

The Regional Municipality of York

Committee of the Whole
Finance and Administration
May 13, 2021

Report of the Commissioner of Finance

2021 Nobleton Area-Specific Development Charges Bylaw – Final

1. Recommendations

1. Council approve the 2021 Nobleton Area-Specific Wastewater Development Charges Bylaw, with an effective date of July 1, 2021, that incorporates the rates as set out in the 2021 Nobleton Area-Specific Wastewater Development Charge Background Study (Attachment 1).
2. Pursuant to the *Development Charges Act, 1997*:
 - a. Council determine that no further public meeting is required; and,
 - b. Notice of the passage of the bylaw be given.
3. Regional staff be authorized to attend the Local Planning Appeal Tribunal (LPAT) or the courts, as appropriate, to defend the Region's position if the 2021 Nobleton Area-Specific Wastewater Development Charges Bylaw is appealed.
4. The Regional Solicitor be authorized to execute Minutes of Settlement, to resolve any appeals to the 2021 Nobleton Area-Specific Wastewater Development Charges Bylaw.
5. The Regional Clerk circulate this report to the Township of King and to the Building Industry and Land Development Association – York Chapter (BILD).

2. Summary

Development charges are fees levied on new residential and non-residential development and help pay for growth-related infrastructure. The *Development Charges Act, 1997* ("Act") requires that, for a municipality to levy and collect development charges, a development charges bylaw must be in place and updated at least every five years. This report supports the 2021 Nobleton Area-Specific Wastewater Development Charge Background Study ("Background Study") and Bylaw ("Bylaw"), being brought to Council, in final form, for recommended approval.

Key Points:

- The current [2016 Nobleton Area-Specific Wastewater Development Charges Bylaw](#) (“2016 Bylaw”), which helps fund wastewater infrastructure in the Village of Nobleton, is nearing its five-year statutory expiration on September 20, 2021
- The Region must update this Bylaw to continue collecting area-specific wastewater development charges in the Village of Nobleton
- A [draft Background Study and Bylaw](#) was made publicly available on January 14, 2021
- The process to pass the Bylaw has complied with all statutory requirements and timelines under the Act, including the holding of a public meeting on April 8, 2021
- If passed, the new area-specific wastewater development charge rates for the Village of Nobleton would come into effect on July 1, 2021

3. Background

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

The first Area-Specific Development Charges Bylaw for wastewater services, in the Village of Nobleton, came into effect [on September 21, 2006](#), and has been updated every five years since. On September 25th, 2006, Hamleys Developments Inc. (Metrus Development Inc.) entered into a Prepaid Development Charge Credit Agreement (“agreement”) with York Region and Township of King, to advance the construction of the wastewater works in the Village of Nobleton.

In accordance with the agreement, Hamleys Developments Inc. advanced 100 percent of the costs. The growth-related share of the costs is credited and reimbursed as growth takes place, and development charges are paid, within the Village of Nobleton. The non-growth portion of the costs are not recoverable and have been absorbed by the developer

Staff have completed the work to update the 2016 Bylaw

For the Region to continue to levy and collect area-specific wastewater development charges in the Village of Nobleton, the Act requires that a new bylaw be passed, and in effect, prior to the current bylaw’s five-year expiration on September 21, 2021.

Staff, together with Watson and Associates Economists Ltd., began the work to update the 2016 Bylaw during the fourth quarter of 2020, which resulted in the January report, “[2021 Nobleton Area-Specific Wastewater Development Charge Bylaw](#)”. The work to update the 2016 Bylaw for wastewater servicing in the Village of Nobleton has now been completed. The updated Background Study (Attachment 1) underpins the new development charges rates, set out in Table 2 of this report.

Because these growth-related wastewater infrastructure costs are recovered through this Bylaw, they are not included in the Region-wide Development Charges Bylaw. Region-wide

charges for all other growth-related services (e.g., water, roads, transit, general services) will continue to apply in the Village of Nobleton.

An asset management plan has also been prepared in accordance with the Act

The Act requires municipalities to prepare an asset management plan in support of any development charges background study. The asset management plan must demonstrate that all assets proposed to be funded by a development charges bylaw are financially sustainable over their lifecycle. The required asset management plan can be found in Appendix A of the Background Study.

The proposed expansion to the Nobleton wastewater plant was not included

York Region continues to work on 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.

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 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 Bylaw. After the EA is completed, staff will review the approach to recover the costs from development charges.

A public meeting was held on April 8, 2021, and all prescribed timelines have been met

The Act prescribes a specific process and sets out timelines, which must be met before passing a development charges bylaw, including:

- Hold at least one public meeting on the bylaw
- Provide at least 20 days notice of the public meeting
- Ensure the background study and proposed bylaw be available at least two weeks prior to the public meeting
- Ensure the background study be made publicly available at least 60 days prior to passing of the bylaw

On April 8, 2021, the Committee of the Whole held the statutorily required public meeting to seek feedback on the Background Study and Bylaw. No one appeared in favour of, or in opposition to, the Bylaw or updated development charge rates. All other prescribed timelines have been met. Table 1 highlights key dates in the Bylaw process.

Staff also met with interested Nobleton stakeholders on January 14, of this year and no concerns were raised as to the Bylaw or the updated development charge rates.

Table 1
Key Dates in the Nobleton Development Charges Bylaw Process

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

*Note: Local Metroland publication

The Region must provide stakeholders with notice of passage of the Bylaw and of the appeal period

Once the Bylaw is passed, the appeal period begins, and the Region must provide written notice to the public within 20 days of passage. This notice will once again be given through publication in the 'King Connection' (local Metroland newspaper). The appeal period for the Bylaw will begin on May 28, 2021, one day after the bylaw is expected to be passed, and will end 40 days later, on July 6, 2021, at 4:30 pm. Anyone wishing to appeal the Bylaw must file the appeal with the Regional Clerk prior to that deadline.

4. Analysis

The Background Study includes \$22.91 million in gross capital costs to support growth

The total project costs for the Nobleton wastewater services, included in the Background Study, are approximately \$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% is attributable to growth. With indexing to September 2020¹ and the addition of the cost of preparing the 2021 background study and associated products, the amount remaining to be recovered through development charges is \$4.58 million (as of December 2020). Approximately \$1.52 million will be recovered from future residential developments and \$3.06 million will be recovered from future non-residential developments.

Staff are also recommending administrative changes to the Bylaw

The Bylaw, which is included as Appendix B to the Background Study, reflects recent amendments to the Act, changes to conform to the Region-wide Development Charges Bylaw and stakeholder feedback. These changes include:

- Timing of payment (i.e., freezing and phasing provisions)
- Definition changes (e.g., apartment delineation point, gross floor area definition)
- Expiration/indexing date to July 1

Further details can be found in Chapter 6 of the Background Study.

5. Financial

As Table 2 indicates, Nobleton area-specific wastewater development charge rates for residential development will see an increase, while the non-residential rates will see a decrease. The increase in the residential development charges rate is largely because indexing and study costs attributable to residential development exceeded the residential development charge payment received during the same period.

Specifically, the Region received development charge payments of approximately \$0.46 million from residential development during the term of the 2016 Bylaw, while the indexing and study costs associated with residential development amounted to approximately \$0.53 million. The opposite happened on the non-residential side, where the payments received exceeded the indexing and the non-residential share of study costs.

As development charges are paid and credits reimbursed to Hamleys Developments Inc. over time, there are fewer remaining unpaid residential units over which to allocate the costs. In the case of the 2021 residential rates, the remaining recoverable costs attributable

¹ Note: Due to the long-term nature of the agreement, indexing is provided to Hamleys Developments Inc. as a consideration for the time value of money.

to residential development have increased, while the total population to pay has decreased, resulting in higher rates.

The new Nobleton development charge rates will however continue to be lower than the Region-wide rates. For example, the Region-wide wastewater rate for a single detached dwelling unit is \$21,078 while in the Village of Nobleton it is proposed to be \$14,487. As it relates to non-residential development, for retail, the Region-wide wastewater rate is \$11.92 per square foot, while in the Village of Nobleton it is proposed to be \$5.85 per square foot.

Table 2
Nobleton Wastewater Development Charges Rates

	Current Rates (indexed as of Sep 21, 2020)	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

Section 10(1) of the Act requires that, prior to passing a development charges bylaw, a municipality's Council must complete a development charges background study; Attachment 1 to this report, once finalized, satisfies this obligation.

Furthermore, having met all statutory requirements and timelines, and to continue to collect development charges for wastewater servicing in the Village of Nobleton, it is recommended that Regional Council approve the Bylaw, and come into effect on July 1, 2021.

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.

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Approved for Submission: 
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April 29, 2021
Attachments (1)
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