

The Regional Municipality of York

Committee of the Whole
January 14, 2021

Report of the Commissioner of Finance

2021 Nobleton Area-Specific Wastewater Development Charge Bylaw Update and Draft Background Study

1. Recommendations

1. Council receive the Draft 2021 Nobleton Area-Specific Wastewater Development Charge Background Study and proposed Bylaw (Attachment 1).
2. A report be brought forward to a meeting of Regional Council in the second quarter of 2021, recommending the 2021 Nobleton Area-Specific Development Charge Bylaw, taking into consideration the input received at the public meeting(s).
3. The Commissioner of Finance be authorized to schedule and give notice for the public meeting(s) required by the *Development Charges Act, 1997*.
4. The Committee of the Whole be authorized to hold a public meeting(s) for the 2021 Nobleton Area-Specific Development Charge Bylaw.
5. The Regional Clerk circulate this report to the Township of King.

2. Summary

The *Development Charges Act, 1997* (the “Act”) sets out the legislative framework governing the establishment of development charges, which are used to pay for growth-related infrastructure. This report tables the draft Nobleton Area-Specific Wastewater Development Charge Background Study and Bylaw. It provides Council with the proposed wastewater rates and a timetable for bylaw passage.

Key Points:

- The Village of Nobleton has been subject to area-specific wastewater rates since 2006
- The current Nobleton Area-Specific Wastewater Development Charge Bylaw ([2016-40](#)) expires on September 20, 2021
- The new Bylaw will reflect recent legislative changes to the Act, including the new timing of payment provisions (e.g., the freezing and phasing of development charges)

- Enacting the new Bylaw on July 1, 2021 aligns with the annual indexing date of the Regional Development Charges Bylaw

3. Background

Nobleton has been subject to area-specific wastewater rates since 2006

The first Area-Specific Development Charge Bylaw for Nobleton wastewater services came into effect [on September 21, 2006](#). The bylaw has been updated every five years since. A new bylaw must be passed and in effect prior to September 21, 2021, for the Region to continue to levy wastewater development charges in the Village of Nobleton.

The proposed wastewater development charge rates for the Village of Nobleton are based on the growth-related capital costs within the existing servicing capacity of the approved urban area, for the portion of the wastewater system that is within the Region's jurisdiction. Because these costs are recovered through an area-specific bylaw, they are not included in the Region-wide bylaw.

In 2012, Regional [Council considered](#) repealing the Nobleton Area-Specific Development Charge and incorporating that infrastructure into the Region-wide development charge rates. This would have resulted in a significant wastewater rate increase for Nobleton developers. At the time, Council decided to maintain an area-specific approach.

Recent amendments to the Act changed the timing of when development charges are determined and collected

Bill 108, *More Homes, More Choice Act, 2019* ("Bill 108") received Royal Assent on June 6, 2019 and amended the Act to include provisions for freezing and phasing development charges. These changes came into effect on January 1, 2020. Prior to these changes, development charge rates were typically calculated and charged at the prevailing rate at building permit issuance. Development charge rates are now frozen at site plan application or zoning bylaw amendment application date.

In addition, institutional and for-profit rental housing development can now defer development charge payment to first occupancy and have payments phased in equal instalments annually over five years. In the case of non-profit housing development, the phasing period is 20 years.

To reflect these legislative changes, the timing of payment section in the draft Bylaw has been revised to reflect the new freezing and phasing provisions.

The Township of King Official Plan 2019, which uses a forecast horizon to 2031, informs the Draft Nobleton Area-Specific Development Charge Background Study

On September 24, 2020, Council approved the [Township of King Official Plan 2019](#), conforming with the 2010 York Region Official Plan and applicable Provincial plans.

The draft Background Study uses the growth forecast in the recently approved King Official Plan, which forecasts growth to 2031. The population forecast for the Village of Nobleton recognizes the existing servicing capacity of the Nobleton Water Resource Recovery Facility, which can accommodate a total population of 6,750 by 2031.

4. Analysis

The updated Background Study includes \$22.91 million in gross capital costs for Nobleton wastewater services

The estimated total project costs for the Nobleton wastewater services, included in the 2021 Background Study, are \$22.91 million and consist of the following components:

- Forcemain and Trunk Sewer
- Sewage Pumping Station
- Water Pollution Control Plant
- Outfall and Wetland
- Phosphorous offset and wastewater haulage costs during initial plant operation
- Engineering and project management
- Additional mitigating works

Of the \$22.91 million in project costs, 58.4%, or \$13.38 million, is attributable to growth. To date, \$9.62 million in credits and reimbursements have been provided to the developer, of which \$9.19 million was provided by residential developers and \$0.44 million by non-residential developers.

With indexing to September 2020 and the addition of the cost of preparing the 2021 background study, the amount remaining to be recovered through development charges is \$4.58 million. Approximately \$1.52 million will be recovered from future residential developments and \$3.06 million will be recovered from future non-residential developments.

The costs included in the bylaw represent the capital costs to service growth within the servicing capacity of the existing plant only, and do not include any of the costs associated with the plant expansion or the Environmental Assessment.

A Class Environmental Assessment is underway to assess servicing solutions to accommodate growth in Nobleton beyond 2031

York Region is undertaking a Schedule C Municipal Class Environmental Assessment (EA) to assess alternative water and wastewater servicing solutions and select the preferred alternative(s) to accommodate potential population growth in Nobleton beyond 2031. Growth forecasts beyond 2031 and the expansion of the Nobleton Urban Area are being assessed as part of the ongoing Regional Municipal Comprehensive Review.

The EA for the Nobleton servicing expansion, including the preliminary design report, is not expected to be completed until the first quarter of 2022. In addition, the growth that the expansion would service is beyond the forecast horizon of this proposed bylaw (i.e., 2031).

Due to these reasons, the costs associated with the EA and the construction of the infrastructure solution have not been included in this draft Bylaw. After the EA is completed, staff will review the approach to recover the costs from development charges.

As required by section 10 of the Act, the background study includes an Asset Management Plan

The Act requires that municipalities prepare an asset management plan as part of their development charge background study to demonstrate that assets funded by the bylaw are financially sustainable over their life cycle. Asset management costs and operating costs are not eligible for development charge recovery and are not included in the rate calculation.

The Asset Management Plan included as part of this background study updates the forecast of the long-term (100-year) asset renewal needs for Nobleton-specific assets. Operating and capital funding requirements to maintain the infrastructure in the 2021 Nobleton Development Charge Background Study in a state of good repair were included in the York Region system-wide 2015 Financial Sustainability Plan.

Based on the anticipated revenues generated by the rates approved by Council, the funding requirements included within this asset management plan are considered financially sustainable over their lifecycle.

The proposed Bylaw incorporates administrative changes to conform with legislation and align with the Regional Development Charges Bylaw

The proposed 2021 Nobleton Area-Specific Development Charges Bylaw reflects recent legislative changes and incorporates administrative changes to align with the changes made to the Regional Development Charges Bylaw ([2017-35](#)), as [amended](#). Table 1 summarizes these changes.

Table 1
Summary of Administrative Changes to the Bylaw

Area of Change	Rationale
Timing of payment (i.e., freezing and phasing provisions)	Reflect recent legislative amendments
Definition changes (e.g., apartment delineation point, gross floor area definition)	Align with Regional Development Charges Bylaw
Expiration/indexing date to July 1	Stakeholder request to align with Regional Development Charge Bylaw

Staff propose to schedule a public meeting in April and seek bylaw passage in May

Given the timeline of the 2021 Budget approval process and the upcoming 2022 Regional Development Charge Bylaw Update, staff propose scheduling a public meeting in April and seeking bylaw passage in May. This would avoid overlapping with the 2021 Budget timeline, while ensuring enough time to prepare for the upcoming 2022 Regional Development Charge Bylaw update.

Under the Act, the development charge background study must be made publicly available at least 60 days prior to the bylaw passage. Additionally, at least one public meeting must be held, with at least 20 days' notice, and the proposed bylaw and background study made available to the public at least two weeks prior to the public meeting.

Table 2 describes the statutory requirements, Council engagements, and applicable dates.

Table 2
Key Dates in the Nobleton Bylaw Process

Deliverables	Key Date	Time Elapsed (days)	
Background Study and Bylaw publicly released	January 14	133	
Notice of public meeting in King Connection	February 4		21
Public meeting immediately prior to Committee of the Whole	April 8		63
2021 Nobleton Area-Specific Wastewater Development Charge Bylaw to Council for approval	May 27*		49
2021 Nobleton Area-Specific Wastewater Development Charge Bylaw enacted	July 1		

*Note: If required, a second public meeting could be held in May, prior to the meeting of Committee of the Whole. The Bylaw would then come to Council for consideration of passage in June. Both of these dates would satisfy the requirements of the Act.

5. Financial

Nobleton area-specific wastewater development charge rates for residential development will see an increase, while the non-residential rates will see a decrease. The proposed Nobleton

development charge rates continue to be lower than the region-wide rates. Table 3 shows the proposed residential and non-residential wastewater development charge rates for the Village of Nobleton.

Table 3
Proposed Nobleton Wastewater Development Charge Rates

	Current Rates (indexed as of Sep 21, 2020)	Proposed 2021 Calculation	% Change
Residential (\$ per unit)			
Single and Semi-Detached	11,349	14,487	28%
Multiple Unit Dwelling	9,751	12,281	26%
Apartments >=700 square feet*	6,856	9,075	32%
Apartments < 700 square feet*	4,992	6,244	25%
Non-residential (\$ per square foot of Gross Floor Area)			
Retail	6.23	5.85	(6%)
Industrial/Office/Institutional	6.23	5.85	(6%)

*Note: The 2016 Nobleton Area-Specific Development Charge Bylaw delineated apartments at 650 square feet.

6. Local Impact

Development charges provide a major source of funding for the Nobleton wastewater services, pumping station, forcemain, and trunk sewer, in the buildout of the approved urban area within the Village of Nobleton.

7. Conclusion

The current Nobleton Area-Specific Bylaw will expire on September 20, 2021. The attached Background Study and accompanying draft bylaw, if approved, will allow the Region to continue to levy and collect area-specific development charges.

For more information on this report, please contact Edward Hankins, Director, Treasury Office, and Deputy Regional Treasurer, at 1-877-464-9675 ext. 71644. Accessible formats or communication supports are available upon request.

Recommended by: **Laura Mirabella, FCPA, FCA**
Commissioner of Finance and Regional Treasurer

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

December 9, 2020
Attachments (1)
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