



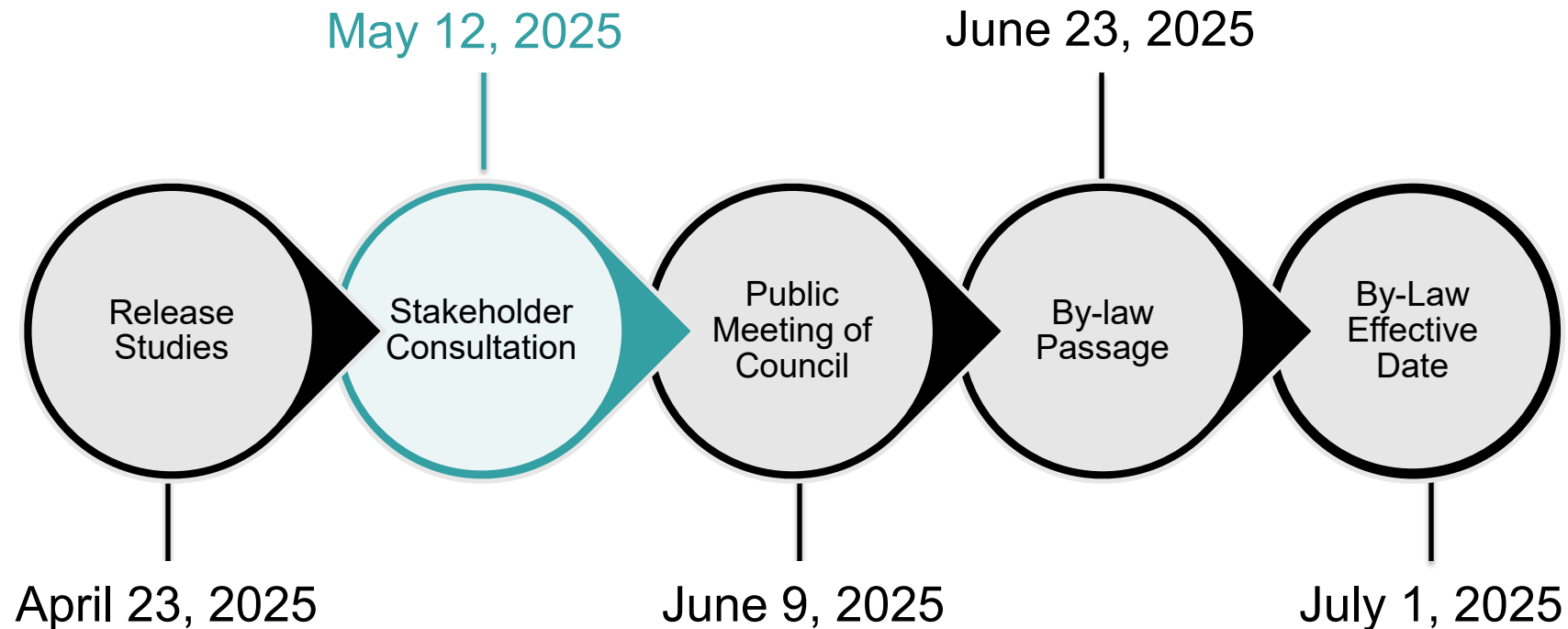
City of Pickering Development Charges Background Study and Community Benefits Strategy

Stakeholder Consultation Session
May 12, 2025

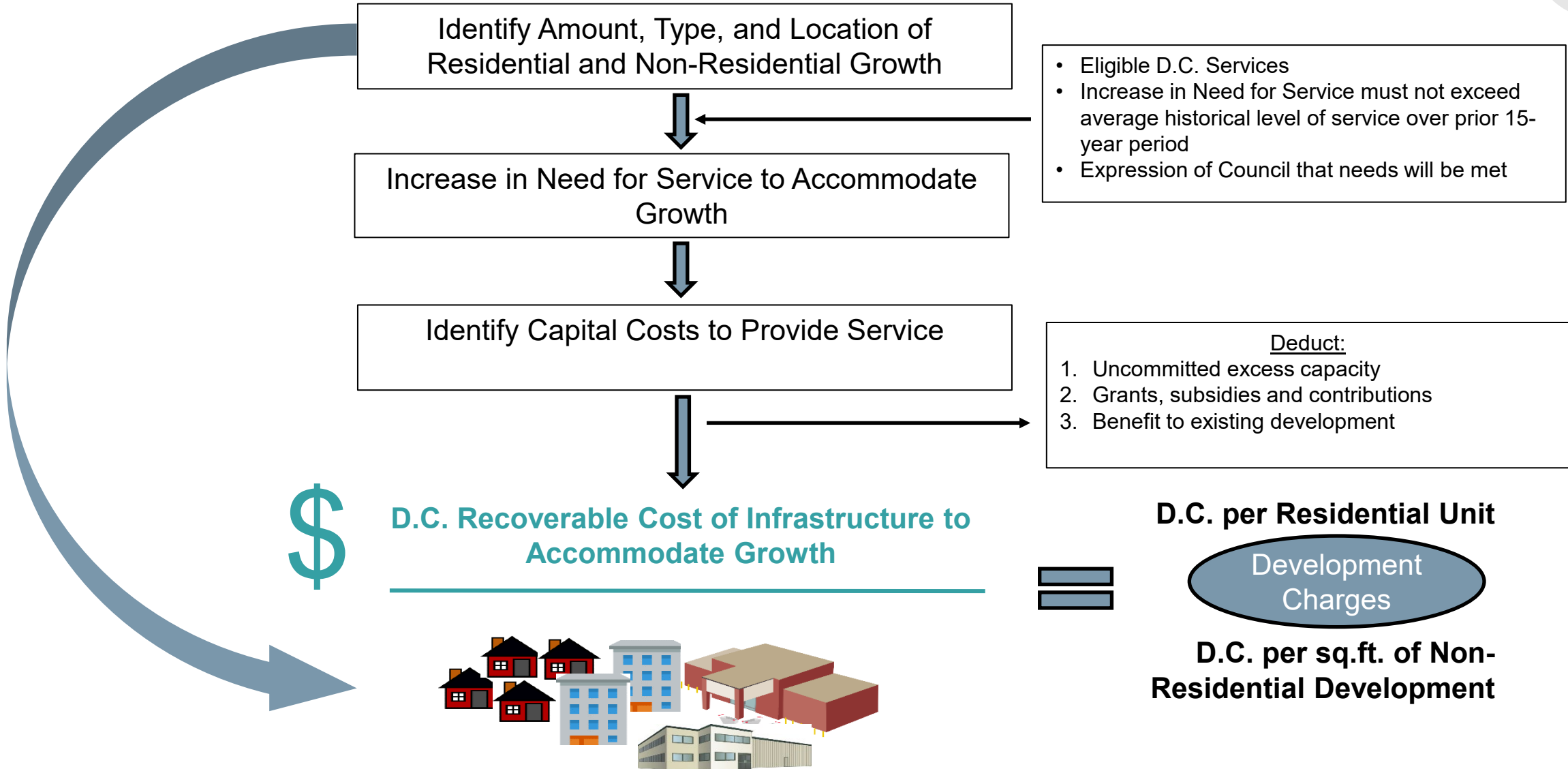
Introduction



- The City has updated their Development Charge (D.C.) and Community Benefit Charge (C.B.C.) studies to reflect updates to the increase in demand for service and anticipated development



Simplified Methodology



Anticipated Development



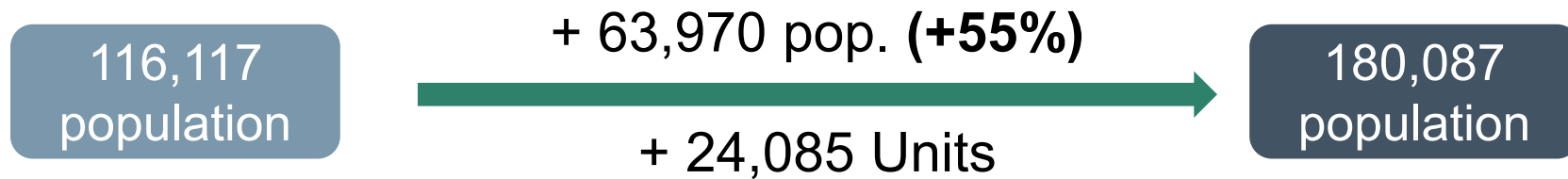
- Growth forecast for the anticipated development within the City has been prepared based on the City's ongoing Growth Management Strategy (GMS) and Envision Durham OP
- D.C. Growth Forecast has been prepared for the 2025-2039 period based on:
 - Residential growth within the prior Official Plan to 2031 (excluding Northeast Pickering)
 - Non-residential growth based on employment forecast to 2039 within ongoing GMS

Growth Forecast

Mid-2025 to Mid-2039



Residential



Non-Residential



Growth Forecast

C.B.C. Eligible Development



- 31% of forecast population growth anticipated to be high density dwelling units
- 91% of high-density dwelling units anticipated to be in C.B.C. eligible buildings (i.e., at least 5 storeys and 10 dwelling units)

Increase in Need for Service

Increase in Need for Service Development Charges



City-Wide 14-Year D.C. Services (2025-2039)

- Other Transportation (i.e., public works facilities and fleet);
- Fire Protection Services;
- Parks and Recreation Services;
- Library Services;
- Growth-Related Studies;
- By-Law Enforcement Services; and
- Stormwater Management Services.

Outside of Seaton 14-Year D.C. Services (2025-2039)

- Transportation Services

Increase in Need for Service

C.B.C. Eligible Costs



- The types of growth-related capital that can be recovered from a C.B.C. include capital costs of:
 - Parkland Acquisition, except for parkland dedication or Payments-in-Lieu under the Planning Act
 - Former services recovered under Section 37 of the *Planning Act*
 - D.C. eligible services not included in a D.C. By-law
 - Non-D.C. eligible services growth-related costs

Increase in Need for Service

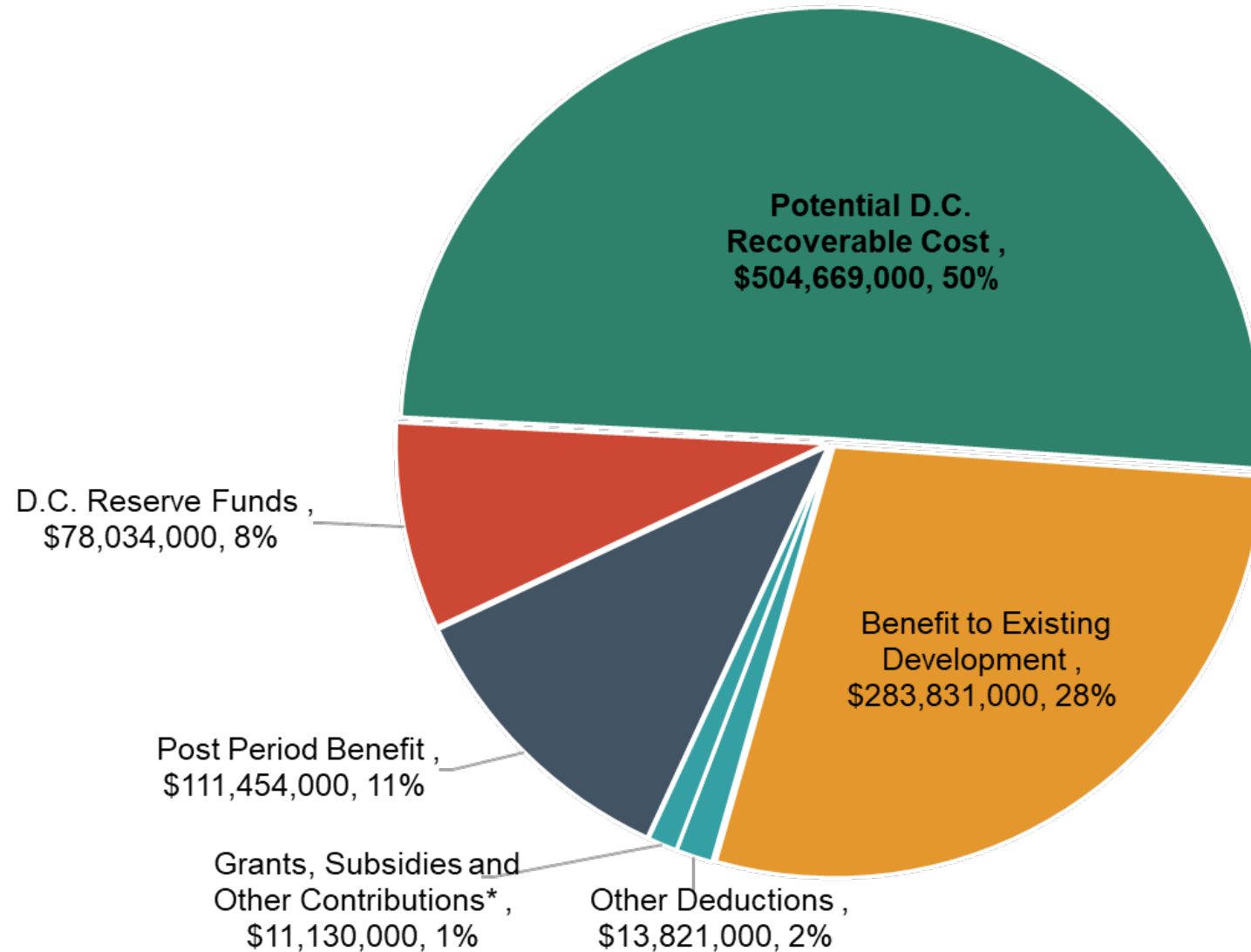
C.B.C. Eligible Costs



- Services included:
 - Administration
 - Parks
 - Arts, Culture, and Museum
 - Animal Services

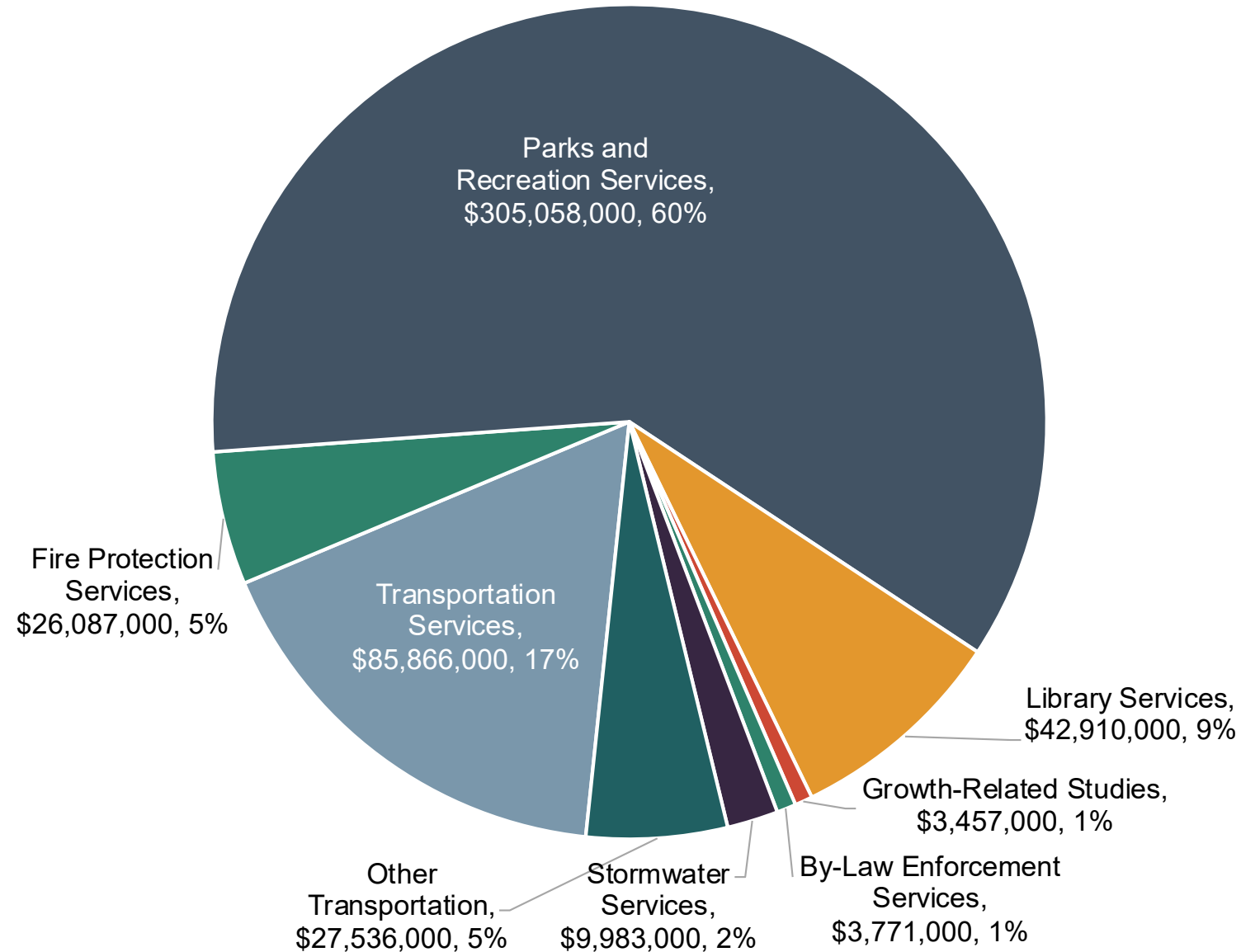
Anticipated D.C. Capital Needs

Gross Capital Costs (\$1.0 billion)



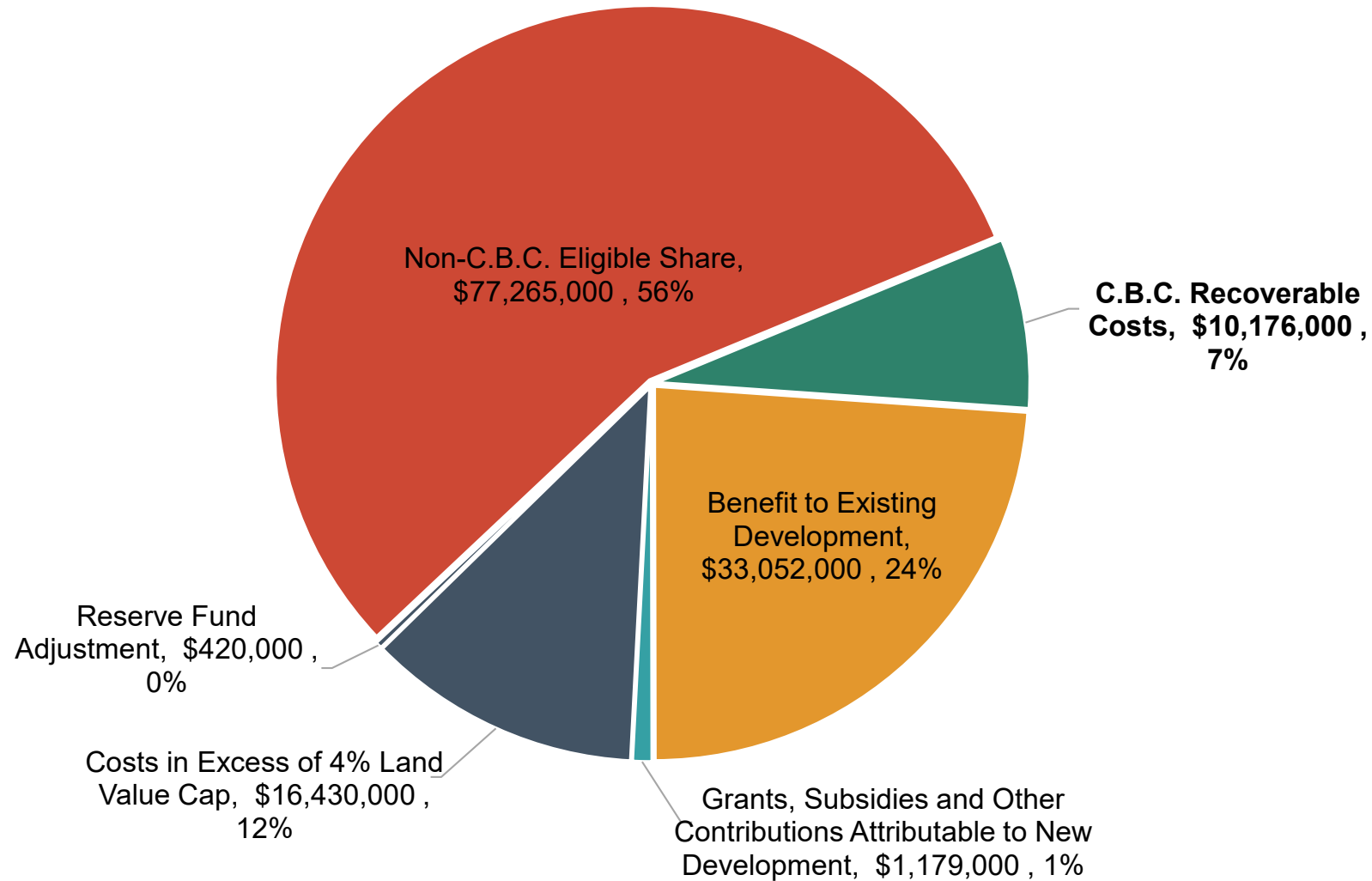
D.C. Recoverable Costs

\$505 million



Anticipated C.B.C. Capital Needs

Gross Capital Costs (\$101 million)



Major Capital Projects

D.C. and C.B.C.



- New Facilities - \$451 million gross capital costs (\$321 D.C. or C.B.C. recoverable, 62% of total D.C. and C.B.C. recoverable costs
 - Seaton Community Centre - \$179 million D.C. recoverable
 - PHCC - \$26 million D.C. and C.B.C. recoverable
 - Youth & Senior's Centre - \$39 million D.C. recoverable
 - Fire Stations - \$24 million (including remaining principal costs for new headquarters)
 - Animal Shelter \$4 million D.C. and C.B.C. recoverable
 - Operations Facilities - \$24 million D.C. recoverable (including remaining principal costs for operations centre)

Major Capital Projects

D.C. and C.B.C.



- \$120 million D.C. recoverable costs for parkland development and trails
 - \$45 million outside Seaton
 - \$75 million for Seaton
- \$89 million gross capital costs for parkland acquisition (\$9 million C.B.C. recoverable after accounting for \$14.9 million not recoverable due to 4% land value cap)

D.C. Calculation and Comparisons

D.C. Structure

No change to current charge structure



- Residential D.C.s to be imposed per dwelling unit type:
 - Single and Semi-detached dwelling units
 - Other Multiples
 - Apartments (2 bedrooms or greater)
 - Apartments (1 bedroom and bachelor)
- Non-Residential D.C.s to be imposed per net hectare or per sq.ft. of G.F.A.
 - Seaton Prestige Employment Lands per net hectare
 - Other Seaton Lands per sq.ft.
 - Rest of Pickering per sq.ft.

Calculated Schedule of D.C.s & Comparison



Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Seaton Prestige Employment Lands (per net hectare)	Other Pickering Non-Residential ² (per sq.ft. of Gross Floor Area)
City Wide Services/Class of Service:						
Other Transportation	1,229	948	762	478	16,354	0.62
Fire Protection Services	1,102	851	683	429	14,686	0.55
Parks and Recreation Services	18,736	14,463	11,616	7,296	36,793	1.41
Library Services	2,835	2,189	1,758	1,104	5,560	0.21
By-Law Enforcement Services	196	151	122	76	2,555	0.10
Stormwater Services	474	366	294	185	6,221	0.24
Growth-Related Studies	183	141	113	71	878	0.03
Total City Wide Services/Class of Services	24,755	19,109	15,348	9,639	83,047	3.16
Outside of Seaton Lands ¹						
Transportation Services	18,006	13,899	11,163	7,012		7.38
Total Outside of Seaton Services	18,006	13,899	11,163	7,012	-	7.38
GRAND TOTAL SEATON	24,755	19,109	15,348	9,639	83,047	3.16
GRAND TOTAL REST OF PICKERING	42,761	33,008	26,511	16,651		10.54

1. Subject to a separate agreement outside of the Development Charges Act concerning the provision of Transportation requirements in addition to other funding contributions

2. Does not apply to prestige employment development in Seaton, as that development is subject to the per net Ha land area charge instead.

D.C. Comparison

Residential



Residential (Single Detached) Comparison

Service/Class of Service	Current	Calculated	Change (\$)	Change (%)
Municipal Wide Services/Classes:				
Other Transportation	876	1,229	353	40%
Fire Protection Services	1,381	1,102	(279)	-20%
Parks and Recreation Services	15,591	18,736	3,145	20%
Library Services	2,871	2,835	(36)	-1%
Growth-Related Studies	276	183	(93)	-34%
By-Law Enforcement Services	121	196	75	62%
Stormwater Services	540	474	(66)	-12%
Total Municipal Wide Services/Classes	21,656	24,755	3,099	14%
Outside of Seaton Lands ¹				
Transportation Services	15,812	18,006	2,194	14%
Total Area Specific Services	15,812	18,006	2,194	14%
Grand Total	37,468	42,761	5,293	14%

1. Subject to a separate agreement outside of the Development Charges Act concerning the provision of Transportation requirements in addition to other funding contributions

D.C. Comparison

Non-Residential – Seaton Prestige



Non-Residential (per ha.) Comparison

Service/Class of Service	Current	Calculated	Change (\$)	Change (%)
Municipal Wide Services/Classes:				
Other Transportation	13,738	16,354	2,616	19%
Fire Protection Services	21,722	14,686	(7,036)	-32%
Parks and Recreation Services	42,202	36,793	(5,409)	-13%
Library Services	7,868	5,560	(2,308)	-29%
Growth-Related Studies	1,272	878	(394)	-31%
By-Law Enforcement Services	1,837	2,555	718	39%
Stormwater Services	8,497	6,221	(2,276)	-27%
Total Municipal Wide Services/Classes	97,136	83,047	(14,089)	-15%
Outside of Seaton Lands 1				
Transportation Services		-	-	
Total Area Specific Services	-	-	-	0%
Grand Total	97,136	83,047	(14,089)	-15%

1. Subject to a separate agreement outside of the Development Charges Act concerning the provision of Transportation requirements in addition to other funding contributions

D.C. Comparison

Non-Residential – Rest of Pickering



Non-Residential (per sq.ft.) Comparison

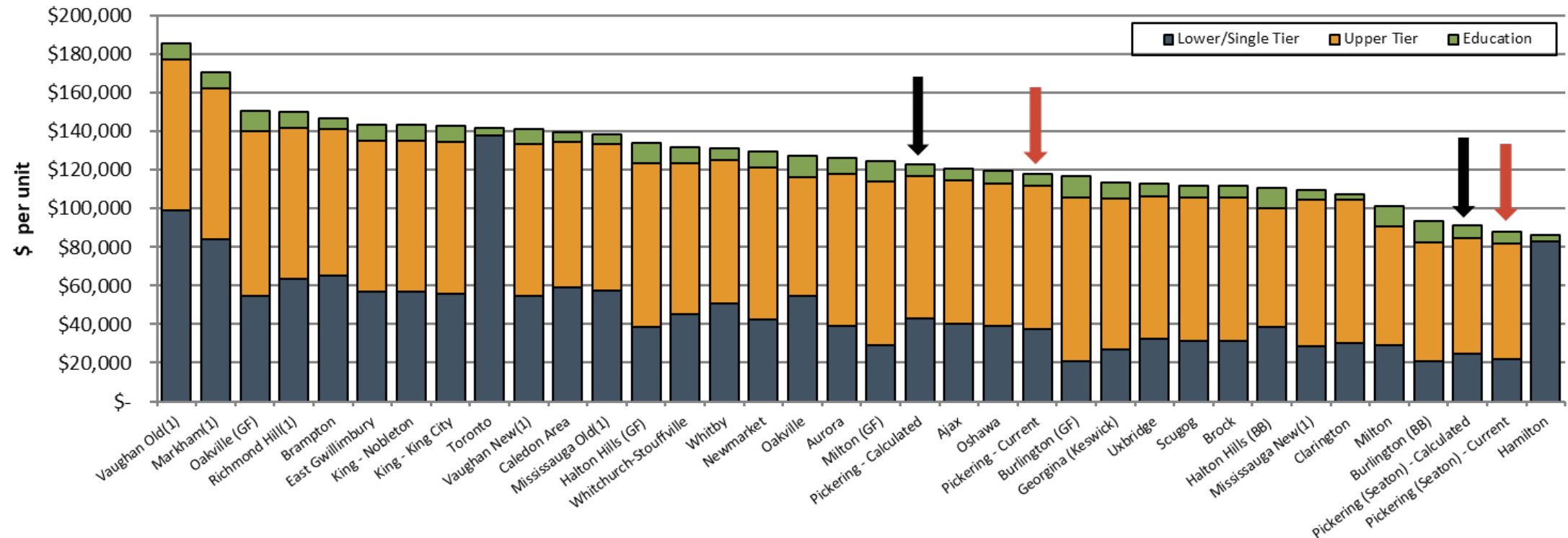
Service/Class of Service	Current	Calculated	Change (\$)	Change (%)
Municipal Wide Services/Classes:				
Other Transportation	0.40	0.62	0.22	54%
Fire Protection Services	0.62	0.55	(0.07)	-11%
Parks and Recreation Services	1.21	1.41	0.20	16%
Library Services	0.22	0.21	(0.01)	-3%
Growth-Related Studies	0.04	0.03	(0.01)	-17%
By-Law Enforcement Services	0.05	0.10	0.05	96%
Stormwater Services	0.25	0.24	(0.01)	-4%
Total Municipal Wide Services/Classes	2.79	3.16	0.37	13%
Outside of Seaton Lands ¹				
Transportation Services	5.56	7.38	1.82	33%
Total Area Specific Services	5.56	7.38	1.82	33%
Grand Total	8.35	10.54	2.19	26%

1. Subject to a separate agreement outside of the Development Charges Act concerning the provision of Transportation requirements in addition to other funding contributions

Municipal Comparison



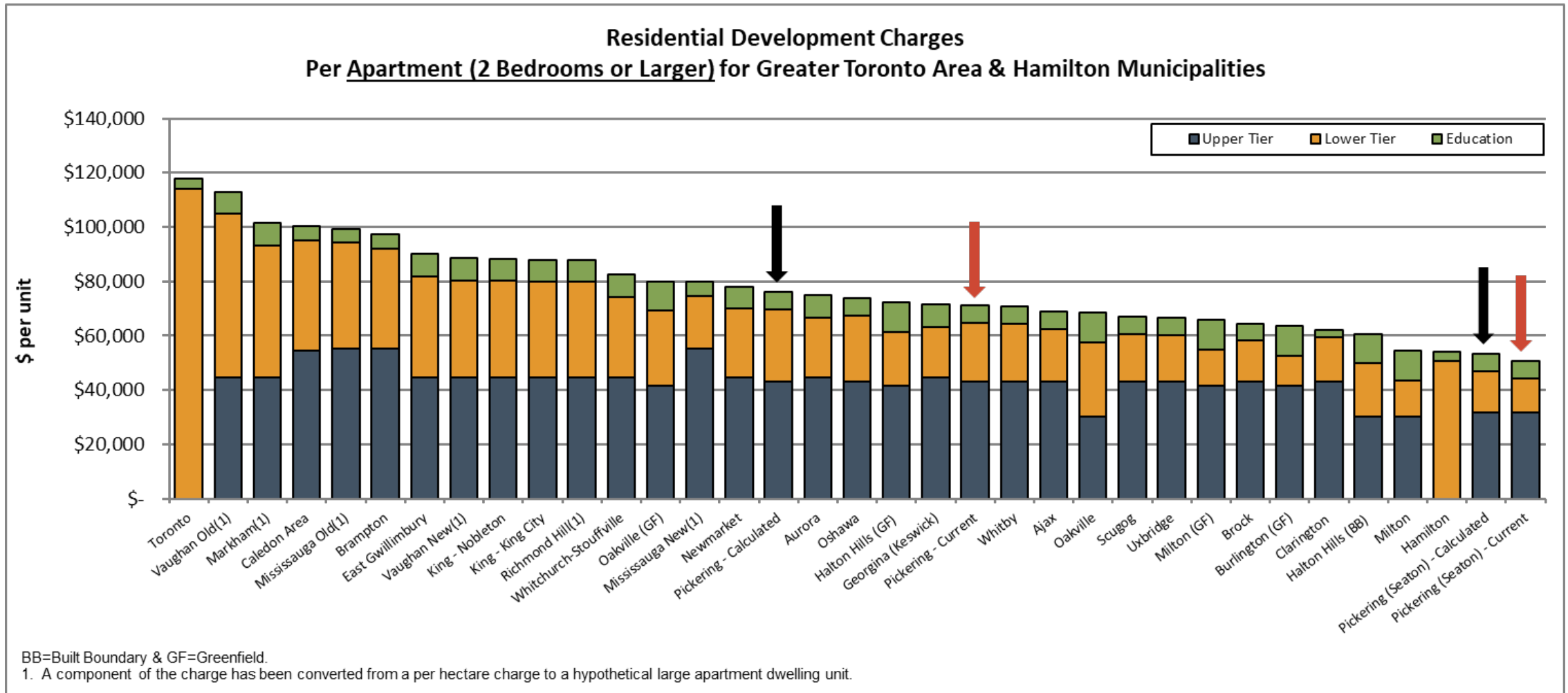
Residential Development Charges
Per Single Detached Dwelling for Greater Toronto Area & Hamilton Municipalities



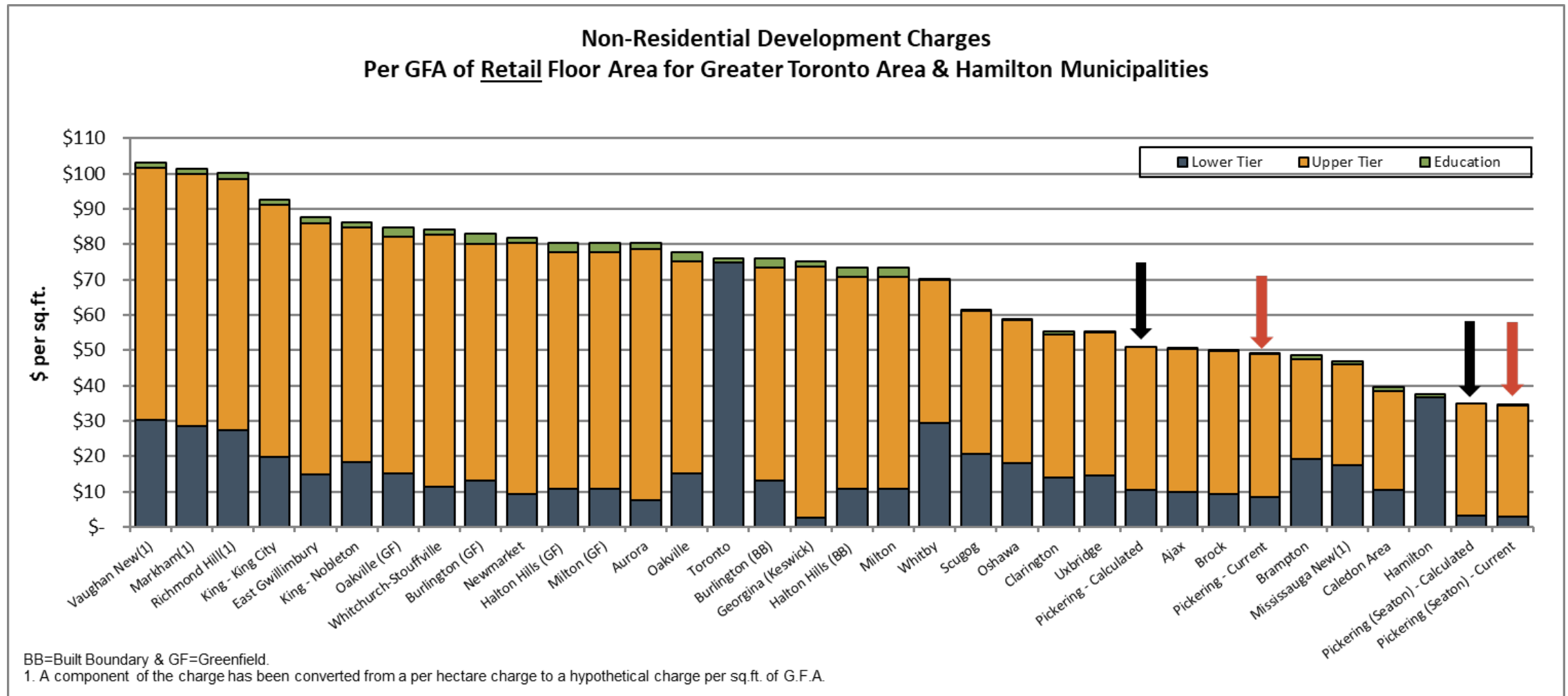
BB=Built Boundary & GF=Greenfield.

1. A component of the charge has been converted from a per hectare charge to a hypothetical single detached unit.

Municipal Comparison



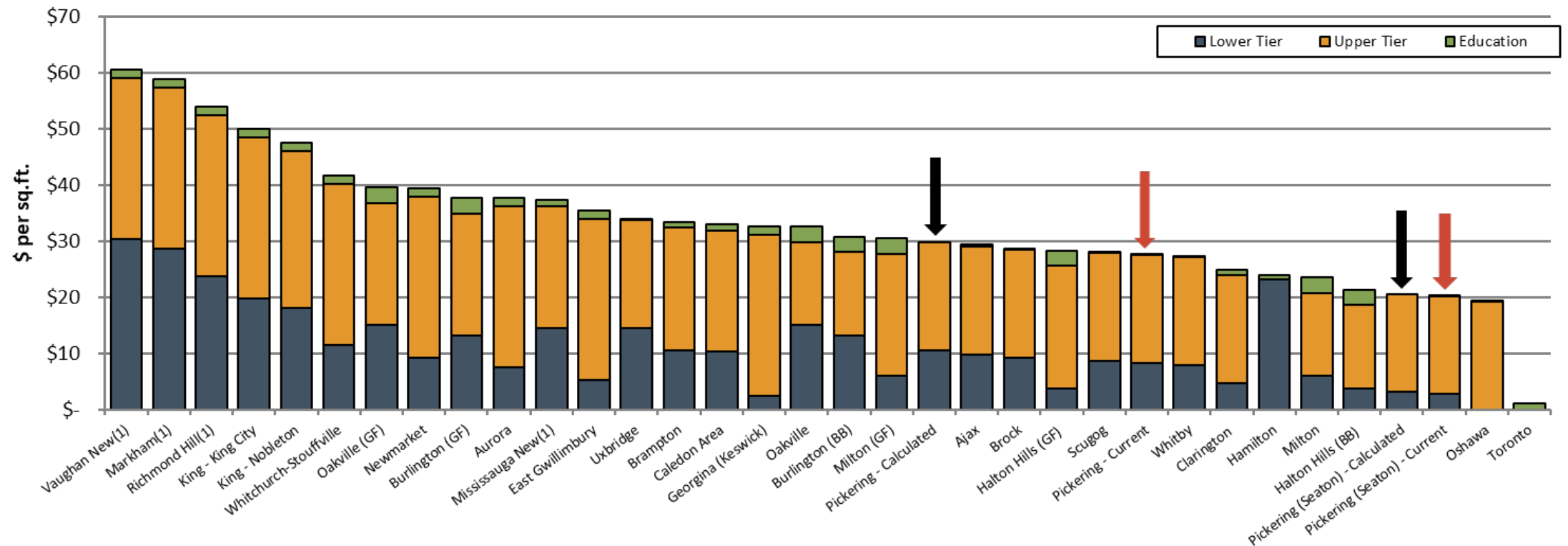
Municipal Comparison



Municipal Comparison



Non-Residential Development Charges
Per GFA of Industrial Floor Area for Greater Toronto Area & Hamilton Municipalities



BB=Built Boundary & GF=Greenfield.

1. A component of the charge has been converted from a per hectare charge to a hypothetical charge per sq.ft. of G.F.A.

C.B.C. Calculation

C.B.C. Calculation



Net C.B.C. Eligible Cost	26,605,150
Total Estimated Land Value (CBC Eligible Developments)	254,382,857
Calculated Charge	10.5%
Maximum Charge	4.0%
Costs in excess of 4% Cap	16,429,835

- Current charges imposed on a per unit basis
 - \$1,257 – 2 bedrooms or more
 - \$772 – less than 2 bedrooms
- Recommended that charge is imposed as 4% of land value

By-Law Policies

D.C. By-Law Policies

Timing of Collection



- D.C.s will continue to be calculated and collected at the time of building permit issuance
 - City may enter into early/late payment agreements (s.27)
- City is currently developing a D.C. deferral program for high-rise, industrial, and commercial development
- D.C.s for developments proceeding through Site Plan or Zoning By-law Amendment will be determined based on the charges in effect on the day of the application
 - Charges to be frozen for a maximum period of 18 months after planning application approval
 - Any application received prior to Bill 185 receiving Royal Assent, June 6, 2024, will be frozen for a period of 2 years after approval

D.C. By-Law Policies

Timing of Collection



- Payment in installments
 - Rental housing and institutional developments would pay D.C.s in 6 equal annual payments, commencing from the date of occupancy
- Interest can be imposed on D.C.s determined at Site Plan or Zoning-By-law Amendment application and on installment payments
 - Maximum interest rate for installments and D.C. freeze the average prime rate plus 1%
- Transition
 - Permit applications received prior to July 1st each year (including 2025) will pay D.C.s as per rates in effect on the application date, provided the permit is issued by August 15.

D.C. By-Law Policies

Timing of Collection



- City's Draft D.C. Deferral Program (*Not applicable to Region and Education D.C.s*)
 - Applies to High-Rise, Industrial, and Commercial Development
 - High-Rise: at least 10 storeys above grade and 100 units
 - Developments with affordable units (i.e., with 5% of units being affordable as defined in the provincial bulletin)
 - Construction must start within 180 days of permit issuance
 - Charges deferred to early of **36 months** after permit issuance or **occupancy**
 - Developments without affordable units
 - Construction must start within 60 days of permit issuance
 - Charges deferred to early of **24 months** after permit issuance or **occupancy**

D.C. By-Law Policies

Timing of Collection



- Commercial and industrial development
 - Construction must start within 180 days of permit issuance
 - Charges deferred to early of **36 months** after permit issuance or **occupancy**
- Financial Securities will be required (LOC or Pay-on-Demand surety bond)
- Last day for complete deferral applications is November 30, 2026
 - Maximum of five high-rise applications without affordable units
- Proposed deferral policy is subject to change/cancellation pending legislative changes impacting the timing of D.C. collection

D.C. By-Law Policies

Statutory Exemptions



- Upper/Lower Tier Governments and School Boards
- Development of lands intended for use by a university that received operating funds from the Government
- Existing industrial building expansions (may expand by 50% with no D.C.)
- Additional residential units in existing and new residential buildings (*revised through Bill 23*):
 - May add up to two apartments for a single detached, semi-detached or row house (only one unit can be in an ancillary structure)
 - One additional unit or 1% of the units in an existing rental residential building with four or more residential units

D.C. By-Law Policies

Statutory Exemptions



- Non-profit housing
- Inclusionary zoning affordable housing units
- Affordable units (in effect as of June 1, 2024)
- Additional exemptions for attainable units to be exempt upon proclamation by the Lieutenant Governor
- Discount for rental housing development:
 - >2 bedrooms - 25% discount
 - 2 bedrooms - 20% discount
 - <2 bedrooms - 15% discount

D.C. By-Law Policies

Non- Statutory Exemptions



- No changes proposed to current exemptions:
 - Non-residential farm buildings. Charges payable for Fire Protection, Transportation, and Other Services Related to a Highway
 - Places of Worship
 - Nursing Homes and Hospitals

D.C. By-Law Policies

Redevelopment Credits and Indexing



- No changes proposed to redevelopment credit policies
 - Redevelopment credits granted within 5 years from the date the demolition permit was issued
 - Redevelopment period extended to 10-years for replacement buildings without municipal services (i.e. water, wastewater, storm)
- Applicant must provide proof that D.C.s or lot levies were paid
- A credit cannot exceed the amount of the development charge payable
- Mandatory indexing to continue on July 1st of each year

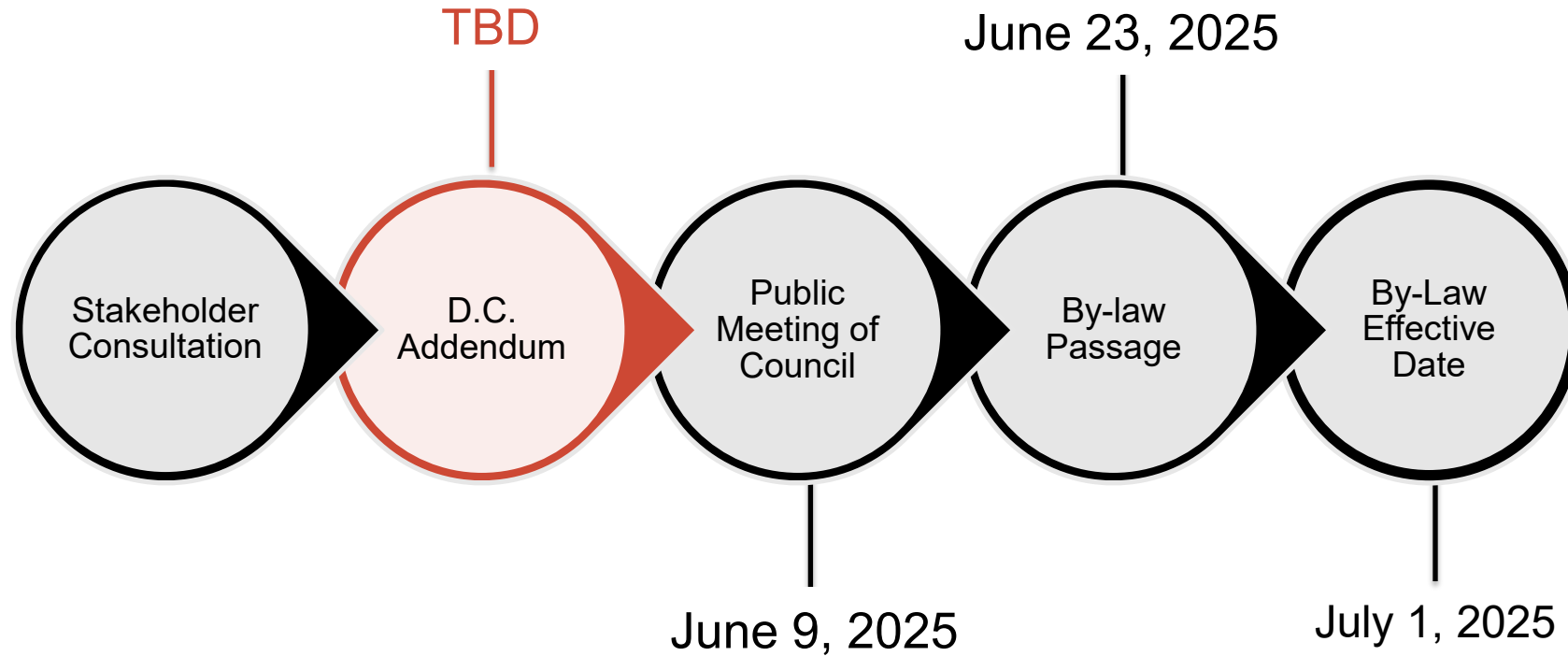
C.B.C. By-Law Policies



- C.B.C.s may only be imposed on buildings or structures with at least five (5) storeys and containing at least ten (10) residential dwelling units
- Statutorily exempt developments include:
 - long-term care, retirement homes, non-profit housing, colleges, universities, post-secondary indigenous institutes, Royal Canadian Legions and hospices
 - affordable, attainable, inclusionary zoning and non-profit housing unit exemptions
- The City may accept in-kind contributions, which will be credited against the C.B.C.s payable
 - Council will determine value of in-kind contributions at the time of each offer by developing landowners

Next Steps

Next Steps



- D.C. addendum anticipated for updates to stormwater management costs and potential housekeeping updates