
Subject: Regional Development Charges Transit Background Study and By-law Update

Report to: Regional Council

Report date: Thursday, September 29, 2022

Recommendations

1. That the draft Regional Municipality of Niagara Transit Development Charges Background Study **BE APPROVED**.

Key Facts

- The purpose of this report is to seek approval from Regional Council of the draft Transit Development Charges (DC) Background Study.
- Region Staff alongside Watson and Associates held an engagement session specific to Transit DCs on September 7, 2022 for government and non-governmental/business associations to provide information and updates relative to the Transit DC Background Study and Transit DC By-law update.
- The Transit DC Background Study outlines the forecasted services needs attributable to anticipated growth. These capital needs have been included in the calculations of the proposed DC Rates.
- The Transit RDC By-law mirrors all policies provided in the recently approved Regional DC By-law 2022-71.
- The DC Act requires that the DC Background study be available to the public 60 days in advance of DC By-law passage. The DC Background Study was posted on the DC page of the Region's website to comply with this requirement.

Financial Considerations

Development charges represent a significant source of funding in the capital budget and are the major source of funding for growth related projects. The Region currently does not have Transit DCs, however with the introduction of a Transit DC beginning in 2023, growth related transit projects will have a source of funding to offset the overall cost of growth projects.

The Transit DC Background Study provides an analysis of transit services, which includes identifying the growth of existing conventional transit (fixed-route and On

Demand), specialized transit, and support vehicle capital requirements, including related capital expenditures to move to a single Regional transit service in 2023. To accommodate growth over the 10-year forecast outlined in the Background Study the Region has assessed the capital needs of the Transit Commission. The proposed Transit DC By-law will provide a mechanism for the Region to collect DCs specific to Transit to help pay for the capital cost of the infrastructure identified in the Background Study.

Analysis

The Region has established the new Niagara Transit Commission, which will amalgamate each of the local transit services in the Region with the existing Niagara Region transit service. This amalgamation will be effective as of January 1, 2023. As a result, the Region has engaged Watson and Associates to perform a review of transit service for inclusion in a D.C. By-law. The Transit DC Background Study and the corresponding technical appendix are provided in Appendix 1 and Appendix 2. Additionally, an addendum to the Background Study and technical appendix have been drafted to provide for changes identified by Staff and are included in Appendix 3 and Appendix 4. The addendum includes the forecast DC reserve balance held by the Town of Fort Erie which is now included in the study and has reduced the rates previously presented at Corporate Services Committee on August 10, 2022.

Staff along with consultants, Watson and Associates are recommending that the Transit DC By-law be approved by Council. The Transit DC Background Study outlines the forecasted services needs attributable to anticipated growth. These capital needs have been included in the calculations of the proposed DC Rates. The Residential and Non-residential rates proposed for Transit in the DC Background Study are outlined in Table 1 and Table 2.

Table 1 – Residential Transit DC Rates

Service/Class of Service	Single and Semi-Detached Dwelling	Other Multiples	Apartments 2+ Bedrooms	Apartments 1 Bedroom	Special Care/Special Dwelling Units & Dwelling Rooms
Transit Services	585	418	398	243	220

Table 2 – Non-residential Transit DC Rates

Service/Class of Service	Commercial (per sq.ft.)	Industrial (per sq.ft.)	Institutional (per sq.ft.)	Wind Turbines
Transit Services	0.59	0.19	0.36	0

On August 21, 2022, Regional Council approved a new RDC By-law 2022-71 which provides a mechanism for collecting DC for various service areas, however did not include Transit. Municipalities are empowered to impose DC charges for Transit under the DC Act. Transit charges will be imposed under a separate By-law to take effect on January 1, 2023, consequently collection of DC's by the LAM's will stop effective December 31, 2022. The Transit RDC By-law mirrors all policies provided in the recently approved Regional DC By-law 2022-71.

Alternatives Reviewed

No alternatives were reviewed as one of the primary purposes of the transit consolidation was to integrate systems and support growth therefore, DCs are critical to support the cost of capital to support that growth.

Relationship to Council Strategic Priorities

Development charges are the major source of funding for growth projects in the capital budget. As such, RDCs assist in achieving the strategic priority of a fiscally sustainable government.

Other Pertinent Reports

- RDCPTF-C 7-2022

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Appendices

Appendix 1	Transit Development Charges Background Study (July 29, 2022)
Appendix 2	Transit Technical Appendix (July 2022)
Appendix 3	Transit DC Background Study Addendum Report (Sept. 23 2022)
Appendix 4	Transit Technical Appendix Addendum (September 2022)