

General Committee of Council

# Development Charges and Community Benefits Charges Final Adjustments



Tuesday May, 24<sup>th</sup> 2022



# Purpose of Today's Meeting

Primary purpose is to provide the public with an opportunity to make representation on the proposed 2022 Development Charges By-law and 2022 CBC Strategy

## Development Charges

- Statutory Public Meeting required by Section 12 of the *Development Charges Act*
- 2022 DC Background Study was made publically available on **March 17<sup>th</sup>**

## Community Benefits Charges (CBC)

- Under subsection 37 (10) of the *Planning Act* a municipality enacting a CBC By-law must consult with the public
- Latest CBC Consultation held **March 31<sup>st</sup>**
- 2022 CBC Strategy was made publically available on **April 6<sup>th</sup>**

# Agenda

- Development Charges:
  - Background Overview
  - Consultation Summary
  - Overview of Changes
  - Final Proposed Rates
  
- CBC Strategy:
  - Background Overview
  - Summary of CBC Charge and Implementation
  
- Next Steps

# Development Charges

# Overview of DCs in Markham

- Council passed City-wide and Area-Specific Development Charges on December 12, 2017
  - City-wide By-laws impose DCs for a range of “hard” (engineering services) and “soft” (general services)
  - Area-Specific By-laws impose DCs for hard services only and are based on land area (\$/hectare)
- Current DC By-laws will expire in December 2022
- Due to legislative changes, the City is looking to update the by-law in advance of expiry

# Overview of Consultation Process

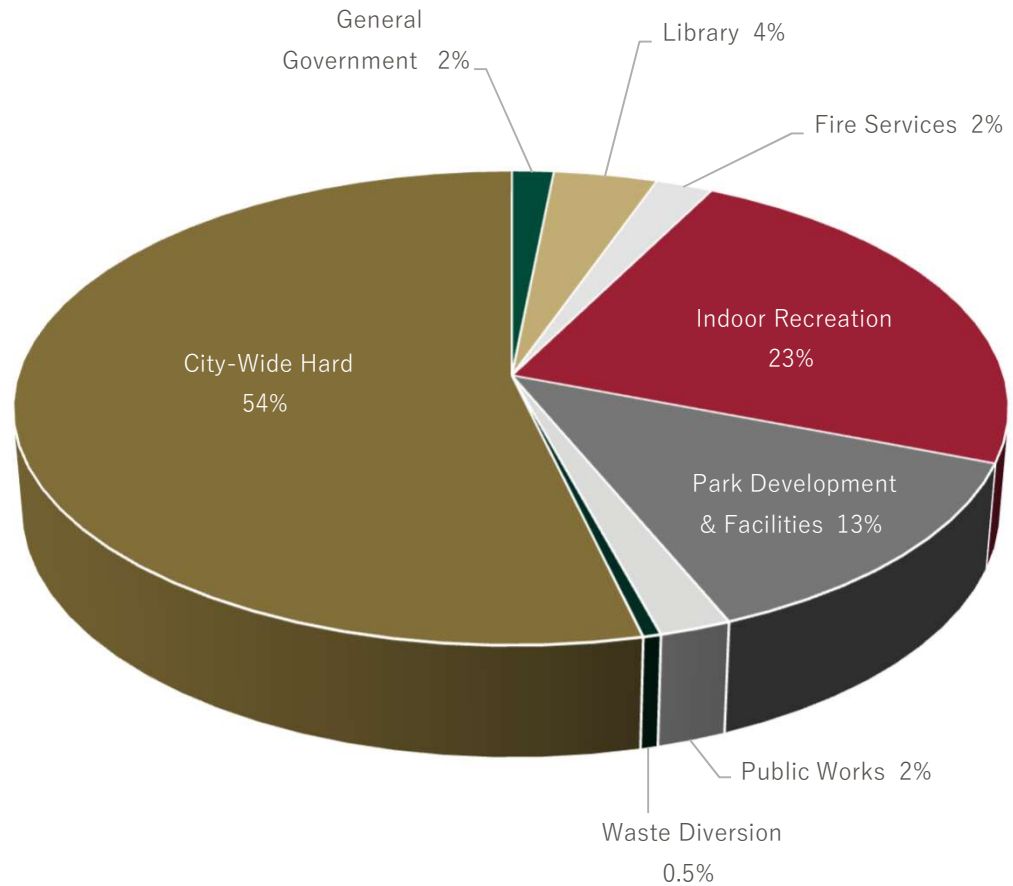
- Extensive stakeholder engagement and consultation
  - 5 formal consultation meetings with BILD and representatives from the development industry
  - Several technical meetings and calls with industry consultants and representatives
  - Meetings with developers and landowners in the various ASDC areas
  - Receive and responded to written submissions
- Consultation process has resulted in a number of refinements and adjustments to the DC Background Study and rate calculations

# Overview of Changes to City-Wide Hard Capital Program

- **Review of Highway 404 Mid-Block Crossings:**
  - General alignment with Region's DC – costing and timings
  - Some adjustments to benefiting time horizons
  - Downward pressure on DC rates
- **Adjustments to City-Wide Hard DC**
  - To address issues raised through consultation
  - Additions of some projects
  - Costing of some projects update to reflect tenders and updated pricing
  - Upward pressure of DC rates
- **Cumulative impact is minor increase in City-Wide Hard DC rates**

# Residential City-Wide DC Rates by Unit Type

Residential Charge Per Unit	
<b>Singles &amp; Semis</b>	\$58,228
<b>Rows &amp; Other Multiples</b>	\$45,139
<b>Large Apartments (&gt; 700 sq.ft.)</b>	\$35,524
<b>Small Apartments (&lt; 700 sq.ft.)</b>	\$24,958

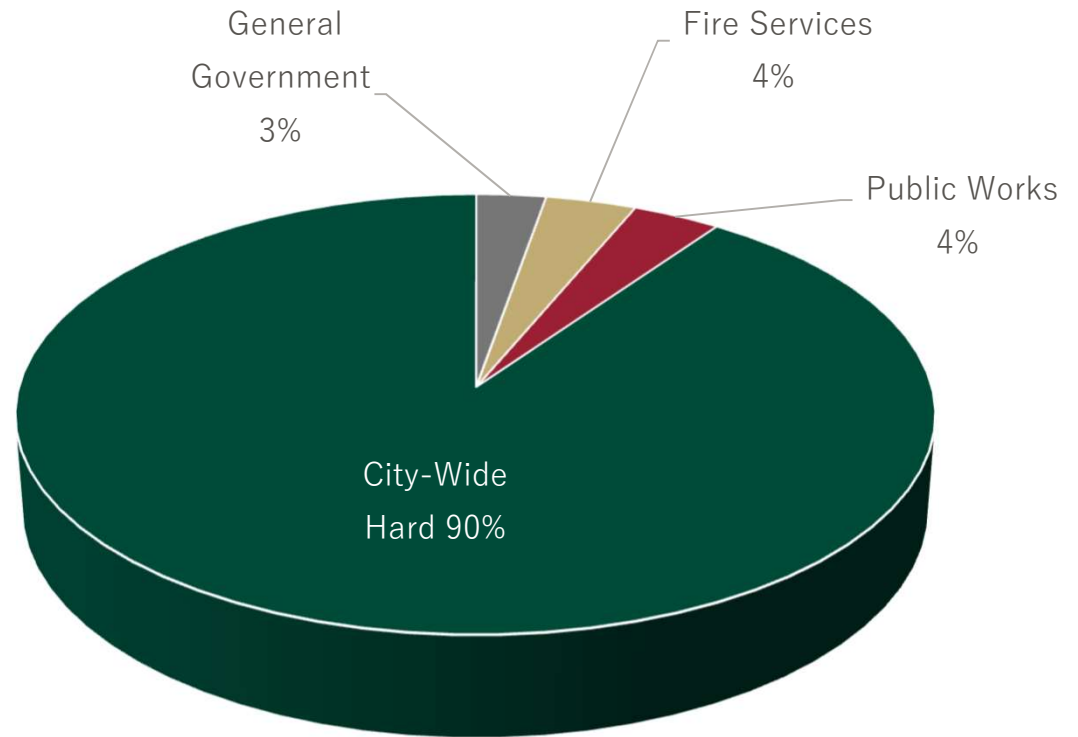


Note: 0.4% rate increase from March Draft 2022 rates  
 \*Percentages in graph are rounded.



# Non-Residential City-Wide DC Rates per Sq.M.

Non-Residential Charge per Sq.M	
Retail	\$239.82
Industrial, Office, Institutional	\$192.40
Mixed-Use	\$116.68



Note: 1.2% increase from March Draft 2022 rates  
 \*Percentages in graph are rounded.

# Overview of Changes to Area-Specific Development Charges

- Removal of Area 18 (Buttonville)
  - Mid-block crossing removed from Study
- Revised ASDCs for Future Urban Area (FUAs) to reflect most recent cost estimates and population forecasts
- Creation of Area 50A-5 (Future Urban Area – Robinson Glen – South Block) to address separate servicing requirements
  - Lands previously included in Area 50A-2 – Robinson Glen

# Area-Specific Development Charges

Area		Development Charge (\$/ha)
Yonge Steeles Corridor	1B	\$1,467,253
Armadale	5	\$8,857
Armadale NE	7	\$15,489
PD 1-7	9	\$736,670
Rodick/Miller Road Planning District	17	\$662,823
Mount Joy	23	\$173,322
Markham Centre - South Unionville - Helen Ave	42A.1	\$176,576
Markham Centre	42B	\$7,997
Markham Centre - Clegg	42B.2	\$169,076
Markham Centre - Hotel	42B.4	\$895,820
Markham Centre - South Hwy 7	42B.6	\$1,236,921
Markham Centre - Sciberras	42B.8	\$1,490,071
Markham Centre - East Precinct	42B.9	\$236,433
Cathedral	46	\$9,522
York Downs	47B	\$8,210
404 North	49	\$18,167
Future Urban Area	50A	\$11,817
Future Urban Area - Employment Block	50A-1	\$115,835
Future Urban Area - Robinson Glen	50A-2	\$17,351
Future Urban Area - Berczy Glen Block	50A-3	\$204,076
Future Urban Area - Angus Glen Block	50A-4	\$70,310
Future Urban Area – Robinson Glen – South Block	50A-5	\$48,240

# Current vs. Newly Calculated Rates

Categories	Current Residential Charge	Newly Calculated Residential Charge	Difference in Charge	
	\$/Unit	\$/Unit	\$	%
Single/Semi Detached	\$42,938	\$58,228	\$15,290	36%
Multiple Unit (Townhouse)	\$32,838	\$45,139	\$12,301	37%
Large Apartment	\$25,716	\$35,524	\$9,808	38%
Small Apartment	\$18,907	\$24,958	\$6,051	32%
<b>Average Rate Increase</b>				<b>36%</b>

Categories	Current Non-Residential Charge	Newly Calculated Non-Residential Charge	Difference in Charge	
	\$/M <sup>2</sup>	\$/M <sup>2</sup>	\$	%
Retail	\$177.77	\$239.82	\$62.05	35%
Industrial/Institutional/Office (IOI)	\$135.77	\$192.40	\$56.63	42%
Mixed Use	\$86.61	\$116.68	\$30.07	35%
<b>Average Rate Increase</b>				<b>37%</b>

# Community Benefits Strategy

# Background Info: Community Benefits Charges (CBCs)

- CBCs replacing previous height/density “bonusing” under s.37 of Planning Act
- Imposed by by-law
- Can only be levied against higher density development
  - 5 or more storeys, **AND**
  - 10 or more residential units
- Requires a “strategy”
  - Must be reviewed and updated every 5 years (or sooner)
- In-kind contribution permitted
- Still requires “nexus tests” between servicing needs and development

Regulation sets cap at **4%** of land value the day before a building permit is issued

# CBC Strategy Service Areas

- Waste Management
- Community Facilities
- Roads & Other Related Infrastructure
- Urban Park Facilities
- Parking
- Public Realm / Public Art
- Housing
- Markham District Energy Expansion
- Administration

# Community Benefits Charges By-law

- Provides definitions
- CBC charge set at 4% of land value
  - Land value established day before first building permit issued
- Limited statutory exemptions
- In-kind contribution permitted
- Rules related to redevelopment and treatment of mix-use buildings with exempt uses



# Project Timeline

