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NOBLETON COMMUNITY DEVELOPMENT CHARGE BY-LAW AND BACKGROUND STUDY- TOWNSHIP OF KING

No one having appeared in favour of or in opposition to the proposed by-laws at the public meeting held pursuant to the *Development Charges Act, 1997*, the Finance and Administration Committee recommends the following:

- 1. The presentation by Gary Scandlan, C. N. Watson and Associates Ltd. be received; and**
- 2. the recommendations contained in the following report, May 25, 2006, from the Commissioner of Finance be adopted:**

1. RECOMMENDATIONS

It is recommended that:

1. Council receive the Background Study prepared to support the proposed Nobleton Area-Specific Development Charge By-Law.
2. The proposed Area-Specific By-Law, including any adjustments as a result of input received at the public meeting be brought forward to Regional Council on June 22, 2006 for enactment.
3. Council approve an amendment to the Region-wide development charges by-law, By-law No. DC-0005-2003-050, in order to exempt land in the Nobleton Community from the sanitary sewer development charge imposed under that by-law subject to recommendations 1 and 2 being approved and implemented without appeal or at such time as all appeals have been satisfied.

2. PURPOSE

The purpose of this report is to present the background study required to enact an Area-Specific Development Charge By-law for sanitary sewage servicing in the Nobleton Community. A statutory Public Meeting in accordance with the Development Charges Act, 1997 is scheduled for June 8, 2006. Notice of Public Meeting was published in York Region newspapers on May 18, 2006. In accordance with provincial legislation, a supporting background study must be available to the public two weeks prior to the public meeting. This represents a unique approach for an area-specific development charge by-law in York Region and this report tables the draft Nobleton Area-Specific Development Charge Background Study and By-law, along with a proposed timetable for enactment.

3. BACKGROUND

3.1 Nobleton Community

The Nobleton Community is located in the Township of King at Highway 27 and King Sideroad. The current population is approximately 3,100. The community is currently serviced by on-site sewage systems consisting of septic tanks and tile fields.

A plan was prepared that would see the population of the Nobleton Community grow over the next ten years. The plan will see 1,200 dwelling units being added to the community, with a net increase in population of 3,445. The Nobleton Community Plan area covers approximately 1,450 hectares (3,583 acres) of land bounded to the east and west by 8th Concession Road and the 10th Concession Road, respectively, on the north by 15th Sideroad and on the south by the King-Vaughan municipal boundary.

Current employment estimates for the Nobleton Community are 742 employees. Total employment supply (build-out capacity) is estimated to be 34 net acres of industrial land and 7 net acres of commercial lands. Employment is forecast to grow by 1,127 by 2016.

3.2 Servicing Requirements

In order to proceed with the build-out of the Nobleton Community Plan, sufficient sanitary sewage servicing capacity and water servicing capacity must be made available. This requires the widening of King Road, and the construction of a Nobleton Sewage Treatment Plant, pumping station and forcemain, an elevated tank, watermain, and wells.

In most communities where Regional infrastructure is provided, the development occurs within the urban boundary and the development charges generated by the future growth meet the cost of providing the infrastructure. In the case of the Nobleton Community, the sewage infrastructure works are not included in the Region's Capital forecast and the cost to the Region for the provision of wastewater infrastructure is disproportionate to the total sewer development charges that will be generated within the community. The costs associated with the sewers and wastewater infrastructure for the Nobleton Community are not currently being recovered through the Region's Development Charge By-Law.

3.3 Area Specific by-Law

A developer group within the Nobleton community has requested that the sewage and roads works be advanced in order to facilitate full build-out of their lands. The Developer Group has indicated that they are willing to advance the construction timing of the required infrastructure by providing funds in the way of prepaid development charges and will also absorb the non-growth component of the cost of the sewage works. As the sewer works are not included in the Region's capital forecast and recognizing the significant cost of the sewer infrastructure in relation to the sewer development charges

generated in the community, the developer group has proposed a recovery of the growth component of the sewer works through an area specific development charge. On June 10, 2004, Regional Council authorized Staff to enact an area-specific by-law for Nobleton sewage services.

A background study has been completed by C. N. Watson and Associates. The growth-related costs have been estimated in order to calculate applicable development charges for the portion of the sanitary sewers that are within the Region's jurisdiction. This by-law is to be enacted for a five year period and will continue to be renewed until the costs have been fully recovered from development.

The water and road works required for this initiative form part of the current development charge and will continue to be provided by the Region to meet the growth demands of the Nobleton Community and collected through the normal development charge process.

Prior to the completion of this background study and the preparation of this area-specific by-law, the costs of the Nobleton Treatment Plant and Forcemain project would have been added to the Region-wide development charges by-law. (A contingent residential development charge had been included in "Schedule G" of the 2003 Development Charge By-Law.) With the introduction of this area-specific by-law, these costs will not be included in the Region-wide By-Law. In addition, the Region-wide By-Law will need to be amended so that the Region-wide charges for Sanitary Sewers will not apply to development in the Nobleton Community. The Region-wide charges for all other components (water, roads, transit, general services and GO Transit) will continue to apply in the Nobleton Community.

3.4 Up-Front Financing Agreement

On June 10, 2004, Regional Council endorsed the principles for an agreement for the for Nobleton roads and sewage services. This includes the principles for the advanced construction of the roads and sewage works for the Nobleton Community and it is anticipated that an agreement will be executed in this regard, consistent with 2006 construction timelines.

4. ANALYSIS AND OPTIONS

4.1 Estimated Region Costs

The costs included in the Background Study include the following components:

- Forcemain and sanitary sewers. Costs have been allocated among these construction components.
- Outfall sewer to reflect construction of wetland.

- WPCP costs to add land costs not previously included. Also includes additional phosphorous offset and sewage haulage costs during initial plant operation.
- Engineering costs.

A summary of the estimated Region costs of this project are as follows:

Component	Cost
Forcemain & Trunk Sewer	2,594, 560
Sewage Pumping Station	2,200,000
Water Pollution Control Plant	13,354,000
Outfall & Wet Land	982,000
Total	19,130,560

Of these costs, \$10,977,023 is the growth amount and \$8,153,537 is the non-growth amount.

4.2 Development Charge Assumptions

The proposed Development Charges will be applied to residential and non-residential development using a split of 75% / 25%.

For non-residential development, the charges will apply based on Gross Floor Area (GFA). The same charge will apply to all non-residential development – industrial, commercial and retail.

Staff is proposing that the full non-residential DC rate be applied to non-residential development in order to recover the cost of the sewer works from development in Nobleton. This by-law is to be enacted for a five year period and it will continue to be renewed until the costs have been fully recovered from development.

5. FINANCIAL IMPLICATIONS

With approval of the corresponding By-Law and DC credit agreement with the developer, the Region anticipates that it will fully recover the estimated \$19.1 M for this project. The growth costs will be recovered from the Regional development charges and the non-growth costs will be recovered from the developer through the Nobleton Area-Specific Development Charge.

5.1 Residential Development Charges

Residential development charges will apply based on the type of dwelling that is built. The proposed charges are as follows:

	Single and Semi-Detached	Multiple Unit Dwelling	Apartments	
			2 or more Bedroom	Less than 2 Bedrooms
Sanitary Sewers	\$7,085	\$6,351	\$4,444	\$3,060

5.2 Non-Residential Development Charges

Staff is proposing that the non-residential charges be at the full rate of recovery, i.e., with no discount. The proposed charges are as follows:

	Per Square Foot of Gross Floor Area		Per Square Metre of Gross Floor Area	
	Industrial / Office Institutional	Retail	Industrial / Office Institutional	Retail
Sanitary Sewers	\$4.83	\$4.83	\$51.94	\$51.94

6. LOCAL MUNICIPAL IMPACT

The proposed development charges will provide a major source of financing for the advancement of the Nobleton WPCP, pumping station, forcemain and trunk sewer which will facilitate the build-out of the plans of subdivisions within the Nobleton Community.

7. CONCLUSION

Given the disproportionate cost of the sewage infrastructure compared to the DC's generated in the community to pay for the works, the fact that the works are not yet included in the Region's capital forecast, and the limited potential of encountering communities in this situation in the future, it is recommended that an area specific development charge by-law for sewer infrastructure cost recovery be enacted and the current Development Charge by-law be amended. The attached background study is required in order to enact the area-specific by-law and will form the basis of the June 8, 2006 public meeting. It is proposed that input received at that meeting be considered, and the amendment, including any necessary changes as a result of the public meeting, be tabled for enactment by Regional Council at its meeting of June 22, 2006.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the agenda for the June 8, 2006 Committee meeting.)