the development charges previously collected, adjusted in accordance with section 3.16 of this by-law to the date of issuance of the building permit or permits, and the development charges in respect to the type of dwelling unit for which building permits are being issued, calculated as at the date of issuance of the building permit or permits.
- 3.10 If, at the time of issuance of a building permit or permits in regard to a lot on a plan of subdivision for which payments have been made pursuant to subsection 3.2 or 3.4, the total number of dwelling units of a particular type for which building permits have been or are being issued is less, on a cumulative basis, than that used for the calculation and payment under subsection 3.2 or 3.4, and there has been no change in the zoning affecting such lot, a refund shall be paid by the Region, which refund shall be calculated on the basis of the number of fewer dwelling units at the rate prevailing as at the date of issuance of the building permit or permits.
- 3.11 Notwithstanding subsections 3.9 and 3.10, a refund shall not exceed the amount of the development charges paid under subsections 3.2 to 3.6.

Payment by Services

- 3.12 Notwithstanding the payments required under subsection 3.1 to 3.6, the Region may, by agreement pursuant to section 38 of the Act, permit an owner to provide services in lieu of the payment of all or any portion of a development charge. The Region shall give the owner who performed the work a credit towards the development charge in accordance with the agreement subject to the requirements of the Act.
- 3.13 Notwithstanding subsection 3.1 to 3.6, where development charges become payable after January 1, 2020 for development of rental housing that is not non-profit housing development and institutional development, development charges shall be paid in equal annual instalments, with interest where applicable pursuant to the Region of Durham Development Charge Interest Rate Policy as amended from time to time, beginning on the earlier of the date of issuance of a permit under the Building Code Act, 1992 authorizing occupation of the building and the date the building is first occupied, and continuing on the following five anniversaries of that date.

Determining Amount Payable

- 3.14 The development charges payable will be the development charge shown in the applicable Schedules to this by-law to be payable, with indexing under section 3.16, and where applicable, with interest under section 3.17, as follows:

- (a) for those developments to which section 3.13 applies,
 - (i) for applications filed after December 31, 2019, the day an application for an approval of development in a site plan control area under subsection 41 (4) of the Planning Act was made, provided the first building permit is issued within two years of the date that application was approved;
 - (ii) if clause (i) does not apply, for applications filed after December 31, 2019, the day an application for an amendment to a by-law passed under section 34 of the Planning Act was made, provided the first building permit is issued within two years of the date that amendment comes into force and effect; or
 - (iii) if neither clause (i) nor clause (ii) applies, the day the development charge would be payable in accordance with 3.1 to 3.6 of this by-law; and
- (b) for those developments to which section 3.13 does not apply,
 - (i) for applications filed after December 31, 2019, the day an application for an approval of development in a site plan control area under subsection 41 (4) of the Planning Act was made, provided the date the development charge is payable is within two years of the date that application was approved;
 - (ii) if clause (i) does not apply, for applications filed after December 31, 2019, the day an application for an amendment to a by-law passed under section 34 of the Planning Act was made, provided the date the development charge is payable is within two years of the date that amendment is brought into force and effect; or
 - (iii) if neither clause (i) nor clause (ii) applies, the day the development charge would be payable in accordance with sections 3.1 to 3.6 of this by-law.

Front-Ending Agreements

- 3.15 Council, from time to time, and at any time, may enter into front-ending agreements in accordance with the Act.

Indexing

- 3.16 Development charges imposed pursuant to this by-law shall be adjusted annually, without amendment to this by-law, as of the 1st day of July, 2024, and on each successive July 1st date in accordance with the Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-207, for the most recently available annual period ending March 31.

Interest

- 3.17 Development charges payable per this by-law shall bear interest in accordance with the Region of Durham Development Charge Interest Rate Policy, as amended from time to time.

Mandatory Phase-In Reduction in First Four Years

- 3.18 Despite the above, the Total of All Charges on Schedules B to E of this by-law shall be reduced for the first four years this by-law is in force in accordance with the applicable mandatory phase-in amounts shown under the Total of All Charges Row on each Schedule, with the annual time period to start on the day this by-law comes into force and increase to the next annual amount on the respective anniversary of the day this by-law comes into force.
- 3.19 The following schedules to this by-law form an integral part thereof:

- (a) Schedule “A” - Components of Services Designated in section 2.10
- (b) Schedule “B” - Residential Development Charges
- (c) Schedule “C” - Commercial Development Charges
- (d) Schedule “D” - Institutional Development Charges
- (e) Schedule “E” - Industrial Development Charges
- (f) Schedule “F” - Map of Seaton Community

Date By-law in Force

3.20 This by-law shall come into force on July 1, 2023.

Repeal

3.21 By-law No.28-2018 is hereby repealed effective on the date this by-law comes into force.

Registration

3.22 A certified copy of this by-law may be registered on title to any land to which this by-law applies.

Severability

3.23 In the event any provision, or part thereof, of this by-law is found by a court of competent jurisdiction to be ultra vires, such provision, or part thereof, shall be deemed to be severed, and the remaining portion of such provision and all other provisions of this by-law shall remain in full force and effect.

Short Title

3.24 This By-law may be cited as the Regional Municipality of Durham Development Charges By-law, 2023.

This By-law Read and Passed on the -----th day of -----, 2023.

J. Henry, Regional Chair and CEO

A. Harras, Regional Clerk

Schedule “A”

**Designated Regional Services and
Service Components Thereunder**

| Category of Regional Services | | Service Components |
|--------------------------------------|--------------------|---|
| 1. | Regional Road | <ul style="list-style-type: none">• Regional Road Construction/Improvements/Urbanization• Improvements to Highway Interchanges/Grade Separations• Intersection and Corridor Improvements• Traffic Signals and Systems• Property Acquisition• Maintenance Facilities• Capital Equipment• Landscaping• Environmental Assessment |
| 2. | Regional Police | <ul style="list-style-type: none">• Costs to Acquire Land or an Interest in Land, Including a Leasehold Interest• Costs to Improve Land• Costs to Acquire, Lease, Construct or Improve Buildings and Structures• Costs to Acquire, Lease, Construct or Improve Facilities• Vehicles and Capital Equipment |
| 3. | Long Term Care | <ul style="list-style-type: none">• Costs to Improve Land• Costs to Acquire, Lease, Construct or Improve Buildings and Structures• Costs to Acquire, Lease, Construct or Improve Facilities |
| 4. | Water Supply | <ul style="list-style-type: none">• Pumping Stations• Reservoirs• Feeder mains• Water Supply Plants and Municipal Wells• Property Acquisition• Capital Equipment• Environmental Assessment• Water Use Efficiency Strategy• Well Interference |
| 5. | Sanitary Sewerage | <ul style="list-style-type: none">• Sewage Pumping Stations and Forcemains• Trunk Sanitary Sewers• Water Pollution Control Plants• Sludge Storage and Disposal Facilities• Property Acquisition• Capital Equipment• Environmental Assessment• Water Use Efficiency |
| 6. | Paramedic Services | <ul style="list-style-type: none">• Costs to Acquire Land or an Interest in Land, Including a Leasehold Interest• Costs to Improve Land• Costs to Acquire, Lease, Construct or Improve Buildings and Structures• Costs to Acquire, Lease, Construct or Improve Facilities• Vehicles and Capital Equipment |
| 7. | Waste Diversion | <ul style="list-style-type: none">• Costs for Construction of new Buildings or Units• Capital Equipment |

Schedule “B”

Residential Development Charges per Dwelling Unit
\$ per Dwelling Type

| Service Category | Detached & Semi-Detached \$ | Medium Density Multiples \$ | Two Bedroom Apartment & Larger \$ | One Bedroom Apartment & Smaller \$ |
|--|-----------------------------|-----------------------------|-----------------------------------|------------------------------------|
| Region-Wide Charges | | | | |
| Regional Roads | 26,998 | 21,501 | 15,718 | 9,654 |
| Regional Police | 977 | 778 | 569 | 349 |
| Long-Term Care | 548 | 436 | 319 | 196 |
| Paramedic Services | 441 | 351 | 257 | 158 |
| Waste Diversion | 94 | 75 | 55 | 34 |
| Subtotal | 29,058 | 23,141 | 16,918 | 10,391 |
| Regional Water Supply & Sanitary Sewer Charges | | | | |
| Water Supply | 26,117 | 20,800 | 15,206 | 9,340 |
| Sanitary Sewerage | 23,858 | 19,000 | 13,890 | 8,531 |
| Subtotal | 49,975 | 39,800 | 29,096 | 17,871 |
| Total of All Charges (July 1, 2027 onward – see Section 3.18) | 79,033 | 62,941 | 46,014 | 28,262 |
| With Phase-Ins (see Section 3.18) | | | | |
| July 1, 2023 to June 30, 2024 (80%) | 63,226 | 50,353 | 36,811 | 22,610 |
| July 1, 2024 to June 30, 2025 (85%) | 67,178 | 53,500 | 39,112 | 24,023 |
| July 1, 2025 to June 30, 2026 (90%) | 71,130 | 56,647 | 41,413 | 25,436 |
| July 1, 2026 to June 30, 2027 (95%) | 75,081 | 59,793 | 43,713 | 26,849 |

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to Section 3.16 of this By-law.

Schedule “C”

Commercial Development Charges
\$ per Square Foot of Gross Floor Area

| Service Category | Commercial Development Charges |
|---|--------------------------------|
| Water Supply | 7.51 |
| Sanitary Sewerage | 12.06 |
| Regional Roads | 21.91 |
| Total of All Charges (July 1, 2027 onward – see Section 3.18) | 41.48 |
| With Phase-Ins (see Section 3.18) | |
| July 1, 2023 to June 30, 2024 (80%) | 33.19 |
| July 1, 2024 to June 30, 2025 (85%) | 35.26 |
| July 1, 2025 to June 30, 2026 (90%) | 37.33 |
| July 1, 2026 to June 30, 2027 (95%) | 39.41 |

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to Section 3.16 of this By-law.

Schedule “D”

Institutional Development Charges
\$ per Square Foot of Gross Floor Area

| Service Category | Institutional Development Charges |
|--|-----------------------------------|
| Water Supply | 2.03 |
| Sanitary Sewerage | 2.92 |
| Regional Roads | 16.61 |
| Total of All Charges (July 1, 2027 onward – see Section 3.18) | 21.56 |
| With Phase-Ins (see Section 3.18) | |
| July 1, 2023 to June 30, 2024 (80%) | 17.25 |
| July 1, 2024 to June 30, 2025 (85%) | 18.33 |
| July 1, 2025 to June 30, 2026 (90%) | 19.40 |
| July 1, 2026 to June 30, 2027 (95%) | 20.48 |

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to Section 3.16 of this By-law.

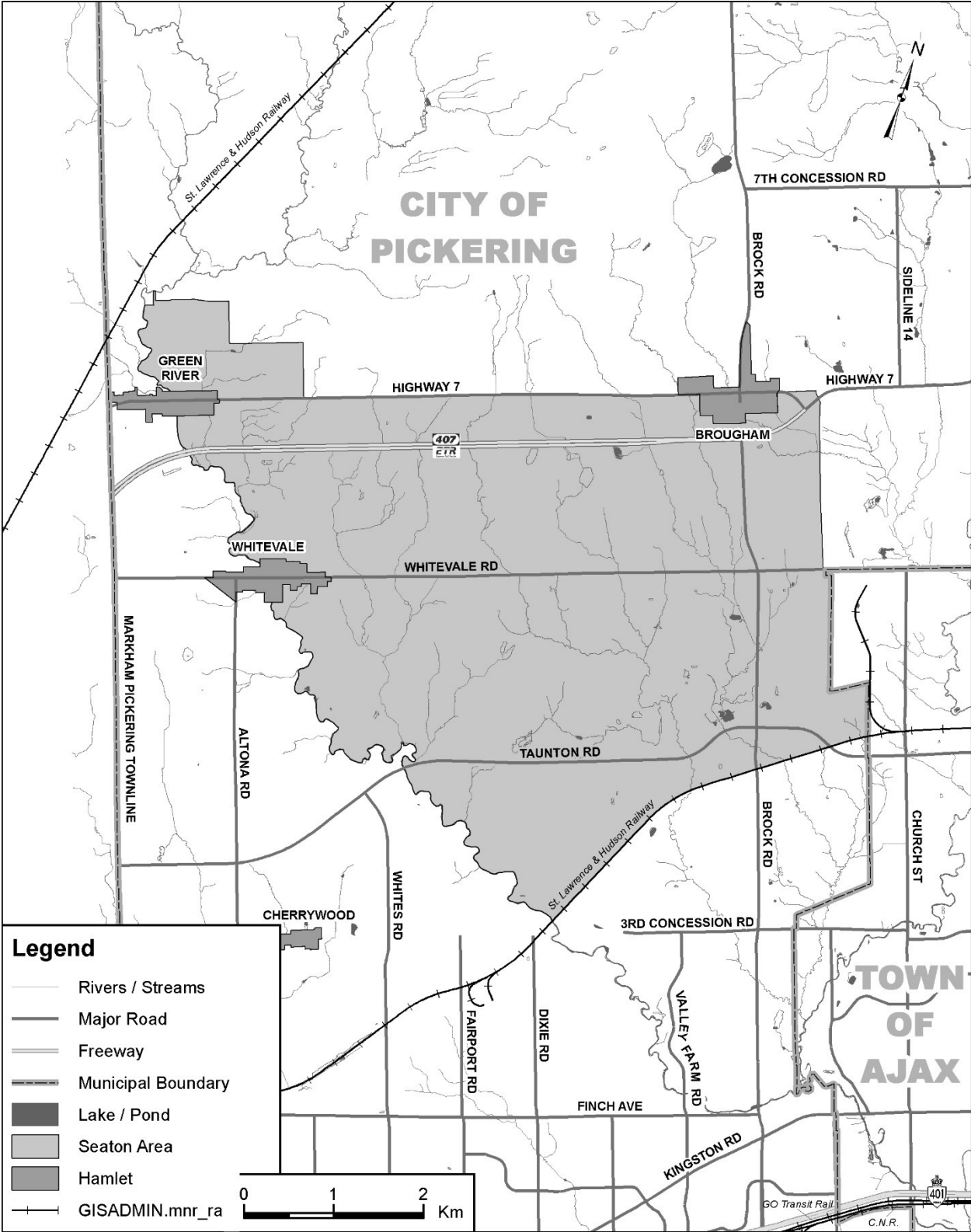
Schedule “E”

Industrial Development Charges
\$ per Square Foot of Gross Floor Area

| SERVICE CATEGORY | INDUSTRIAL DEVELOPMENT CHARGES |
|---|--------------------------------|
| Water Supply | 4.86 |
| Sanitary Sewerage | 7.06 |
| Regional Roads | 7.59 |
| Total of All Charges (July 1, 2027 onward – see Section 3.18) | 19.51 |
| With Phase-Ins (see Section 3.18) | |
| July 1, 2023 to June 30, 2024 (80%) | 15.61 |
| July 1, 2024 to June 30, 2025 (85%) | 16.58 |
| July 1, 2025 to June 30, 2026 (90%) | 17.56 |
| July 1, 2026 to June 30, 2027 (95%) | 18.53 |

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to Section 3.16 of this By-law.

Schedule “F”
Seaton Community





The Regional Municipality of Durham Report

To: Regional Council
From: Commissioner of Finance
Report: #2023-F-14
Date: June 14, 2023

Subject:

Final Recommendations Regarding Amendments to GO Transit Development Charges
By-law #86-2001

Recommendation:

- A) That Pursuant to Section 10(1) of the Development Charges Act, 1997 (DCA), the Regional Development Charge (DC) Background Study Supporting Proposed Amendments to GO Transit DC By-law #86-2001 dated March 28, 2023 be adopted;
- B) That effective July 1, 2023, GO Transit DC By-law #86-2001 be amended to ensure that various policy and implementation matters are consistent with the proposed Region-wide DC by-law (which is being recommended concurrently in Report #2023-F-13), as set out in the amending by-law (Attachment #1);
- C) That the Regional Solicitor be instructed to prepare the requisite DC By-law for presentation to Regional Council and passage;
- D) 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 any such revised by-law(s) be presented to Council for passage;
- E) That the Regional Treasurer be instructed to prepare the requisite DC pamphlet pursuant to the DCA and related materials; and
- F) That the Regional Clerk be instructed to follow the notification provisions pursuant to the DCA.

Report:**1. Purpose**

- 1.1 The purpose of this report is to provide final recommendations regarding proposed amendments to the GO Transit Development Charge (DC) By-law. These final recommendations are based on the information contained in the supporting background study dated March 28, 2023.

2. Background

- 2.1 The Region imposes a DC for GO Transit purposes, pursuant to By-law 86-2001, which came into effect on December 5, 2001. This by-law has been extended numerous times through provincial legislation and is currently set to expire on December 31, 2025. Regional Council will be presented with a new Region-wide DC by-law on June 14, 2023, which contains policy changes that need to be reflected in the GO Transit DC By-law to maintain consistency.
- 2.2 In January 2023, Regional Council authorized the necessary public process to consider amendments to GO Transit DC By-law #86-2001 to align this by-law with the new Region-wide DC by-law (Report #2023-F-2)
- 2.3 On April 12, 2023, a public meeting was held during a special meeting of Regional Council to discuss the proposed amendments to the GO Transit DC By-law, along with the supporting background study. The purpose of the public meeting was to fulfill the statutory requirement set out in the DCA and to solicit feedback from the public.
- 2.4 The proposed amendments to the GO Transit DC by-law, along with the supporting background study, were made available to Regional Council and the public (free of charge from the Regional Clerk) beginning on March 28 as indicated in the public notices placed in the Toronto Star on March 17 and 20 and in the local Metroland newspapers throughout the Region over the period of March 23 to April 6. The study and proposed amending by-law were also posted on the Region's website.

3. Previous Reports and Decisions

- 3.1 Regional Council approved a GO Transit DC By-law in 2001, which has subsequently been amended four times. The most recent amendment occurred on June 23, 2021 through Report #2021-F-17.
- 3.2 Regional Council approved Report #2022-F-9 which provided staff authorization to undertake the renewal of the Regional DC By-law.

- 3.3 Regional Council subsequently approved Report #2023-F-2 which provided staff with the authorization to proceed with the public process required to renew the Regional DC By-law and amend the Regional Transit and GO Transit DC By-laws.
- 3.4 Regional Council received Report #2023-F-10 as a summary of the 2023 Regional DC Background Study and proposed By-law at the public meeting held on April 12, 2023.

4. Highlights of Final Recommendations

- 4.1 There are no changes from the original recommendations contained in the proposed GO Transit DC Background Study and amending By-law released on March 28, 2023 and presented during the public meeting on April 12.
- 4.2 The following is a summary of the recommended amendments to the GO Transit DC By-law:
- Broadening the definition of a bedroom to meet the area requirements of the Ontario Building Code and to provide more consistency with the local area municipalities;
 - Broadening the definition of apartment building to include stacked townhouses to recognize this newer unit type and be consistent with the 2022 Regional Transit DC By-law;
 - Reducing the timeframe for which redevelopment credits are applied from within ten years after the date of the first demolition permit to within five years to ensure consistency with the local area municipalities; and
 - Revising a number of definitions to match the definition revisions being proposed in the new recommended Regional DC By-law.
- 4.3 The recommended amendments to the GO Transit DC By-law are being proposed only to align policies and definitions with the new recommended Regional DC by-law. There are no proposed changes to the GO Transit DC capital program, rates, or development forecast.
- 4.4 Although the amendments have no impact on the GO Transit DC rates, the GO Transit DC rates will increase on July 1, 2023. The increase will occur as a result of annual indexing, which is capped at 3 per cent as per section 18 of the by-law. The new residential GO Transit rate for a single/semi-detached unit, as of July 1, 2023, is provided in the table below.

Table 1
Comparison of GO Transit DC Rates

| | Current Rate | New Rate, with Indexing (July 1, 2023) | Increase |
|--|---------------------|---|-----------------|
| Residential (per single/semi-detached unit) | \$814 | \$838 | \$24 |

5. Public Input

- 5.1 Opportunity for public comment on the amendments to the GO Transit DC By-law and supporting Background Study was provided during the public meeting held on April 12, 2023. The public was also able to submit written feedback to the Region by 5:00pm on May 5. The Region did not receive any verbal comment during the public meeting nor any written feedback by the May 5 deadline.

6. Further Considerations by Regional Council Per DCA, 1997 - Formal Consideration of Need for Further Public Meeting

- 6.1 If the proposed by-law is changed as a result of comments received at the public meeting or through written correspondence, Regional Council is required, under the provisions of the DCA, to consider whether a further public meeting is required. An additional public meeting would require public notice to be provided at least twenty days prior to such public meeting.
- 6.2 Given that the Region has not made any changes to the proposed amending by-law and the final recommendations are consistent with the amending GO Transit DC By-law and supporting Background Study released to the public on March 28, a further public meeting will not be required if the recommendations in this report are accepted and no further changes are made.

7. Direction to Regional Staff

- 7.1 Direction from Regional Council is required for the Regional Solicitor, Regional Clerk and Regional Treasurer to complete the various administrative tasks needed to implement the recommended GO Transit DC amending By-law. These tasks include the production and distribution of a DC pamphlet, as well as the necessary public notification provisions.

8. Relationship to Strategic Plan

- 8.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

- a. Ensuring the Region's GO Transit DC By-law is in conformity with the DCA, supporting Goal 5 (Service Excellence).

9. Conclusion

- 9.1 It is recommended that the proposed GO Transit DC amending By-law be approved as provided within the supporting GO Transit DC Background Study (Attachment #1).
- 9.2 This report has been prepared with the assistance of staff from the Planning & Economic Development Department, Works Department, and the Office of the Chief Administrative Officer - Legal, who concur with the recommendations.

10. Attachments

Attachment #1: Recommended GO Transit DC amending By-law

Respectfully submitted,

Original Signed By

N. Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer

By-law Number *-2023**
of The Regional Municipality of Durham

Being a by-law to amend by-law number 86-2001.

Whereas section 19 of the Development Charges Act, 1997, S.O. 1997, c.27 (the “Act”) provides for amendments to development charge by-laws;

And Whereas the Council of The Regional Municipality of Durham requires certain amendments to By-law 86-2001;

And Whereas in accordance with the Act, a development charge background study has been completed in support of the proposed amendment to By-law 86-2001;

And Whereas the Council of The Regional Municipality of Durham has given notice and held a public meeting on the 12th day of April 2023 in accordance with the Act;

And Whereas the Council of The Regional Municipality of Durham has permitted any person who attended the public meeting to make representations in respect of the proposed amendments;

And Whereas the Council of The Regional Municipality of Durham has determined that a further public meeting is not necessary pursuant to Section 12(3) of the Act;

Now therefore, the Council of The Regional Municipality of Durham hereby enacts as follows:

1. Section 1 of By-law 86-2001 is amended as follows:

(a) for “apartment building” replace definition with,

“means a residential building, or the residential portion of a mixed-use building, consisting of more than 3 dwelling units, which dwelling units have a common entrance to grade but does not include a triplex, semi-detached duplex, semi-detached triplex, or townhouse. Despite the foregoing, an “apartment building” includes stacked townhouses;”

(b) for “bedroom” replace definition with,

“means a habitable room, of at least seven square meters (7 m²) where a

built-in closet is not provided, or at least six square meters (6 m²) where a built-in closet is provided, including a den, study, loft, or other similar area, but does not include a living room, a dining room, a bathroom or a kitchen;”

(c) add a new definition “detached dwelling” and “detached” as follows,

“means a residential building on one parcel of land comprising at least 1 dwelling unit and not more than 3 dwelling units on that parcel of land, where no portion of the building is attached to any building on another parcel of land;”

(d) for “duplex” replace definition with,

“means a building comprising, by horizontal division, two dwelling units on one parcel of land;”

(e) delete entire “garden suite” definition;

(f) delete entire “housing services use”/ “housing services” definition;

(g) for “medium density multiples” replace definition with,

“includes plexes, townhouses and all other residential uses that are not included in the definition of “apartment building”, “apartment”, “mobile homes”, “retirement residence units”, “detached”, “detached dwelling” or “semi-detached dwelling”;”

(h) for “non-profit housing development” replace definition with,

“means development of a building or structure intended for use as residential premises and developed by:

- (i) a corporation to which the Not-for-Profit Corporations Act, 2010 applies, that is in good standing under that Act and whose primary object is to provide housing;
- (ii) a corporation without share capital to which the Canada Not-for-profit Corporations Act applies, that is in good standing under that Act and whose primary object is to provide housing; or
- (iii) a non-profit housing co-operative that is in good standing

under the Co-operative Corporations Act;”

(i) for “rental housing” delete,

“,for the purposes of section 17(a) of the by-law”;

(j) for “residential use”, replace definition with,

“means lands, buildings or structures used, or designed or intended for use as a home or residence of one or more individuals, and shall include any building or structure containing dwelling units, and include but not limited to, a detached dwelling, a semi-detached dwelling, a townhouse, a plex, a stacked townhouse, an apartment, an apartment building, a mobile home, a retirement residence and a residential dwelling unit accessory to a non-residential use;”

(k) replace entire “semi-detached duplex” definition with,

““semi-detached building” means a building on two parcels of land, divided vertically (above or below ground) along the common lot line of the two parcels and comprising at least 1 dwelling unit and not more than 3 dwelling units on each parcel;”

(l) for “semi-detached dwelling” replace definition with,

“means the portion of a semi-detached building on one parcel of land comprising at least 1 dwelling unit and not more than 3 dwelling units;”

(m) delete entire “single detached dwelling and “single detached” definition;

(n) for “stacked townhouse” replace definition with,

““stacked townhouse” means a building, other than a plex, a detached dwelling or townhouse, containing at least 3 dwelling units; each dwelling unit separated from the other vertically and/or horizontally and each dwelling unit having a separate entrance to grade;”

(o) replace entire “townhouse” definition with,

““townhouse building” means a residential building, on at least 3 parcels of land divided vertically (above or below ground) along the common lot line between each of the parcels and comprising at least 1 dwelling unit and

not more than 3 dwelling units on each parcel;” **and**

(p) add new definition, after “townhouse building”,

““townhouse dwelling” means the portion of a townhouse building on one parcel of land comprising at least 1 dwelling unit and not more than 3 dwelling units;”.

2. Section 9 of By-law 86-2001 is replaced with the following:

“Exemptions

9(1) Development charges shall not be imposed in respect to:

- (a) the issuance of a building permit not resulting in the creation of an additional dwelling unit;
- (b) the enlargement of an existing dwelling unit;
- (c) the creation of additional dwelling units in accordance with the following table:

| Description of Class of Existing Residential Buildings | Maximum Number of Additional Dwelling Units | Restrictions |
|---|---|---|
| 9(1) (c)(i) Existing detached, semi-detached or townhouse dwellings, which contain a single dwelling unit, and where there are no other dwelling units in other buildings or structures on the parcel of land | Two | No exemption applies for the creation of a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land |
| 9(1) (c)(ii) Existing detached, semi-detached or townhouse dwellings, each of which contains a single dwelling unit and where there is no more | One | No exemption applies for the creation of a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land |

| | | |
|--|---|--|
| than one dwelling unit in other buildings or structures on the parcel of land | | |
| 9(1) (c)(iii) Existing detached, semi-detached or townhouse dwellings, each of which contains no more than 2 dwelling units and where there are no other dwelling units in other buildings or structures on the parcel of land | One | This exemption applies only for the creation of a dwelling unit in an ancillary building or structure and no exemption applies for the creation of a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land |
| 9(1) (c)(iv) Existing rental residential buildings, each of which contains four or more dwelling units. | Greater of one and 1% of the existing units in the building | No exemption applies where it would result in a total number of dwelling units where units created under the exemption in this By-law would exceed the greater of one unit or 1% of the units existing in the building prior to the first exemption for an additional dwelling unit. |
| 9(1) (c)(v) An existing residential building not in another class of residential building described in this table. | One | No exemption applies where a dwelling unit has already been created with an exemption this By-law. |

(d) the creation of additional dwelling units in accordance with the following table:

| Description of Class of Proposed New Residential Buildings & Number of Units Proposed | Restrictions |
|--|--|
| 9(1) (d)(i) the second or third dwelling units in a proposed detached, semi-detached or townhouse dwelling where there are no other dwelling units, existing or proposed, in other buildings or structures on the parcel of land | No exemption applies for the creation of first dwelling unit or where a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land |

| | |
|--|---|
| 9(1) (d)(iii) one dwelling unit in a proposed new residential building that would be ancillary to a proposed new detached dwelling, semi-detached dwelling or townhouse dwelling which would not contain more than a two dwelling units. | No exemption applies for the creation of a dwelling unit which would result in more than a total of three dwelling units on a parcel of land. |
|--|---|

- (e) non-profit housing development; and
- (f) residential units that are affordable housing units required to be included in a development or redevelopment ("inclusionary zoning units") pursuant to a by-law passed under section 34 of the Planning Act to give effect to the policies described in subsection 16 (4) of that Act."

3. **In Section 11(1) of By-law 86-2001 the reference to "ten years" is replaced with "five years".**
4. **In Section 11(2) of By-law 86-2001 the reference to "ten year" is replaced with "five year".**
5. **Section 11(3) of By-law 86-2001 is deleted.**
6. **Section 11(4) of By-law 86-2001 is renumbered section 11(3).**
7. **Following section 11(3) add new section, as follows:**

"Reduction for Rental Housing Development

11(4) The development charges set out on Schedule B shall be:

 - (a) In rental housing development, for dwelling units with 3 or more bedrooms: 75% of the Total of All Charges shown on Schedule B;
 - (b) In rental housing development, for dwelling units with 2 bedrooms: 80% of the Total of All Charges shown on Schedule B; and
 - (c) In rental housing development, for all other dwelling units: 85% of the Total of All Charges shown on Schedule B."
 - 8. **In Section 12 of By-law 86-2001 the reference to "section 21" is replaced with "section 17".**

9. **In Section 13 of By-law 86-2001 the reference to “section 13” is replaced with “section 12 of this by-law”.**
10. **Section 14 of By-law 86-2001 is deleted.**
11. **Section 15 of By-law 86-2001 is renumbered section 14 and the reference to “sections 13 and 22” is replaced with “sections 12 and 21 of this by-law”.**
12. **Section 16 of By-law 86-2001 is renumbered section 15 and the reference to “section 13” is replaced with “section 12 of this by-law”.**
13. **Section 17 of By-law 86-2001 is replaced with,**

“16 Notwithstanding subsection 12 , 13 and 14 of this by-law, where development charges become payable after January 1, 2020 for development of rental housing that is not non-profit housing development and institutional development, development charges shall be paid in equal annual instalments, with interest where applicable pursuant to the Region of Durham Development Charge Interest Rate Policy as amended from time to time, beginning on the earlier of the date of issuance of a permit under the Building Code Act, 1992 authorizing occupation of the building and the date the building is first occupied, and continuing on the following five anniversaries of that date.

17 Development charges imposed pursuant to this by-law shall be adjusted annually, without amendment to this by-law, to a maximum of 3% per annum as of the first day of July in accordance with the Statistics Canada Quarterly, *Construction Price Statistics*, catalogue number 62-007, for the most recently available annual period ending March 31. For greater certainty, the first such annual indexing shall be effective from July 1, 2002, and for each first day of July thereafter.”
14. **In Section 18 of By-law 86-2001 the references to “section 21”, “section 17”, “sections 13 and 15” are replaced with “section 17”, “section 16” and “sections 12 and 14” respectively.**

15. Section 22 of By-law 86-2001 is replaced with,

“Interest

22. Development charges payable per this by-law shall bear interest in accordance with the Region of Durham Development Charge Interest Rate Policy, as amended from time to time.”

16. In Schedule B to By-law 86-2001 the reference to “single” is deleted and the reference to “section 21” in the Note is replaced with “section 17”.

This By-law Read and Passed on the ----th day of -----, 2023.

J. Henry, Regional Chair and CEO

A. Harras, Regional Clerk



The Regional Municipality of Durham Report

To: Regional Council
From: Commissioner of Finance
Report: #2023-F-15
Date: June 14, 2023

Subject:

Final Recommendations Regarding Amendments to Regional Transit Development Charges By-law #39-2022

Recommendation:

- A) That Pursuant to Section 10(1) of the Development Charges Act, 1997 (DCA), the Regional Development Charge (DC) Background Study Supporting Proposed Amendments to Regional Transit DC By-law #39-2022 dated March 28, 2023 be adopted;
- B) That effective July 1, 2023, Regional Transit DC By-law #39-2022 be amended to ensure that various policy and implementation matters are consistent with the proposed Region-wide DC by-law (which is being recommended concurrently in Report #2023-F-13), as set out in the amending by-law (Attachment #1);
- C) That the Regional Solicitor be instructed to prepare the requisite DC By-law for presentation to Regional Council and passage;
- D) 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 any such revised by-law(s) be presented to Council for passage;
- E) That the Regional Treasurer be instructed to prepare the requisite DC pamphlet pursuant to the DCA and related materials; and
- F) That the Regional Clerk be instructed to follow the notification provisions pursuant to the DCA.

Report:**1. Purpose**

- 1.1 The purpose of this report is to provide final recommendations regarding proposed amendments to the Regional Transit Development Charge (DC) By-law. These final recommendations are based on the information contained in the supporting background study dated March 28, 2023.

2. Background

- 2.1 On June 29, 2022, Regional Council approved Regional Transit DC By-law #39-2022 which became effective on July 1, 2022 and applies to both residential and non-residential development. Regional Council will be presented with a new Region-wide DC by-law on June 14, 2023, which contains policy changes that need to be reflected in Regional Transit DC By-law #39-2022 to maintain consistency.
- 2.2 In January 2023, Regional Council authorized the necessary public process to consider amendments to Regional Transit DC By-law #39-2022 to align this by-law with the new Region-wide DC by-law (Report #2023-F-2)
- 2.3 On April 12, 2023, a public meeting was held during a special meeting of Regional Council to discuss the proposed amendments to the Regional Transit DC By-law, along with the supporting background study. The purpose of the public meeting was to fulfill the statutory requirement set out in the DCA and to solicit feedback from the public.
- 2.4 The proposed amendments to the Regional Transit DC by-law, along with the supporting background study, were made available to Regional Council and the public (free of charge from the Regional Clerk) beginning on March 28 as indicated in the public notices placed in the Toronto Star on March 17 and 20 and in the local Metroland newspapers throughout the Region over the period of March 23 to April 6. The study and proposed amending by-law were also posted on the Region's website.

3. Previous Reports and Decisions

- 3.1 Regional Council passed the current Regional Transit DC by-law on June 29, 2022 through Report #2022-F-15.
- 3.2 Regional Council approved Report #2022-F-9 which provided staff authorization to undertake the renewal of the Regional DC By-law.
- 3.3 Regional Council subsequently approved Report #2023-F-2 which provided staff with the authorization to proceed with the public process required to renew the Regional DC By-law and amend the Regional Transit and GO Transit DC By-laws.

- 3.4 Regional Council received Report #2023-F-10 as a summary of the 2023 Regional DC Background Study and proposed By-law at the public meeting held on April 12, 2023.

4. Highlights of Final Recommendations

- 4.1 There are no changes from the original recommendations contained in the proposed Regional Transit DC Background Study and amending By-law released on March 28, 2023 and presented during the public meeting on April 12.
- 4.2 The following is a summary of the recommended amendments to the Regional Transit DC By-law:
- Broadening the definition of a bedroom to meet the area requirements of the Ontario Building Code and to provide more consistency with the local area municipalities;
 - Eliminating the by-law expiry clause to comply with Provincial legislation (extending the by-law duration from five to ten years);
 - Reducing the timeframe for which redevelopment credits are applied from within ten years after the date of the first demolition permit to within five years to ensure consistency with the local area municipalities; and
 - Revising a number of definitions to match the definition revisions being proposed in the new recommended Regional DC By-law.
- 4.3 The recommended amendments to the Regional Transit DC By-law are being proposed only to align policies and definitions with the new recommended Regional DC by-law. There are no proposed changes to the Regional Transit DC capital program, rates, or development forecast.
- 4.4 Although the amendments have no impact on the Regional Transit DC rates, the Regional Transit DC rates will increase on July 1, 2023. The increase will occur as a result of the by-law entering year two of the mandatory five-year phase in (increasing from 80 to 85 per cent of the calculated rate) and annual indexing (12.3 per cent in 2023). The new Regional Transit rates, as of July 1, 2023, are provided in the table below.

Table 1
Comparison of Regional Transit DC Rates

| | Current Phased-in Rate | New Phased-in Rate, with Indexing (July 1, 2023) | Increase |
|--|---------------------------------------|---|-----------------|
| Residential (per single/semi-detached unit) | \$1,747 | \$2,085 | \$338 |
| Non-residential | \$0.79 | \$0.95 | \$0.16 |

5. Public Input

- 5.1 Opportunity for public comment on the amendments to the Regional Transit DC By-law and supporting Background Study was provided during the public meeting held on April 12, 2023. The public was also able to submit written feedback to the Region by 5:00pm on May 5. The Region did not receive any verbal comment during the public meeting nor any written feedback by the May 5 deadline.

6. Further Considerations by Regional Council Per DCA, 1997 - Formal Consideration of Need for Further Public Meeting

- 6.1 If the proposed by-law is changed as a result of comments received at the public meeting or through written correspondence, Regional Council is required, under the provisions of the DCA, to consider whether a further public meeting is required. An additional public meeting would require public notice to be provided at least twenty days prior to such public meeting.
- 6.2 Given that the Region has not made any changes to the proposed amending by-law and the final recommendations are consistent with the amending Regional Transit DC By-law and supporting Background Study released to the public on March 28, a further public meeting will not be required if the recommendations in this report are accepted and no further changes are made.

7. Direction to Regional Staff

- 7.1 Direction from Regional Council is required for the Regional Solicitor, Regional Clerk and Regional Treasurer to complete the various administrative tasks needed to implement the recommended Regional Transit DC amending By-law. These tasks include the production and distribution of a DC pamphlet, as well as the necessary public notification provisions.

8. Relationship to Strategic Plan

- 8.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. Ensuring the Region's Transit DC By-law is in conformity with the DCA, supporting Goal 5 (Service Excellence).

9. Conclusion

- 9.1 It is recommended that the proposed Regional Transit DC amending By-law be approved as provided within the supporting Regional Transit DC Background Study (Attachment #1).

- 9.2 This report has been prepared with the assistance of staff from the Planning & Economic Development Department, Works Department, and the Office of the Chief Administrative Officer - Legal, who concur with the recommendations.

10. Attachments

Attachment #1: Recommended Regional Transit DC amending By-law

Respectfully submitted,

Original Signed By

N. Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer

By-law Number *-2023**
of The Regional Municipality of Durham

Being a by-law to amend by-law number 39-2022.

Whereas section 19 of the Development Charges Act, 1997, S.O. 1997, c.27 (the “Act”) provides for amendments to development charge by-laws;

And Whereas the Council of The Regional Municipality of Durham requires certain amendments to By-law 39-2022;

And Whereas in accordance with the Act, a development charge background study has been completed in support of the proposed amendment to By-law 39-2022;

And Whereas the Council of The Regional Municipality of Durham has given notice and held a public meeting on the 12th day of April 2023 in accordance with the Act;

And Whereas the Council of The Regional Municipality of Durham has permitted any person who attended the public meeting to make representations in respect of the proposed amendments;

And Whereas the Council of The Regional Municipality of Durham has determined that a further public meeting is not necessary pursuant to Section 12(3) of the Act;

Now therefore, the Council of The Regional Municipality of Durham hereby enacts as follows:

1. Section 1 of By-law 39-2022 is amended as follows:

(a) for “bedroom” replace definition with

“means a habitable room, of at least seven square meters (7 m²) where a built-in closet is not provided, or at least six square meters (6 m²) where a built-in closet is provided, including a den, study, loft, or other similar area, but does not include a living room, a dining room, a bathroom or a kitchen;”

(b) add a new definition “detached dwelling” and “detached” as follows:

“means a residential building on one parcel of land comprising at least 1

dwelling unit and not more than 3 dwelling units on that parcel of land, where no portion of the building is attached to any building on another parcel of land;”

(c) for “duplex” replace definition with,

“means a building comprising, by horizontal division, two dwelling units on one parcel of land;”

(d) delete entire “garden suite” definition;

(e) in the “gross floor area” definition, the reference to “section 8” is deleted;

(f) delete entire “housing services use”/ “housing services” definition;

(g) in the “institutional development” definition, replace “section 16(a)” with “section 17”;

(h) for “medium density multiples” replace definition with,

“includes plexes, townhouses and all other residential uses that are not included in the definition of “apartment building”, “apartment”, “mobile homes”, “retirement residence units”, “detached”, “detached dwelling” or “semi-detached dwelling”;

(i) for “non-profit housing development” replace definition with,

“means development of a building or structure intended for use as residential premises and developed by:

(i) a corporation to which the Not-for-Profit Corporations Act, 2010 applies, that is in good standing under that Act and whose primary object is to provide housing;

(ii) a corporation without share capital to which the Canada Not-for-profit Corporations Act applies, that is in good standing under that Act and whose primary object is to provide housing; or

(iii) a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act;”

(j) in the “rental housing” definition, replace “section 16(a)” with “section 17”;

(k) for “residential use”, replace definition with,

“means lands, buildings or structures used, or designed or intended for use as a home or residence of one or more individuals, and shall include any building or structure containing dwelling units, and include but not limited to, a detached dwelling, a semi-detached dwelling, a townhouse, a plex, a stacked townhouse, an apartment, an apartment building, a mobile home, a retirement residence and a residential dwelling unit accessory to a non-residential use;”

(l) replace entire “semi-detached duplex” definition with,

““semi-detached building” means a building on two parcels of land, divided vertically (above or below ground) along the common lot line of the two parcels and comprising at least 1 dwelling unit and not more than 3 dwelling units on each parcel;”

(m) for “semi-detached dwelling” replace definition with,

“means the portion of a semi-detached building on one parcel of land comprising at least 1 dwelling unit and not more than 3 dwelling units;”

(n) delete entire “single detached dwelling and “single detached” definition

(o) for “stacked townhouse” replace definition with,

““stacked townhouse” means a building, other than a plex, a detached dwelling or townhouse, containing at least 3 dwelling units; each dwelling unit separated from the other vertically and/or horizontally and each dwelling unit having a separate entrance to grade;”

(p) replace entire “townhouse” definition with,

““townhouse building” means a residential building, on at least 3 parcels of land divided vertically (above or below ground) along the common lot line between each of the parcels and comprising at least 1 dwelling unit and not more than 3 dwelling units on each parcel;” **and**

(q) add new definition, after “townhouse building”,

““townhouse dwelling” means the portion of a townhouse building on one parcel of land comprising at least 1 dwelling unit and not more than 3 dwelling units;”.

2. Section 8 of By-law 39-2022 is deleted and replaced with the following:

“8.(1) Development charges shall not be imposed in respect to:

- (a) the issuance of a building permit not resulting in the creation of an additional dwelling unit;
- (b) the enlargement of an existing dwelling unit;
- (c) the creation of additional dwelling units in accordance with the following table:

| Description of Class of Existing Residential Buildings | Maximum Number of Additional Dwelling Units | Restrictions |
|---|---|---|
| 8.(1) (c)(i) Existing detached, semi-detached or townhouse dwellings, which contain a single dwelling unit, and where there are no other dwelling units in other buildings or structures on the parcel of land | Two | No exemption applies for the creation of a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land |
| 8.(1) (c)(ii) Existing detached, semi-detached or townhouse dwellings, each of which contains a single dwelling unit and where there is no more than one dwelling unit in other buildings or structures on the parcel of land | One | No exemption applies for the creation of a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land |

| | | |
|---|---|--|
| 8.(1) (c)(iii) Existing detached, semi-detached or townhouse dwellings, each of which contains no more than 2 dwelling units and where there are no other dwelling units in other buildings or structures on the parcel of land | One | This exemption applies only for the creation of a dwelling unit in an ancillary building or structure and no exemption applies for the creation of a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land |
| 8.(1) (c)(iv) Existing rental residential buildings, each of which contains four or more dwelling units. | Greater of one and 1% of the existing units in the building | No exemption applies where it would result in a total number of dwelling units where units created under the exemption in this By-law would exceed the greater of one unit or 1% of the units existing in the building prior to the first exemption for an additional dwelling unit. |
| 8.(1) (c)(v) An existing residential building not in another class of residential building described in this table. | One | No exemption applies where a dwelling unit has already been created with an exemption this By-law. |

(d) the creation of additional dwelling units in accordance with the following table:

| Description of Class of Proposed New Residential Buildings & Number of Units Proposed | Restrictions |
|---|--|
| 8.(1) (d)(i) the second or third dwelling units in a proposed detached, semi-detached or townhouse dwelling where there are no other dwelling units, existing or proposed, in other buildings or structures on the parcel of land | No exemption applies for the creation of first dwelling unit or where a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land |
| 2.13 (d)(iii) one dwelling unit in a proposed new residential building that would be ancillary to a proposed new detached dwelling, semi-detached dwelling or townhouse dwelling which | No exemption applies for the creation of a dwelling unit which would result in more than a total of three dwelling units on a parcel of land. |

| | |
|---|--|
| would not contain more than a two dwelling units. | |
|---|--|

- (e) non-profit housing development; and
- (f) residential units that are affordable housing units required to be included in a development or redevelopment (“inclusionary zoning units”) pursuant to a by-law passed under section 34 of the Planning Act to give effect to the policies described in subsection 16 (4) of that Act.”

3. In Sections 13(1) and 13(2) of By-law 39-2022 the reference to “ten years” is replaced with “five years”.

4. Section 13(3) of By-law 39-2022 is deleted.

5. Section 13(4) is renumbered section 13(3).

6. Following section 13 add new section, as follows:

“Reduction for Rental Housing Development

14. The development charges set out on Schedule B shall be:

- (a) In rental housing development, for dwelling units with 3 or more bedrooms: 75% of the Total of All Charges shown on Schedule B;
- (b) In rental housing development, for dwelling units with 2 bedrooms: 80% of the Total of All Charges shown on Schedule B; and
- (c) In rental housing development, for all other dwelling units: 85% of the Total of All Charges shown on Schedule B.”

7. Section 14 of By-law 39-2022 is renumbered section 15 and the references to “section 17” and “section 19” are replaced with “section 18 of this by-law” and “section 20” respectively.

8. Section 15 of By-law 39-2022 is renumbered section 16 and the reference to “section 14” is replaced with “section 15 of this by-law”.

9. Section 16 of By-law 39-2022 is renumbered section 17 and replaced with,

“17. Notwithstanding subsection 15 of this by-law, where development charges become payable after January 1, 2020 for development of rental housing that is not non-profit housing development and institutional development, development charges shall be paid in equal annual instalments beginning on the earlier of the date of issuance of a permit under the Building Code Act, 1992 authorizing occupation of the building and the date the building is first occupied, and continuing on the following five anniversaries of that date.”

10. **Section 17 of By-law 39-2022 is renumbered section 18 and the references to “section 19”, “section 22”, “section 16” and “section 14”, are replaced with “section 20”, “section 23”, “section 17” and “section 15” respectively.**
11. **Section 18 of By-law 39-2022 is renumbered section 19 .**
12. **Section 19 of By-law 39-2022 is renumbered section 20.**
13. **Section 20 of By-law 39-2022 is renumbered section 21.**
14. **Section 21 of By-law 39-2022 is renumbered section 22.**
15. **Section 22 of By-law 39-2022 is renumbered section 23 and replaced with,**

“Interest

“23. Development charges payable per this by-law shall bear interest in accordance with the Region of Durham Development Charge Interest Rate Policy, as amended from time to time.”
16. **Section 23 of By-law 39-2022 is deleted.**
17. **In Schedule B to By-law 39-2022 the reference to “single” is deleted and the reference to “section 19” in the Note is replaced with “section 20”.**
18. **In Schedule C to By-law 39-2022 the reference to “section 19” in the Note is replaced with “section 20”.**

This By-law Read and Passed on the ----th day of -----, 2023.

J. Henry, Regional Chair and CEO

A. Harras, Regional Clerk