

Community Benefit Charge & Parkland Dedication By-law

Special Council Meeting

April 13, 2022

Agenda



1. Growth Revenue Overview



2. Community Benefit Charge Study and Recommendations

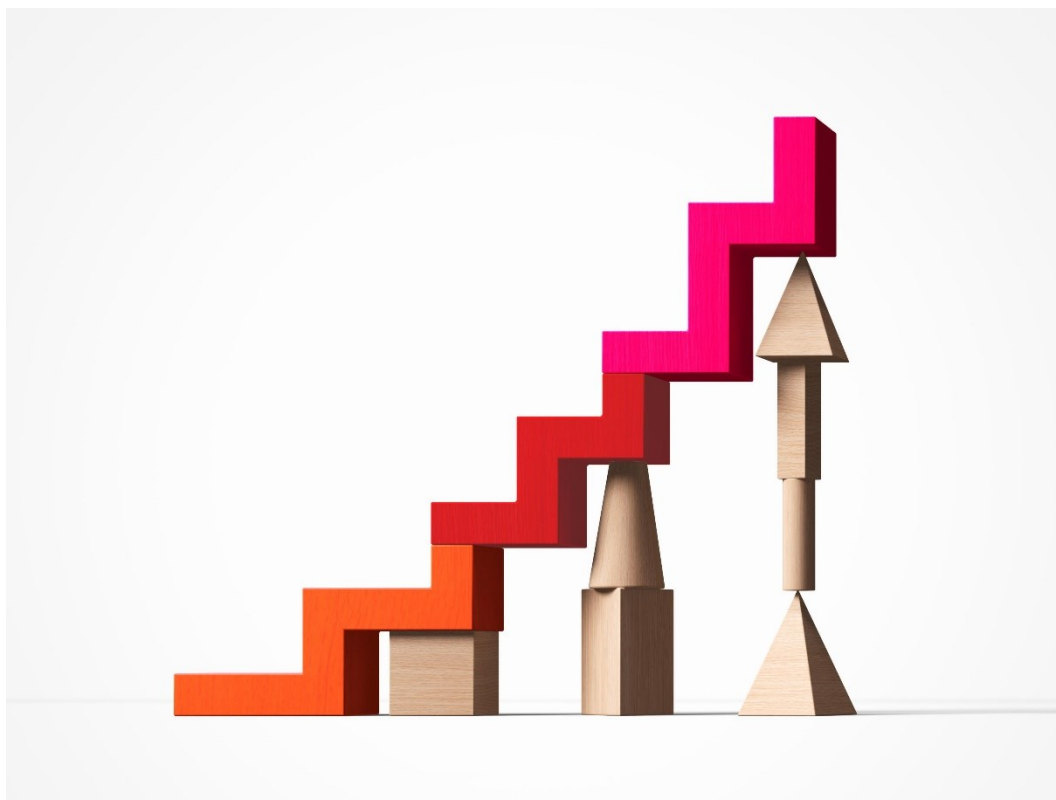


3. Parkland Dedication By-law Update



4. Summary

1. Growth Revenue Overview



Introduction



The purpose of this meeting is to solicit council direction and feedback on the Community Benefit Charge (CBC) and the Parkland Dedication By-law (PD) update.



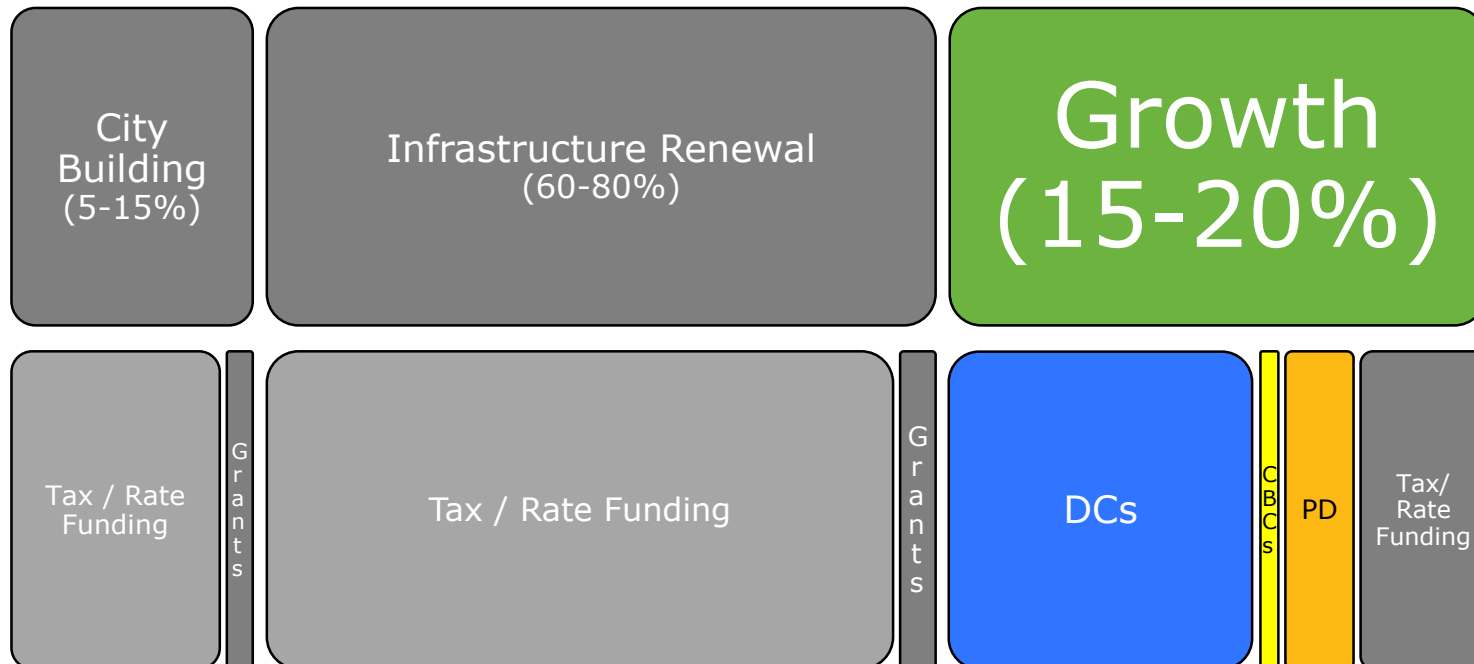
We have conducted a CBC Study and Watson & Associates Economists Ltd. will be sharing findings and recommendations from this study.



We are completing a PD By-law update based on the legislative requirement. We are sharing a summary of changes in today's meeting.

Growth Revenue

Capital Budget



Timelines

GROWTH REVENUE STUDY	START	COMPLETION
1. Current DC Study update (complete)	Second Quarter 2021	Fourth Quarter 2021
2. Community Benefits Charge	Third Quarter 2021	Third Quarter 2022
3. Parkland Dedication review	Third Quarter 2021	Third Quarter 2022
4. Comprehensive DC Study Update	Second Quarter 2022	First Quarter 2024

This meeting will discuss 2 and 3.

The next stage component will be a full DC update starting later this year.

2. CBC Study & Recommendations





Community Benefits Charge Council Special Meeting

City of Guelph
April 13, 2022

Agenda

What is a Community Benefits Charge (C.B.C.)

Methodology

C.B.C. Land Valuation and Eligible Growth

Cost Allocations

Capital Costs and Maximum Charge

Outstanding Items to be Confirmed

Next Steps



What is a Community Benefits Charge

City of Guelph 2022 C.B.C. Strategy

Current Legislation

What is a Community Benefits Charge?

The COVID-19 Economic Recovery Act (Bill 197) received Royal Assent on July 21, 2020, and amendments came into effect on September 18, 2022

D.C.A. amendments include changes to eligible services

All services included in the City's current D.C. By-law remain eligible under the D.C.A., except for Parking Services **and** some Studies.

Planning Act Amendments

Community Benefits Charges may be imposed by By-law for buildings or structures with five storeys or more **and** with 10 or more residential units.

The prescribed maximum C.B.C. rate (as per O. Reg. 509/20) is 4% of the property's land value prior to the day of building permit issuance.

What is a Community Benefits Charge?

Under Bill 197

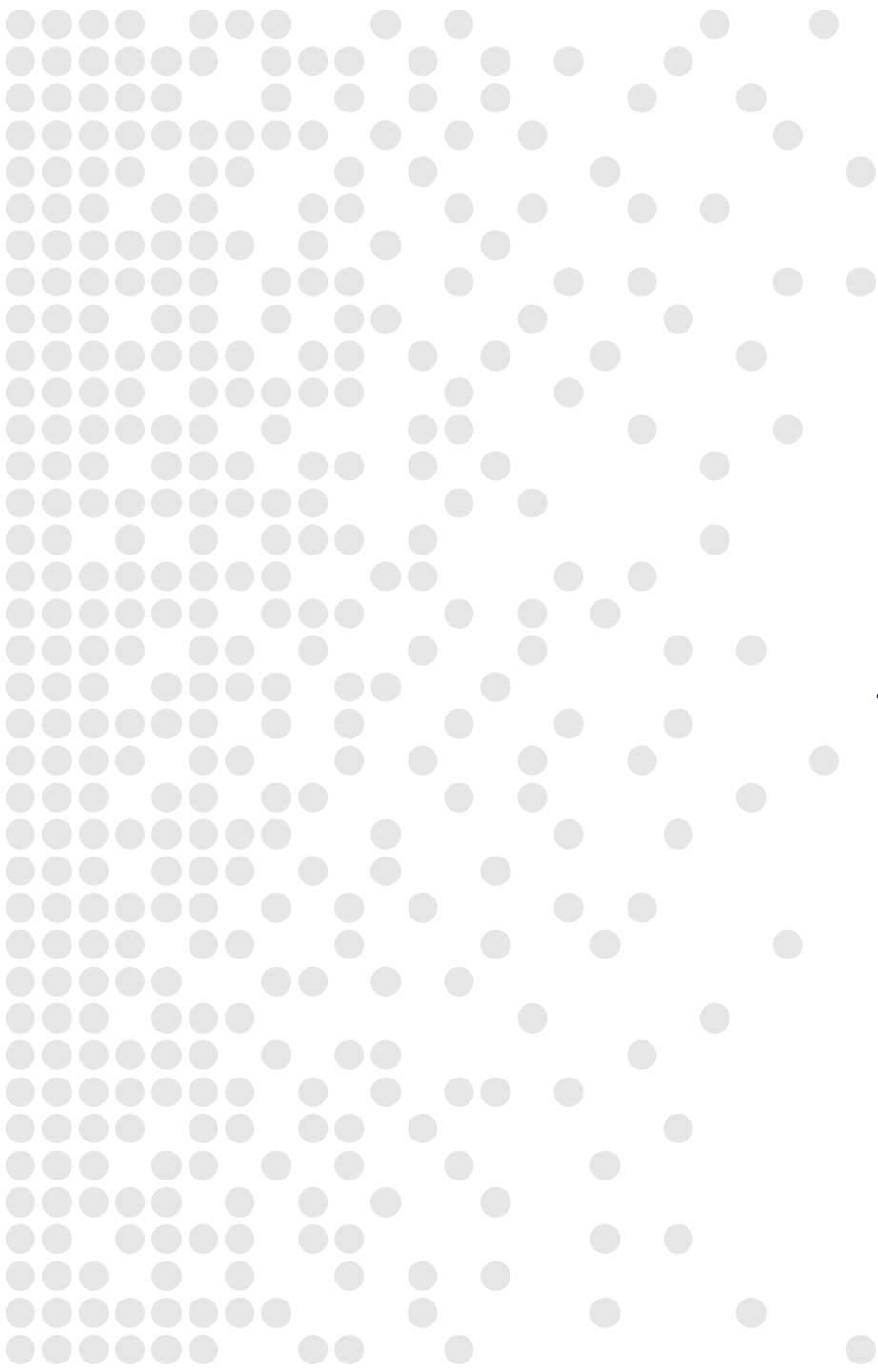
Section 37(2) allows local/single tier municipalities to impose community benefits charges against land to pay for the capital costs of facilities, services and matters required due to development/redevelopment.

To implement a charge, a C.B.C. by-law must be passed by Council.

Before passing a C.B.C by-law under subsection (2), a strategy must be prepared that:

identifies the facilities, services and matters that will be funded with community benefits charges; and

complies with any prescribed requirements (defined by O. Reg. 509/20)



Methodology

City of Guelph 2022 C.B.C. Strategy

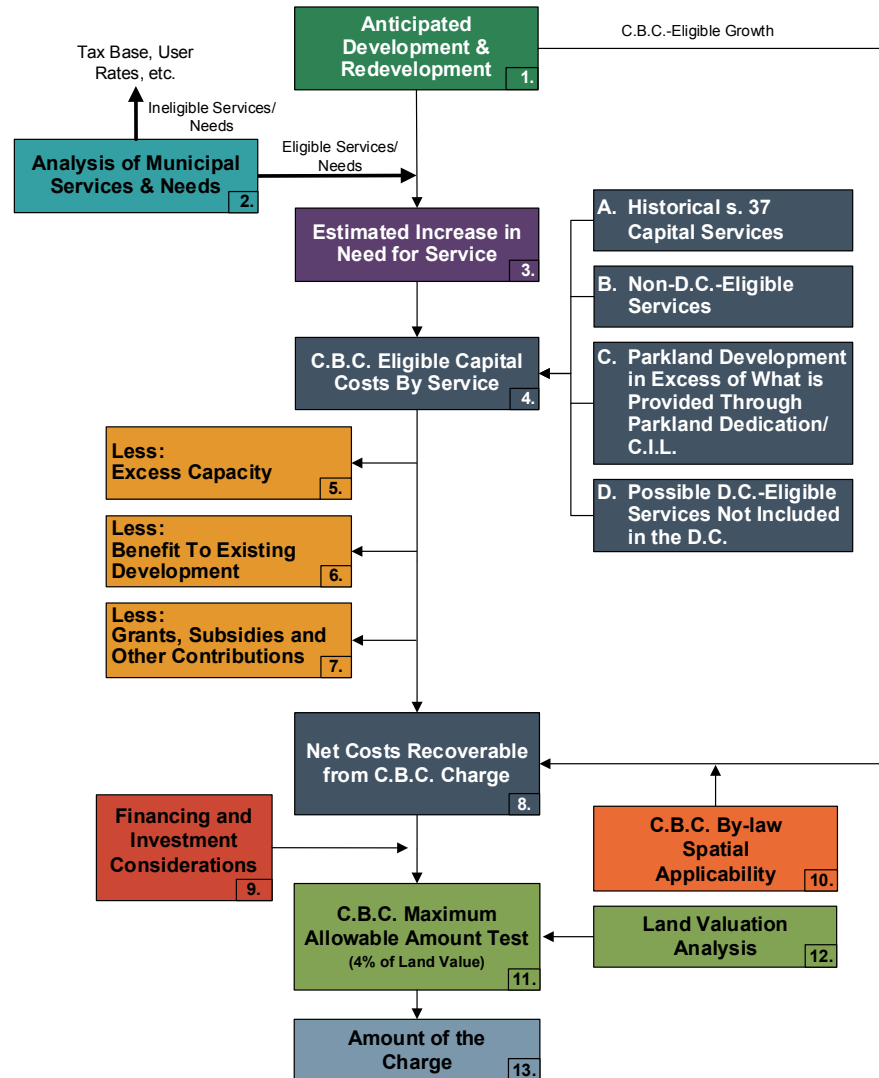
Methodology of C.B.C. Strategy

Community Benefits Charges will only apply to developments that are 5 storeys or more and have a minimum of 10 residential units. As such the following must be assessed to determine the C.B.C. for the City:

1. Determine the amount of anticipated development and redevelopment that will be eligible to have a C.B.C. imposed on it by reviewing the most recent growth forecast information, applications in the development process, etc.
2. Estimate the land values of the eligible developments/redevelopments in consultation with City Realty staff based on recent appraisal available and/or through information provided by an appraiser contracted for purposes of the C.B.C. strategy.
3. Determine the estimated funding envelope based on 4% of the land values.
4. Estimate the increase in the need for services and the share of the capital costs required because of the development/redevelopment.
5. Determine how much of the capital costs relate to the eligible development & redevelopment and complete the formal calculations to determine the percentage to impose for a C.B.C. (to a maximum of 4%)

C.B.C. Methodology

The Process of Calculating a Community Benefits Charge under the Act that must be followed



Eligible Growth

Estimate the anticipated amount, type, and location of eligible development and redevelopment for a C.B.C.:

High Density Development Only – a minimum 5 storeys with at least 10 residential units

Amount and Location – The location of the high-density growth anticipated has been broken down into 7 areas.

Consideration for the timing of eligible development (i.e. 10 years (2022-2031))

Note the results of the Growth Forecast portion of the study is provided later in this presentation

Land Valuation

Estimate the land values of the eligible developments/redevelopments in consultation with City staff and their land appraiser, by location as identified through the growth forecast.

- The average land valuations have been provided by location, based on the appraisal assessment and an average value per acre is calculated.
- The growth forecast has also been provided by location to coincide with the land appraisal assessment.

Identifying the Increase in Need

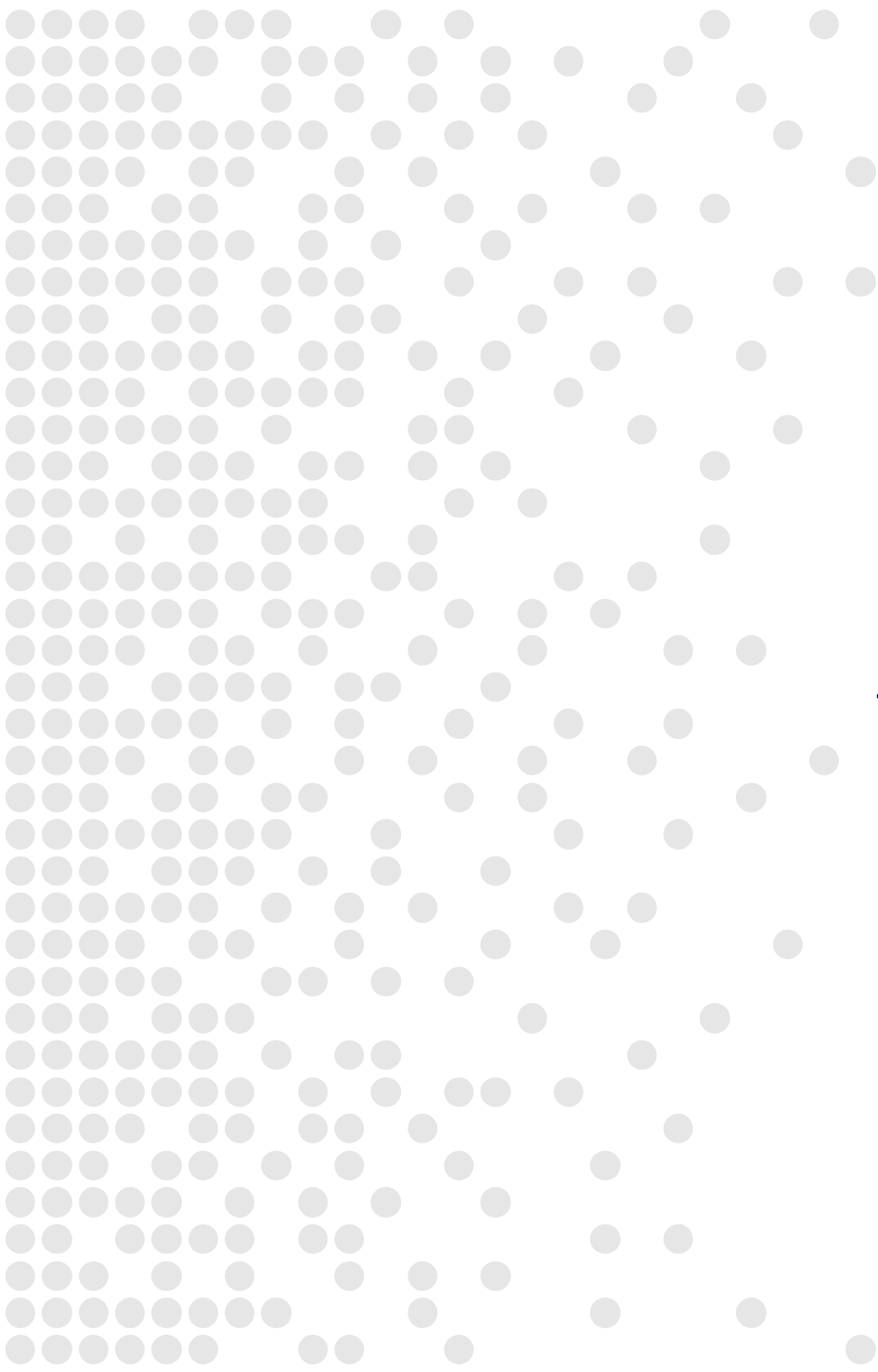
Estimates of the increase in the need for facilities, services, and matters attributable to the anticipated development and redevelopment to which the community benefits charge by-law would relate, will be considered:

- Similar wording is included in the D.C.A., "increase in need....resulting from new development or redevelopment"
- The above suggests a link or attribution between the anticipated development and the estimated increase in the need for service
- The approach is similar to a D.C. study but will need to attribute benefit to high-density units

Potential Services to be Considered

The types of growth-related capital that can be included in a C.B.C. can include:

- Non-D.C. eligible services:
 - Services Recently Removed from D.C.: Parking, Airport, Certain Studies,
 - **Other Non-eligible D.C. Services:** Municipal Administration Building Expansion, Museum, Arts Centre, Public Art, Heritage Preservation, Landfill, Public Realm Improvements, Community Gardens, Space for **Non-Profits**, etc.;
- Former Services recovered under Section 37 of the Planning Act;
- Parkland Acquisition, except for parkland dedication related; and
- D.C. eligible services (Growth-related capital not included in D.C.).



C.B.C. Land Valuation and Eligible Growth

City of Guelph 2022 C.B.C. Strategy

Land Valuation

Area	Location	Average Land Value per Acre		
		High	Low	Guelph Average
1	Downtown Secondary Plan Area (Urban Growth Centre - U.G.C.)	\$10,000,000	\$5,000,000	\$6,250,000
2	Clair Maltby Secondary Plan Area			\$2,000,000
3	Guelph Innovation District			\$1,250,000
4	Dolime Quarry Area			\$2,000,000
5	Gordon Street Corridor Area	\$1,650,000	\$2,850,000	\$2,000,000
6	Infill Areas:			
6a	Downtown Fringe-University of Guelph District - Stone Road Corridor Sub-Area	\$2,880,000	\$3,520,000	\$3,200,000
6b	Other Neighbourhoods Sub-Area	\$750,000	\$1,750,000	\$1,250,000

As per S.W. Irvine & Associates Real Estate Appraisals & Consulting

Growth Forecast 10-Year

Residential Growth Forecast:

Development Location	Timing	Single & Semi-Detached	Multiples ¹	Apartments ²			Total Residential Units	Gross Population in New Units	Existing Unit Population Change	Net Population Increase, Excluding Institutional	Institutional Population	Net Population Including Institutional
				Units in C.B.C. Ineligible	Units in C.B.C. Eligible	Total Apartment Units						
Designated Greenfield Area	2022 - 2032	1,813	2,447	401	2,587	2,988	7,248	17,059	-294	16,765	144	16,909
Clair-Maltby Secondary Plan	2022 - 2032	997	1,120	0	1,250	1,250	3,367	8,168	0	8,168	0	8,168
Guelph Innovation District	2022 - 2032	60	470	0	115	115	645	1,547	0	1,547	0	1,547
Dolime Quarry Lands	2022 - 2032	300	140	59	529	588	1,028	2,329	0	2,329	0	2,329
Remaining Designated Greenfield Area	2022 - 2032	456	717	342	693	1,035	2,208	5,015	-294	4,721	144	4,865
Built-Up Area	2022 - 2032	125	1,324	1,100	2,966	4,066	5,515	10,486	-1,637	8,849	185	9,034
Urban Growth Centre/Downtown Secondary Plan Area	2022 - 2032	0	100	78	1,477	1,555	1,655	2,853	-63	2,790	0	2,790
Remaining Built-Up Area	2022 - 2032	125	1,224	1,022	1,489	2,511	3,860	7,633	-1,574	6,059	185	6,244
City of Guelph	2022 - 2032	1,938	3,771	1,501	5,553	7,054	12,763	27,545	-1,931	25,614	329	25,943
Average Persons Per Unit by Unit Type		3.332	2.455	1.677	1.677	1.677						
Gross Population in New Units		6,457	9,258	2,517	9,312	11,830		27,545				

Source: Derived from the City of Guelph 2021 Growth Management Strategy: Shaping Guelph.

¹ Includes townhouses and apartments in duplexes.

² Includes accessory apartments, bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.

Non-Residential Growth Forecast:

Non-Residential Employment Growth Forecast by Industry	Job Growth (Mid-2022 - Mid-2032)
Primary	-80
Industrial	2,926
Commercial	5,781
Institutional	3,084
Total Excluding WAH & NFPOW	11,711
Work at Home	1,146
No Fixed Place of Work	1,383
Total	14,240

C.B.C. Eligible Units in the Planning Process

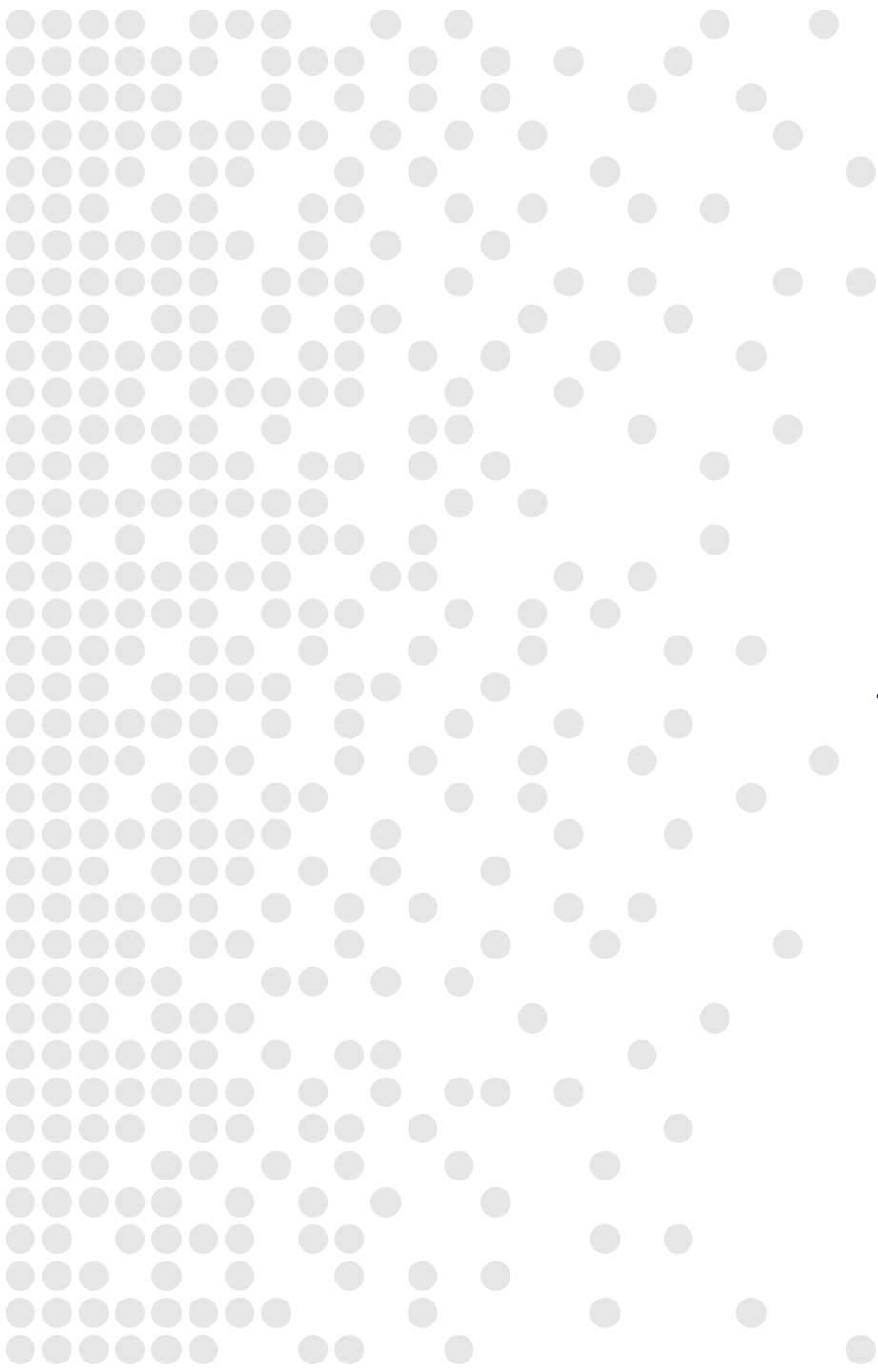
Based on information provided by Planning Department, the following provides a summary of the eligible high-density growth in various stages of the planning application process.

Area	C.B. C. Eligible Units in the Planning Process			Average Land Value Per Acre
	Registered	Draft Approved	Total	
Clair-Maltby Secondary Plan	-	-	1,250	\$2,000,000
Guelph Innovation District	-	-	115	\$1,250,000
Dolime Quarry Lands	-	-	529	\$2,000,000
Urban Growth Centre/Downtown Secondary Plan Area	-	-	1,477	\$6,250,000
Remaining Designated Greenfield Area	113	78	385	\$1,250,000
Remaining Built-Up Area:				
Gordon Street Corridor Area	239	168	892	\$2,000,000
Downtown Fringe-University of Guelph District -Stone Road Corridor Sub-Area	-	-	80	\$3,200,000
Other Neighbourhoods Sub-Area	243	168	825	\$1,250,000
Total	595	414	5,553	

Total Land Values for Growth Forecast

- Based on applications in the planning process and assumption included in the Clair-Maltby Secondary Plan, average densities were assigned to each area (e.g., 290 units per acre in the downtown secondary plan, 70 units/acre in Clair-Maltby, etc.) to generate the estimated total acres of high-density land to be developed.
- The land valuations by area were then multiplied by the estimated acres to calculate the total land value by area.

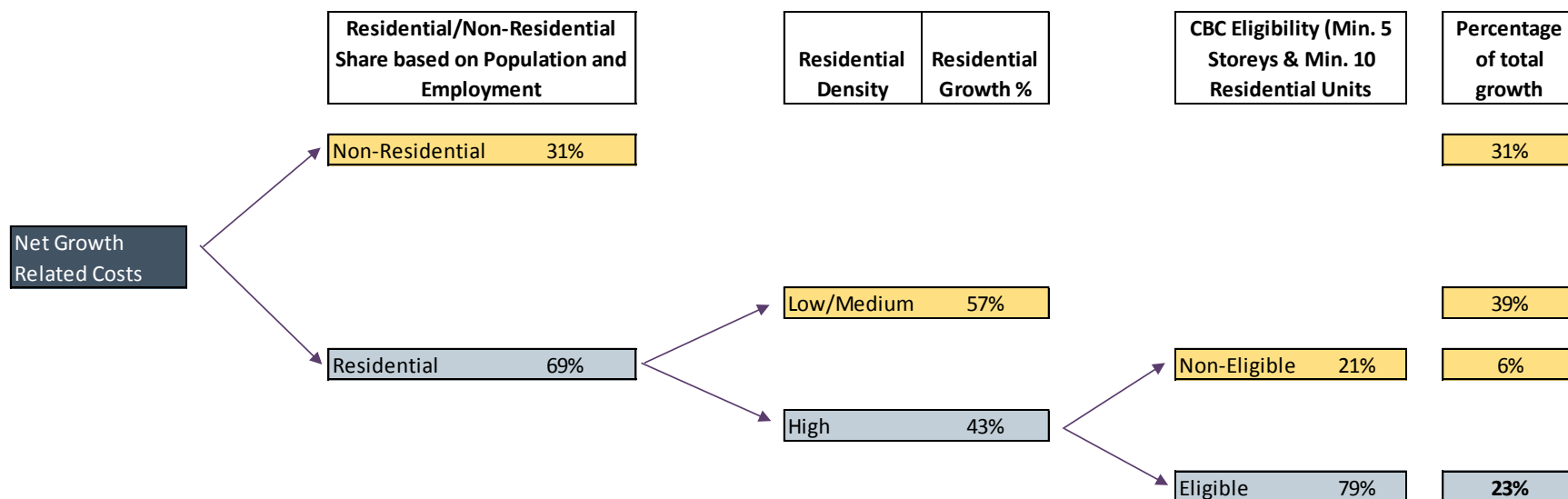
Area	Total C.B.C. Eligible Units	Average Land Value Per Acre	Average Units Per Acre	Estimated Total Acres	Total Land Value
Clair-Maltby Secondary Plan	1,250	\$2,000,000	70	18	\$35,714,286
Guelph Innovation District	115	\$1,250,000	70	2	\$2,053,571
Dolime Quarry Lands	529	\$2,000,000	70	8	\$15,114,286
Urban Growth Centre/Downtown Secondary Plan Area	1,477	\$6,250,000	290	5	\$31,831,897
Remaining Designated Greenfield Area	385	\$1,250,000	70	6	\$6,875,000
Remaining Built-Up Area:					\$0
Gordon Street Corridor Area	892	\$2,000,000	70	13	\$25,485,714
Downtown Fringe-University of Guelph District -Stone Road Corridor Sub-Area	80	\$3,200,000	50	2	\$5,120,000
Other Neighbourhoods Sub-Area	825	\$1,250,000	70	12	\$14,732,143
Total	5,553			64	\$136,926,897



Cost Allocations

City of Guelph 2022 C.B.C.
Strategy

Cost Allocations – City-Wide Services



- Allocation between residential and non-residential growth are based on the incremental growth in population and employment as provided by the 10-year growth forecast.
- Approx. 23% of City-wide C.B.C. eligible cost could be recovered (e.g., parking services and growth studies).
- Note that for Parkland and Cultural projects, the Residential/Non-Residential split would change to 95%/5% resulting in approx. 32% of C.B.C. eligible costs to be recovered.



Capital Costs and Maximum Charge

City of Guelph 2022 C.B.C. Strategy

Increased Needs and Capital Costs

Service	Gross Cost	Deductions		Net Growth-Related Cost	Total Non-Residential Share	Total Residential Share	Low/Medium Density Residential	Total High Density Residential	Ineligible High Density Residential	Eligible High Density Residential
		Benefit to Existing Development	Grants, Subsidies and Other Contributions							
C.B.C. Strategies	370,000	-	-	370,000	-	370,000	-	370,000	-	370,000
Growth Studies	2,055,000	1,155,200	-	899,800	278,900	620,900	353,800	267,100	56,100	211,000
Municipal Parking	31,775,000	6,870,000	-	24,905,000	7,720,600	17,184,400	9,795,100	7,389,300	1,551,800	5,837,500
Culture	13,685,000	31,250	-	13,653,750	682,700	12,971,000	7,393,400	5,577,600	1,171,300	4,406,300
Parkland Acquisition	13,500,000	-	7,480,000	6,020,000	301,000	5,719,000	3,259,800	2,459,200	516,400	1,942,800
Total	61,385,000	8,056,450	7,480,000	45,848,550	8,983,200	36,865,300	20,802,100	16,063,200	3,295,600	12,767,600
Total Land Value										136,927,000
Calculated Percentage to Recover all Costs Identified										9.3%

As the capital need identified would require 9.3% to be imposed against the land, the C.B.C. maximum 4% is justified to be imposed.



Next Steps

City of Guelph 2022 C.B.C. Strategy

Next Steps

- Public Engagement (April 27, 2022)
- Receive Council and public input
- By-law passage (July 11, 2022)



Discussion

3. Parkland Dedication By-law



Parkland Dedication By-law

What's changing

What's not changing



4. Summary



Key Takeaways

Many components of growth revenue

CBC is limited (4% of HD land value)

PD By-law admin update presented now

Next steps are by-laws approval in July 2022

Kickoff the next DC Study in fall 2022