



City of Cornwall

Brookdale Avenue North Corridor – Wastewater Development Charges

Public Meeting

July 27, 2020



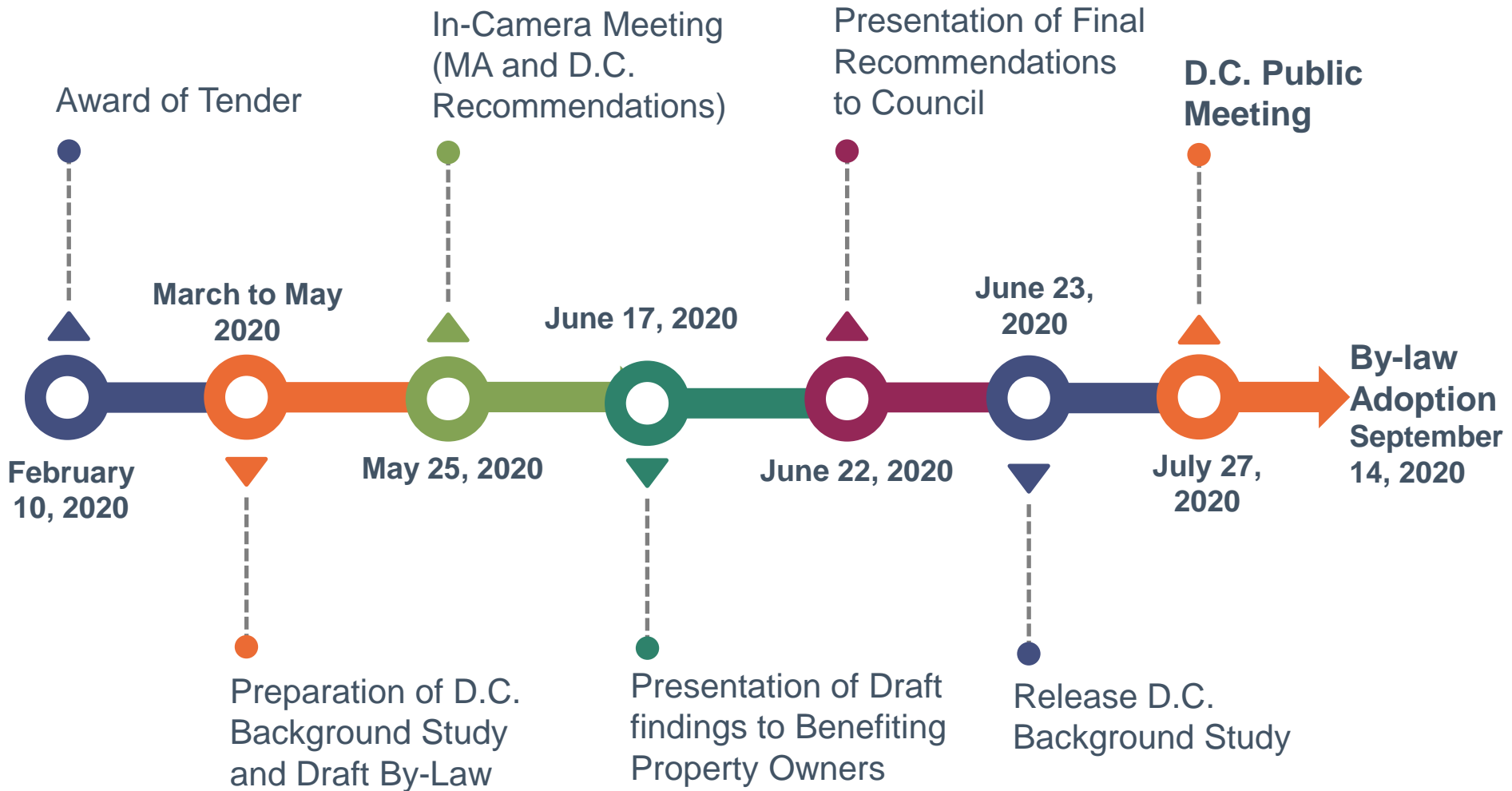
Public Meeting Purpose

Purpose

- This 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 of 2 weeks prior to a public meeting and provided on the City's website 60 days prior to By-law passage
- This public meeting is to provide a review of the Development Charges (D.C.) proposal for Brookdale Avenue North and to receive public input on the proposed policies and charges
- The presentation will also address *Municipal Act* cost recovery mechanism

Study Process

Brookdale Avenue North Corridor Sanitary Sewer Extension



Development Charges Act

Methodology for Wastewater Services



- Identify amount, type and location of growth
- Identify servicing needs to accommodate growth
- Identify capital costs to provide services to meet the needs
- Deduct:
 - Grants, subsidies and other contributions
 - Benefit to existing development
 - D.C. Reserve funds (where applicable)
- Net costs then allocated between residential and non-residential benefit
- Net costs divided by growth to provide the D.C. charge

Municipal Act

Capital Charges



- Imposed under Part 12 of the Municipal Act
- Capital charges are imposed by municipalities to recover infrastructure costs related to:
 - Extension of municipal services to private service users; and
 - Recovery of capital improvement costs from existing developments.
- Act permits the imposition of capital charges on persons who receive an immediate benefit or a benefit at some later point (i.e. deferred benefit)

Anticipated Development

Benefitting Service Area



- Benefitting Service Area includes:
 - Brookdale Ave North Corridor (209 acres), including
 - Properties with existing development (59 acres); and
 - Vacant properties (107 acres)
 - Additional lands beyond Urban Settlement Boundary (43 acres)
 - Lands along Tollgate Road West (outside of Urban Settlement Boundary)

Capital Costs & Funding Mechanisms



- \$10.7 million total cost of project
- Cost of servicing Brookdale Avenue North Corridor apportioned to properties based on peak sanitary design flows and cost recovery mechanism (Area-Specific D.C. vs. *Municipal Act* Capital Charge)

Description	Cost	Cost Recovery Mechanism
Brookdale Ave North Corridor		
Properties with Existing Development	\$3.0 million	Municipal Act Capital Charge
Vacant Properties	\$4.7 million	Development Charges
Subtotal	\$7.7 million	
Outside Urban Settlement Boundary		
Tollgate Road West Lands	\$0.9 million	City Financing / Future Development Charges
Additional Lands Beyond Urban Settlement Boundary	\$2.1 million	
Subtotal	\$3.0 million	
Total Costs	\$10.7 million	

D.C. Calculations



- Total D.C. recoverable costs - \$6.0 million

D.C. Recoverable Costs	Cost
Brookdale Avenue North Sanitary Sewer Extension	\$4.7 million
Net Present Value of D.C. Financing	\$1.6 million
Less: Deferred D.C. Revenue	\$0.3 million
Total	\$6.0 million

- Calculated area-specific D.C. of \$7.27 per sq.ft. of non-residential gross floor area

Comparison of Current and Calculated D.C.s		
Service	NON-RESIDENTIAL (per sq.ft. of Gross Floor Area)	
	Current	Calculated
Brookdale Avenue North Corridor		
Wastewater Services	\$6.80	\$7.27

Municipal Act Capital Charge



- Draft *Municipal Act* Capital Charges by property

Property Name	Brookdale Avenue North Sanitary Sewer Extension
Cornwall Mazda	\$373,998
Irving Oil	\$1,048,064
Seaway Travel Centre Ltd	\$126,116
Super 8	\$540,110
Cornwall GM	\$243,534
Cornwall Camping Centre	\$195,697
Villarboit Brookdale Square	\$474,021
Total	\$3,001,538



Implementation Policies



D.C. By-Law Policies

D.C. Calculation and Timing of Collection

- D.C.s to be imposed through the imposition of an Area-Specific D.C. By-law
- D.C.s are calculated and payable on the date the first building permit is issued
- The City may enter into agreements for the D.C. to be paid before or after it would otherwise be payable
- D.C. By-law provides for mandatory annual indexing on January 1st of each year



D.C. By-Law Policies

D.C. Calculation and Timing of Collection

- Institutional developments would pay D.C.s in 6 equal annual payments, commencing from the date of occupancy
- D.C. for developments proceeding through Site Plan or Zoning By-law Amendment will be determined based on the charges in effect on the day the application is made
 - Charges to be frozen for a maximum period of 2 years after planning application approval
- The D.C.A. allows municipalities to charge interest on installment charges, and on charges determined at Site Plan or Zoning Bylaw Amendment application
- Draft D.C. By-law provides that interest will be calculated based on a rate of prime plus 3%

D.C. By-Law Policies

Statutory D.C. Exemptions



- The D.C.A. provides statutory non-residential exemptions for:
 - Industrial additions of up to and including 50% of the existing GFA of the building - for industrial additions which exceed 50% of the existing GFA, only the portion of the addition in excess of 50% is subject to D.C.s; and
 - Land used for Municipal or Board of Education purposes.



D.C. By-Law Policies

Proposed Non-Statutory D.C. Exemptions

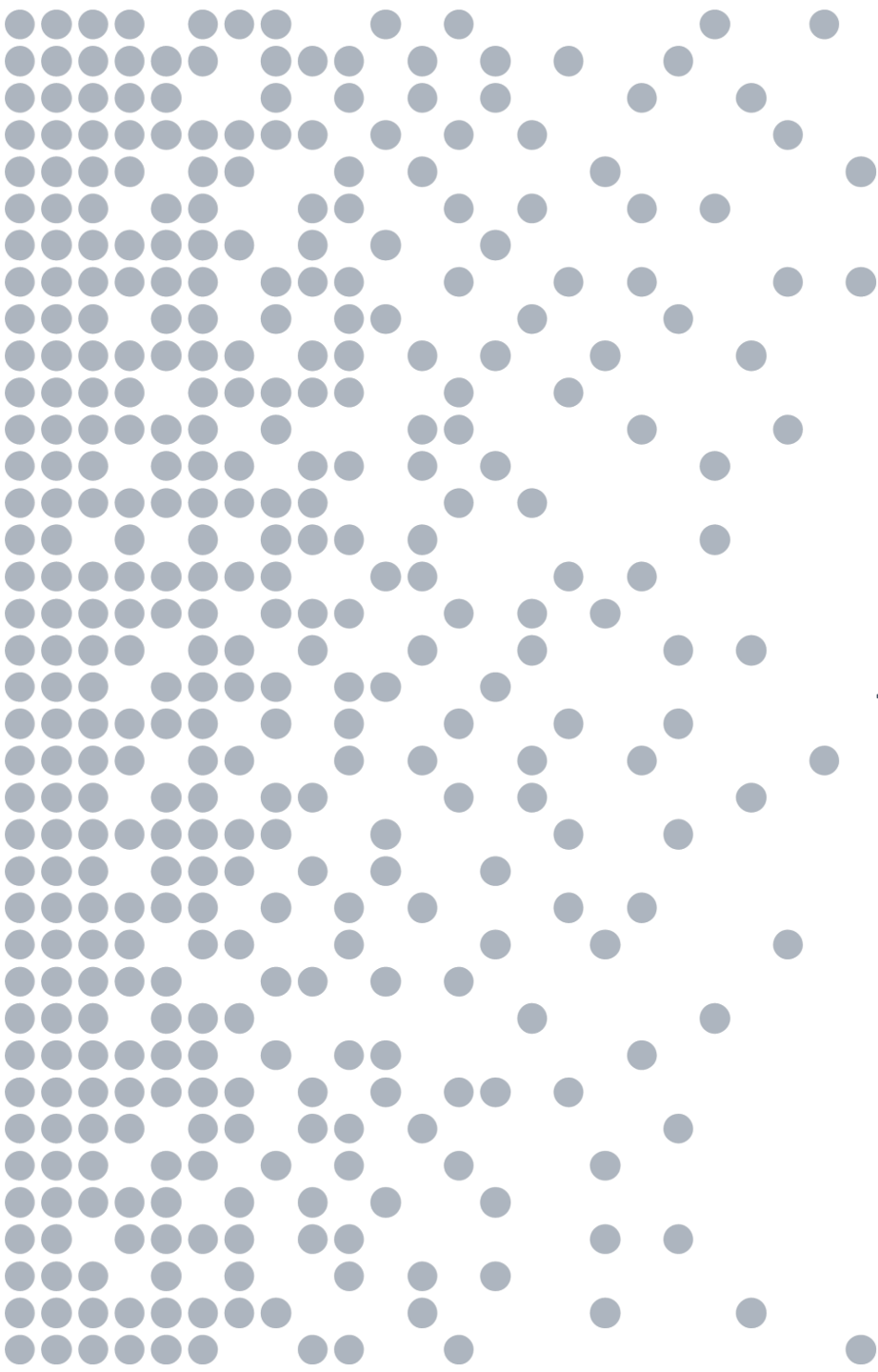
- Bona fide farm uses
- Places of Worship
- Hospitals governed by the *Public Hospitals Act*
- College or university buildings
- Manufacturing uses
- Properties having paid a charge imposed under the *Municipal Act* for the extension of wastewater services to the Brookdale Avenue North Corridor

Municipal Act Capital

Proposed Policies



- *Municipal Act* allows flexibility for how the charge is calculated and imposed
- Capital Charge to be calculated based on actual costs and imposed at time wastewater services are available
- Proposed Payment Options:
 - Installment Charge – Annual charge payable including interest (repayment period typically mirrors debt repayment term); and
 - Commuted charge – Landowner applies to pay total capital charge within specified period of time.
- Area-specific D.C.s paid to be credited against capital charge owing



Next Steps

Next Steps

