

**Development Charge
Study and Bylaw**

2051 niagara





2022 Transit Development Charges Background Study & By-law

Public Meeting

September 29, 2022

Agenda

1. Opening Remarks
2. Public Meeting Purpose
3. Presentation of the Proposed Policies and Charges
4. Presentations by the Public
5. Questions from Council
6. Conclude Public Meeting

Public Meeting Purpose

- The public meeting is to provide for a review of the Transit D.C. proposal and to receive public input on the proposed policies and charges
- The meeting is a mandatory requirement under the Development Charges Act (D.C.A.)
- Prior to Council's consideration of a by-law, a background study must be prepared and available to the public a minimum 60 days prior to the D.C. by-law passage

Study Process and Timelines

- Policy Review and discussions with staff and Engineering Consultant (Dillon Consulting) (January 2022 to July 2022).
- Detailed discussions with staff and consulting team regarding future needs to service growth, existing asset management plan details for transit, service levels, etc. (March 2022 to July 2022).
- Release of Transit Background Study (July 29, 2022)
- Corporate Services Meeting (August 10, 2022)
- Developer/Community Engagement Meeting (September 7, 2022)
- Release of Addendum Report (September 23, 2022)
- **Public Meeting and By-law Passage (September 29, 2022)** ←

Transit Changes

- In February 2022 triple majority approval was obtained to consolidate all Municipal and Regional transit services within the Niagara Region.
- In May 2022, Regional Council approved a by-law which established the Niagara Transit Commission (NTC).
- The NTC will take over responsibility for all transit in Niagara on January 1, 2023.
- All transit related assets will be transferred to the NTC, subject to approval of Municipal Transfer Agreements with all local area municipalities (LAMs) that currently have transit assets and operations.

Transit Development Charges (D.C.)

Purpose:

- To include transit services as a Regional D.C. service, providing a forward looking forecast as required under Bill 73.
- To recognize the transit capital requirements needed to service growth over the forecast period.
- To provide assumptions on grant funding anticipated, benefit to existing development versus growth, and post period benefit.
- Municipalities are empowered to impose these charges via the Development Charges Act (D.C.A.).

Transit Changes Introduced by Bill 73

- Methodology for determining the planned level of service set out in the regulations.
- Methodology requires ridership forecasts and ridership capacity for all modes of transit over the 10-year D.C. period, identification of excess capacity which exists at the end of the 10 years, identification of whether new ridership is from existing or planned development.
- Background study must include an asset management plan related to new infrastructure – for transit service, the background study shall provide a detailed approach as provided under section 8 or O.Reg. 82/98 (as amended).

D.C. Methodology (For Transit)

The following provides the overall methodology to calculating the charge:

1. Identify amount, type and location of growth
2. Identify servicing needs to accommodate growth
3. Identify capital costs to provide services to meet the needs
4. Deduct:
 - i. Grants, subsidies and other contributions
 - ii. Benefit to existing development
 - iii. ~~Amounts in excess of 10-year historical service calculation~~
 - iv. D.C. Reserve funds (where applicable)
5. Net costs then allocated between residential and non-residential benefit
6. Net costs divided by growth to calculate the D.C.

Proposed D.C. Policy of Transit By-law

- The proposed Transit D.C. by-law includes the same exemptions and other policy matters as the Region's main D.C. by-law (By-law 2022-71)
 - Discretionary Exemptions:
 - Non-residential lands and buildings used for agricultural use
 - On-farm site farm accommodations used for agricultural use; and
 - Place of worship (limited to the areas used for worship).
 - Funding Outside of D.C. by-law
 - Industrial grant program
 - Other grant programs as per the Region's incentives policy

Transit D.C. Addendum Report

- As the local municipal transit systems will be uploaded to the NTC, the D.C. reserve fund balances from the applicable local municipalities will be sent to the Region
- As part of the Region's Transit D.C. calculations, the uploaded reserve fund balance from Fort Erie was not incorporated into the D.C. calculations
- The Transit D.C. addendum report (dated September 19, 2022) provides for the inclusion of Fort Erie's reserve fund balance
- The calculations herein are based on the revised calculations as per the D.C. addendum report

Ridership Forecast

- Optimus S.B.R. completed a Niagara Transit Governance Study (Optimus Report) in April 2020. The study consisted of a review of the transit services operating under local and regional jurisdictions within Niagara.
- The Optimus Report presented both a low and a high range forecast for ridership to 2031 based on two service level improvement scenarios.
- For the purposes of this D.C., Niagara Region provided 2031 ridership projections closer to the low end of the Optimus Report ridership forecast range.

Ridership Forecast - continued

Category	2019	2022	2031	2041	2019 Peer Average*
Population	473,506	486,315	546,355	608,203	764,102
Ridership	8,738,624	8,859,148	12,000,000	16,700,000	19,293,971
Ridership per Capita	18.46	18.46	21.96	27.46	27.53**

*Peer review of Durham Region, Hamilton, Waterloo Region, and York Region.

**This figure is a weighted average of the peer systems, and therefore is not equal to the average ridership divided by the average population.

Capital Infrastructure Costs Included in the D.C. Calculations for Transit Services

Project Number	Increased Service Needs Attributable to Anticipated Development 2022 to 2031	Timing (year)	Gross Capital Cost Estimate (2022\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less: Benefit to Existing Development	Total Potential D.C. Recoverable Cost	Residential Share 81%	Non-Residential Share 19%
1	40' Conventional Bus	2026 to 2030	19,800,000	4,722,300	0	15,077,700	5,227,200	9,850,500	7,978,905	1,871,595
2	Fareboxes & Vehicle I.T.S. Conventional Vehicles	2026 to 2030	1,841,400	439,200	0	1,402,200	486,100	916,100	742,041	174,059
3	On Demand Van	2026 to 2030	400,000	95,400	0	304,600	105,600	199,000	161,190	37,810
4	On Demand Cutaway	2026 to 2030	300,000	71,600	0	228,400	79,200	149,200	120,852	28,348
5	Specialized Vehicles	2026 to 2030	1,650,000	0	0	1,650,000	343,200	1,306,800	1,058,508	248,292
6	Fareboxes & Vehicle I.T.S. Specialized Vehicles	2026 to 2030	382,800	0	0	382,800	79,600	303,200	245,592	57,608
7	Support Vehicles	2026 to 2030	426,000	79,700	0	346,300	107,300	239,000	193,590	45,410
8	Bus Stop Rebranding	2023	1,115,700	266,100	0	849,600	294,500	555,100	449,631	105,469
9	Conventional Bus Wraps	2023	560,000	133,600	0	426,400	147,800	278,600	225,666	52,934
10	Specialized Bus Wraps	2023	112,000	0	0	112,000	23,300	88,700	71,847	16,853
11	Facility Expansion and Study	2026 to 2030	14,217,000	2,851,900	0	11,365,100	3,626,800	7,738,300	6,268,023	1,470,277
n/a	Reserve Fund Adjustment	n/a	0	0	0	0	519,099	(519,099)	(420,470)	(98,629)
n/a	Total	n/a	40,804,900	8,659,800	0	32,145,100	11,039,699	21,105,401	17,095,375	4,010,026

Note: The total cost reflects the municipal cost and does not include external funding from provincial or federal sources.

Proposed Charges & By-law

Service/Class of Service	Single and Semi-Detached Dwelling	Other Multiples	Apartments 2+ Bedrooms	Apartments 1 Bedroom	Special Care/Special Dwelling Units & Dwelling Rooms	Commercial (per sq.ft.)	Industrial (per sq.ft.)	Institutional (per sq.ft.)	Wind Turbines
Transit Services	585	418	398	243	220	0.59	0.19	0.36	0

- Transit charges anticipated to be imposed under a separate by-law to take effect January 1, 2023.
- As noted, by-law policies are anticipated to be the same as the main D.C. by-law

Proposed Charges - Total

Total Charges as Per By-law 2022-71

Service/Class of Service	Single and Semi-Detached Dwelling	Other Multiples	Apartments 2+ Bedrooms	Apartments 1 Bedroom	Special Care/Special Dwelling Units & Dwelling Rooms	Commercial (per sq.ft.)	Industrial (per sq.ft.)	Institutional (per sq.ft.)	Wind Turbines
Total Rural Area	14,272	10,198	9,702	5,915	5,361	8.16	2.68	6.03	10,816
Total Urban Area	25,785	18,425	17,528	10,687	9,684	16.35	6.13	12.07	10,816

Total Charges as Per By-law 2022-71, including Transit

Service/Class of Service	Single and Semi-Detached Dwelling	Other Multiples	Apartments 2+ Bedrooms	Apartments 1 Bedroom	Special Care/Special Dwelling Units & Dwelling Rooms	Commercial (per sq.ft.)	Industrial (per sq.ft.)	Institutional (per sq.ft.)	Wind Turbines
Total Rural Area	14,857	10,616	10,100	6,158	5,581	8.75	2.87	6.39	10,816
Total Urban Area	26,370	18,843	17,926	10,930	9,904	16.94	6.32	12.43	10,816

Survey of Transit D.C.s - Residential

Single and Semi Detached Dwelling

Municipality	Transit D.C. per unit
Waterloo Region Cities (Cambridge, Kitchener, Waterloo)	\$3,436
Guelph	\$3,250
Hamilton	\$2,237
Milton	\$1,277
Oakville	\$856
Niagara Falls	\$840
Burlington	\$759
St. Catharines	\$752
Niagara Region Municipalities (Proposed)	\$585
Brantford	\$417
Fort Erie	\$261
Welland	\$36
Halton Hills	\$21

Survey of Transit D.C.s - Commercial

Commercial per square foot

Municipality	Transit D.C. per sq.ft.
Waterloo Region Cities (Cambridge, Kitchener, Waterloo)	\$2.19
Guelph	\$1.56
Hamilton	\$1.14
Milton	\$0.83
Burlington	\$0.73
Niagara Region Municipalities (Proposed)	\$0.59
St. Catharines	\$0.44
Oakville	\$0.39
Niagara Falls	\$0.27
Brantford	\$0.19
Fort Erie	\$0.13
Halton Hills	\$0.02
Welland	\$0.01

Survey of Transit D.C.s - Industrial

Industrial per square foot

Municipality	Transit D.C. per sq.ft.
Guelph	\$1.56
Hamilton	\$1.14
Waterloo Region Cities (Cambridge, Kitchener, Waterloo)	\$0.88
Burlington	\$0.73
St. Catharines	\$0.44
Milton	\$0.40
Oakville	\$0.39
Niagara Region Municipalities (Proposed)	\$0.19
Brantford	\$0.19
Halton Hills	\$0.005
Welland	\$0.00
Niagara Falls	\$0.00
Fort Erie	\$0.00

Next Steps for Study Process

Study Task	Date
Policy Review and Calculations	January 2022 to July 2022
Release of Transit D.C. Background Study	July 29, 2022
Corporate Services Committee	August 10, 2022
Developer/Community Engagement Meeting	September 7, 2022
Release of Transit D.C. Addendum Study	September 23, 2022
Public Meeting	September 29, 2022
By-law Passage	September 29, 2022

Questions?

