

Consolidated Report

Prepared by Hemson for the City of Barrie

Community Benefits Charge Strategy

October 16, 2023



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List of Acronyms

Act Planning Act (Ontario), R.S.O. 1990, c. P.13

BTE Benefit to Existing

CBC Community Benefits Charge

DC Development Charges

DCA Development Charges Act, 1997

GFA Gross Floor Area

GFT Growth Funding Tool

PPU Persons per Unit

Executive Summary

A. Purpose of 2023 CBC Strategy

i. What is a Community Benefits Charge?

A Community Benefits Charge (CBC) is a new funding tool authorized under the *Ontario Planning Act, 1990* (the Act) that allows municipalities to impose a charge against higher density development to pay for development-related capital costs. The CBC provisions replace former section 37 height and density bonusing provisions in the Act, subject to transition rules.

Municipalities can use CBCs to pay for “facilities, services, and other matters attributable to the anticipated development and redevelopment to which the community benefits charge by-law would relate.” As such, they can be used together with development charges (DCs) and parkland and other public recreation amenities contributions by developers under section 42 of the Act. Provided they are used to fund development-related costs that are not also funded by DCs and section 42 contributions, the scope of CBCs is quite broad.

Only local municipalities—that is, single- and lower-tier municipalities—can impose CBCs.

ii. Legislative Context

This City of Barrie 2023 Community Benefits Charge Strategy (CBC Strategy) is presented as part of the process to lead to the approval of a CBC By-law. The Strategy is prepared in accordance with the Act and associated Ontario Regulations 509/20 (O.Reg. 509/20), including amendments that came into force on September 18, 2020 and November 28, 2022.

iii. CBCs Levied on Higher Density Development

A CBC can only be levied against higher-density development, limited by the Act to buildings that are:

- five or more storeys, **and**
- contain 10 or more residential units.

Note that a mixed use development, in a building that contains both residential and non-residential uses, can be subject to a CBC if it meets these criteria.

Ontario Regulation 509/20 provides for a number of exemptions from the payment of a CBC, namely:

- long-term care & retirement homes;
- colleges, universities and post-secondary indigenous institutes;
- Royal Canadian Legion buildings or structures;
- hospices for end of life care; and
- non-profit housing.

iv. Maximum Amount of CBC

Subsection 37(32) of the Act, together with O.Reg. 509/20, prescribe that the maximum CBC that is payable in any particular case is 4 per cent (4%) of the land value as of the day before issuance of the building permit.

Reductions to the 4% cap are required in cases where existing buildings and structures remain on the land after the development or redevelopment. In such cases, the reduction to be applied is the ratio of the floor area of new buildings and structures to existing buildings and structures.

Bill 23, the *More Homes Built Faster Act, 2022*, introduced discounts to CBCs for affordable residential units and attainable residential units, as well as affordable housing units required through inclusionary zoning. However, these new discount provisions in s.37 of the Act are not yet in force.

B. CBC Strategy

Several key steps must be undertaken prior to passing a CBC by-law. They include preparing a CBC Strategy, through which the City must:

- prepare a development (growth) forecast;
- determine the increased infrastructure need arising from development;
- estimate the capital costs of providing the necessary infrastructure;
- determine the share of these costs attributed to CBC development, by identifying and deducting:
 - excess capacity;
 - benefit to existing development; and
 - grants, subsidies or other contributions.

C. Development Forecast

Over the 10-year planning period from 2023-2032, Barrie is anticipated to grow by about 5,900 occupied dwellings in buildings that would be subject to a CBC (see Section 4).

D. CBC Capital Needs Exceed Revenue Forecast

The estimated CBC eligible costs of the development-related capital program total \$550.8 million (see Table 1) over the 10-year period 2023-2032.

A high-level estimate of CBC revenues, over the same 10-year period, is \$6.31 million, based on applying the 4 per cent legislated cap. As such, the CBC eligible costs exceed the anticipated 10-year revenue potential by a significant margin, supporting the application of a CBC that is based on a 4 per cent of land value or some other rate structure.

E. Application of CBCs

It is recommended that the City implement CBCs as a per cent of land value charge. As per the legislation, the value of the land to which the charge applies is determined as the value on the day before the issuance of a building permit, or the first building permit if the development requires multiple permits. It is proposed that the charge will apply on all eligible development, excluding those exempt from CBCs under subsection 37(4)(e) of the Act and section 1 of O. Reg. 509/20.

1. Introduction

This City of Barrie Community Benefits Charge (CBC) Strategy is presented as part of a process to lead to the approval of a new community benefits charge by-law in compliance with the *Planning Act, 1990* (the Act).

CBCs are a relatively new revenue source for municipalities. Generally, the framework for imposing CBCs is as follows:

- CBCs can only be used to fund development-related (or growth-related) capital costs. There are no restrictions on which services can be funded through CBCs;
- Capital projects identified for CBC funding can be funded by other sources of revenue, including development charges and parkland dedication, provided revenue sources do not overlap (i.e. no “doubled counting”);
- In-kind contributions are permitted in lieu of CBCs though municipalities may require an agreement with a landowner in such cases and may register agreements on title;
- CBCs are “capped” at 4 per cent of the land value;
- CBCs can only be imposed on development or redevelopment with buildings of 5 or more storeys and 10 or more residential units; and
- Only single-tier and lower-tier municipalities can impose CBCs.

A. CBC Strategy Requirements

Subsection 37(9) of the Act and section 2 of O. Reg. 509/20 require that a community benefits charge strategy shall:

- (a) include estimates of the anticipated amount, type and location of development and redevelopment with respect to which community benefits charges will be imposed;
- (b) include estimates of the increase in the need for facilities, services and matters attributable to the anticipated development and redevelopment to which the community benefits charge by-law would relate;
- (c) identify the excess capacity that exists in relation to the facilities, services and matters referred to in clause (b);
- (d) include estimates of the extent to which an increase in a facility, service or matter referred to in clause (b) would benefit existing development;
- (e) include estimates of the capital costs necessary to provide the facilities, services and matters referred to in clause (b); and
- (f) identify any capital grants, subsidies and other contributions made to the municipality or that the council of the municipality anticipates will be made in respect of the capital costs referred to in clause (e).

This Strategy presents the estimated CBC development-related net capital costs attributable to CBC eligible development that is forecast to occur in the City. The apportionment of the net capital costs among various development-related funding sources, including development charges, parkland dedication and other sources, is also provided.

B. Legislative Context

The CBC section of the Act has replaced what was previously referred to as section 37 “Increased Density” or “Density Bonusing” provisions. The change was finalized through the *COVID-19 Economic Recovery Act, 2020*, which built on the *More Homes, More Choice Act, 2019* and *Plan to Build*

Ontario Together Act, 2019. In November 2022 the government passed Bill 23, the *More Homes Built Faster Act, 2022*, which implemented significant changes to the land use approval system with the goal of constructing 1.5 million new homes in Ontario by 2031. The CBC changes brought about by Bill 23 are:

- Reductions to the 4 per cent cap, which are required in cases where existing buildings and structures remain on the land after the development or redevelopment. In such cases, the reduction to be applied is the ratio of the floor area of new buildings and structures to existing buildings and structures.
- Discounts to CBCs for affordable residential units and attainable residential units, as well as affordable housing units required through inclusionary zoning. These new discount provisions of the Act are not yet in force.

The current section 37 authorizes municipalities to impose CBCs against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the municipality. It also sets out the relationship between CBCs and other development-related funding tools, including development charges levied under the *Development Charges Act, 1997*. Capital costs identified for funding from development charges or parkland dedication cannot be funded from CBCs.

The current legislation also sets out requirements for adopting a CBC By-law, including that:

- consultation with the public is required, but not defined;
- only one CBC By-law is allowed to be in force at a time;
- notice of the passage of the CBC By-law must be given (in a manner similar to a development charges by-law); and
- there is a right of appeal of the By-law to the Ontario Land Tribunal.

Moreover, various administrative and reporting requirements must be implemented:

- A municipality with a CBC By-law must pay all money raised by the by-law into a “special account”;
- At the beginning of each calendar year a municipality must “spend or allocate” at least 60% of the monies in the special account;
- A municipality with a CBC By-law must maintain a list of at least three appraisers; and
- An annual report must be produced showing the opening/closing balances of the special account and all transactions.

Finally, the CBC Strategy must be reviewed every 5 years to determine if the CBC by-law needs to be updated.

C. Consultation of Proposed CBCs in Barrie

The Act requires that municipalities consult with the public when implementing a CBC by-law. Accordingly, the City will make this CBC Strategy and a draft CBC By-law available for public comment prior to Council’s consideration and passage of the By-law. A public meeting of Council is proposed to be held on May 10, 2023 following the public release of the CBC Strategy.

Consultation with development industry representatives will be undertaken in early May 2023. Following completion of this consultation process, it is proposed that Council review the Strategy and the comments received during the consultation process, before adopting the new CBC By-law in June 2023.

The remainder of the Strategy sets out the information and analysis upon which the proposed CBC is based.

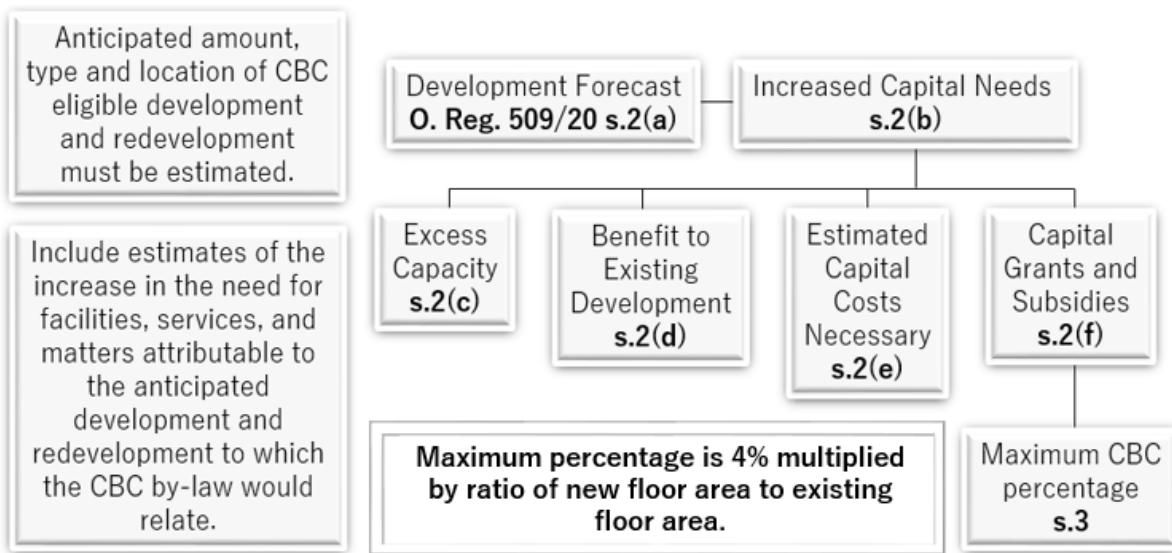
2. Purpose of the 2022 Community Benefits Charge Strategy

This section describes the methodology for determining the CBC rate for the City and provides details on the capital works and service categories used to establish CBC eligible costs.

A. Key Steps in Determining CBCs

As shown in Figure 1, the Act requires that the CBC Strategy include various components in order to validate the resulting charge.

Figure 1 Key Steps in Determining CBCs



B. Proposed Methodology and Approach

The Act does not specify the method by which a CBC is levied. In developing a CBC, a municipality can consider charges based on a percentage of land value, a per-unit charge, or a charge based on gross floor area. Most municipalities with CBCs have implemented a charge calculated as four per cent of land value at the time of first building permit issuance and have

imposed the charge on all eligible development and redevelopment in the municipality.

This City-wide approach using a 4 per cent land value charge adjusts for variability in land values across geographies and building typologies.

The CBC capital program, summarized in the section below and in Section 4, was developed in consultation with City staff and relies on previous work completed for the City's capital budget and forecast, the 2019 DC Background Study and ongoing 2023 DC Background Study, various master servicing plans, the City Official Plan, and similar plans and forecasts.

As required by the legislation, all CBC revenues will be paid into a single reserve fund (or special account). In each calendar year, the City must allocate or spend at least 60 per cent of the monies in the special account at the beginning of the year. A separate policy, outside the framework of this Strategy, will be developed to prioritize CBC project allocation and spending.

The CBC Strategy serves to substantiate levying a four per cent CBC and to satisfy the legislative and regulatory requirements, and is a point in time analysis of eligible capital programs and projects to which the City may allocate CBC monies. From a budgeting perspective, the CBC Strategy does not represent any expression of Council policy, prioritization, or other formal expression of intent to fund or allocate any funds specific services, facilities, or projects set out in the CBC capital program.

C. CBC Capital Program Summary

The gross cost of the CBC capital program of projects eligible for partial or full funding from CBCs is \$550.8 million. Approximately \$218.9 million of this gross capital cost is ineligible for CBC funding, having been removed from consideration as excess capacity, costs that benefit existing residents of the City (BTE shares), or costs to be funded from other growth funding tools such as development charges.

Approximately \$85.0 million of grants or subsidies have been identified to cover some costs of the gross program. Replacement or benefit to existing shares removed from the eligible recovery costs total \$15.2 million. Of the remaining \$327.6 million:

- \$182.0 million is considered to benefit development in buildings of five or more storeys and containing 10 or more residential units, and as such, is eligible for CBC funding;
- \$118.8 million will be funded by DC revenue under the City's 2023 DC by-law; and
- \$145.6 million will be funded from other revenue sources, including contributions through s.42 of the Act.

The capital program is based on service levels planned for and provided by the City. These service levels are not exclusively tied to a particular time horizon. The capital facilities set out herein are a snapshot of what the City currently needs to fund to maintain those service levels during the 10-year planning period of 2023-2032. As projects are completed, the City will continue with additional capital projects to provide the same or similar service levels, and therefore the capital facilities listed will continue to evolve.

The CBC capital program is summarized in Table 1 below.

Table 1: Summary of CBC Capital Program (\$000s)

Service	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	BTE (\$)	Total Development Related Cost	Potential DC Funded	Remaining Development Related	CBC Eligible Costs	Other Funding*
CBC Reviews	\$350	\$0	\$350	\$0	\$350	\$0	\$350	\$350	\$0
Master Plans & Studies	\$17,625	\$0	\$17,625	\$1,405	\$16,220	\$0	\$16,220	\$1,965	\$14,255
Parking	\$3,026	\$0	\$3,026	\$201	\$2,825	\$0	\$2,825	\$333	\$2,492
Parks Projects	\$386,250	\$0	\$386,250	\$0	\$386,250	\$112,862	\$273,388	\$173,494	\$99,894
Housing	\$123,286	\$85,018	\$38,267	\$13,561	\$20,434	\$0	\$20,434	\$3,193	\$17,241
Growth-Related Climate Initiatives	\$500	\$0	\$500	\$0	\$500	\$0	\$500	\$500	\$0
Public Art	\$405	\$0	\$405	\$0	\$405	\$0	\$405	\$63	\$342
Library Services	\$19,400	\$0	\$19,400	\$0	\$19,400	\$5,907	\$13,493	\$2,108	\$11,385
TOTAL	\$550,841	\$85,018	\$465,823	\$15,167	\$446,384	\$118,769	\$327,615	\$182,006	\$145,608

* Note: Other funding related to development but not funded from Development Charges or Community Benefit Charges within the planning period.

D. A City-Wide Rate is Proposed

Consideration was given as to whether or not CBCs should be implemented on a City-wide or area-specific basis. Unlike DC by-laws, the Act states that municipalities may only impose one CBC by-law.

Although, there is nothing in the Act that prohibits the City from imposing area-specific CBCs within a single by-law, the legislation appears to promote a municipal-wide approach as the land value cap results in a form of area rating; land values typically vary across a municipality so the applicable CBC will reflect area differences. Moreover, a single, uniform City-wide charge is most suitable in Barrie as most services included in the CBC capital program are planned for on a City-wide basis.

E. Relationship to Other Growth Funding Tools and Ongoing Studies

Hemson is currently preparing the City's 2023 DC Background Study and related By-law as well as a review of the Parkland Dedication/Cash-in-Lieu by-law. The DC Background Study and By-law are anticipated to be completed in June 2023.

The CBC Strategy is being completed in tandem with the 2023 DC Background Study and Parkland Dedication/Cash-in-Lieu analysis. As such, the projects identified in this Strategy account for any known contributions from other growth funding tools such as development charges and parkland dedication revenues.

F. Implementation and Administration

The implementation and administration of the CBC will be regulated by the CBC By-law, prevailing legislation and the CBC policies and practices to be established by Council.

3. Development Forecast

This section describes the methodology and results of the development forecast that is used to determine the potential CBC revenue and forms the basis of the development-related capital program.

A. Proposed 10-Year Planning Horizon

The timeframe for the CBC development forecast and CBC capital program in this Strategy is 2023-2032. This 10-year planning period is consistent with the City's 10-year capital development forecast and aligns with the 10-year planning horizon to be used in the forthcoming 2023 DC Background Study.

B. Forecast Sources and Key Assumptions

As part of its municipal comprehensive review, the City of Barrie has prepared a Land Needs Assessment which establishes the long-term growth outlook for the City based on a 30-year time horizon and population and employment forecasts prescribed by the Provincial Plan *A Place to Grow: Growth Plan for the Greater Golden Horseshoe* (the Growth Plan).

The Land Needs Assessment includes forecasts of households and housing by type for various policy areas of the City, including strategic growth areas (including the designated urban growth centre as well as nodes and corridors), the remaining built up area, and designated greenfield areas (including areas within the Salem and Hewitt's Secondary Plans). These forecasts form the basis of the CBC development forecasts and have been updated to reflect 2021 Census data released as of March 2023.¹

Based on the updated Land Needs Assessment, it is anticipated that the City will grow by 25,008 occupied dwellings between 2023 and 2032 (see Table 2).

¹ Watson & Associates, Municipal Comprehensive Review (M.C.R.) Long-Term Urban Land Needs Study, Appendix A: Residential Growth Forecast, Made in Barrie Scenario, May 2019.

About half of all new occupied dwellings (12,596 units) will be in the form of apartments, with 64% of new apartment construction taking place within the strategic growth areas or other parts of the built up area.

The designated greenfield area will accommodate about 46% of all occupied dwelling growth (11,495 units) over the next decade, include 56% of all single detached, semi-detached, and row house forms of new housing.

Table 2: Forecast Growth in Occupied Dwellings 2023-2032

	Singles/Semis	Rows	Apartments	Total
Strategic Growth Area	132	1,346	5,869	7,347
Other Built Up Area	2,564	1,444	2,157	6,166
Designated Greenfield Area	3,113	3,813	4,569	11,495
Total	5,809	6,603	12,596	25,008

Source: Watson & Associates, Municipal Comprehensive Review (M.C.R.) Long-Term Urban Land Needs Study, Appendix A: Residential Growth Forecast, Made in Barrie Scenario, May 2019.

Table 3 shows that approximately 24% of all new dwelling units (5,942 units), or 47% of all new apartment units, constructed in the City between 2023 and 2032 are anticipated to meet the CBC criteria of being five or more storeys and containing 10 or more residential units. This assumes that 90% of new apartments in strategic growth areas, 20% of new apartments in other built up areas, and 5% of new apartments in the designated greenfield area, will be CBC eligible. These assumptions are informed by an analysis of recent patterns of apartment construction in the City as well as discussions with City planning staff on the City's plans for higher density housing.

Table 3: Forecast of Apartment Units Subject to CBCs

	Apartments	CBC Apartments	CBC % of Total Apartments	CBC % of Total Units
Strategic Growth Areas	5,869	5,282	90%	72%
Other Built Up Area	2,157	431	20%	7%
Designated Greenfield Area	4,569	228	5%	2%
Total	12,596	5,942	47%	24%

CBCs will apply to mixed-use buildings that meet the eligibility criteria, and could therefore apply to some non-residential uses. These mixed-use (residential and non-residential) buildings have been included in the above development forecasts and all uses in the buildings, except development that is exempt from CBCs, will be included in the land valuation for a site when determining the CBC.

Table 3 shows the calculation of persons in units subject to CBCs as a percentage of persons in all units. The calculation is based on the average occupancy or “persons per unit” (PPU) assumptions used in the City’s 2023 DC Background Study and, in turn, based on a Census Special Run of data on population by unit type by period of construction from the 2021 Census. The average PPUs for all units are: 3.20 for singles/semis; 2.40 for row houses; and 1.80 for apartments. For this analysis, an average PPU of 1.50 is assumed for CBC eligible apartments.

The population in CBC-eligible units as a percentage of the population in all new units is 16% (see Table 4).

Table 4: Population in New Units 2023-2032

	CBC Eligible Units	All Units	% in CBC Eligible Units
Population in New Units	8,914	57,051	16%

This 16% figure is used to establish the CBC-eligible percentage of projects that are anticipated to benefit all residential and mixed-use development, as shown in Section 4.

It is noted that for certain projects, such as Parking expansions, a non-residential (non-mixed-use) benefit is recognized resulting in a CBC-eligible share that is lower than 16%. The determination of the non-residential benefit for these projects is consistent with the 2023 DC Background Study methodology which allocates a non-residential benefit of 24% based on shares of population and employment growth in new development in the City between 2023 and 2032. In such cases, the CBC-eligible share of costs is reduced to 12%:

16% CBC eligible cost X 76% residential benefit = 12% revised CBC eligible cost

4. CBC Capital Program

Before passing a CBC by-law, the Act requires that municipalities prepare a CBC Strategy that identifies the facilities, services and matters that will be funded with CBCs. The Act does not prescribe the specific facilities, services or matters to which CBC funding may be allocated.

A. Facilities, Services, and Matters Considered

The following facilities, services and matters have been identified, in consultation with City staff, as being required, in whole or in part, to meet the increased need for service arising from the CBC-eligible development forecast in Section 4:

- CBC By-Law Reviews and Strategy Updates and Implementation;
- Master Plans and Studies;
- Parking;
- Parks Projects;
- Housing;
- Growth-Related Climate Initiatives;
- Public Art; and
- Library Services.

For each service, the City anticipates development-related costs which are driven fully or partially by mid and high-density residential and mixed-use development. The identified CBC-eligible project costs for these services are beyond the costs anticipated to be funded through other growth funding tools, including development charges and parkland dedication.

The CBC capital program is a point-in-time analysis of the needs anticipated over the 2023 – 2032 planning period. It is recognized that these needs may change over time through the City's normal annual budgeting processes.

While certain projects are listed within the CBC capital program, the

identified capital project listings do not prevent the City from assigning CBC funds to another facility or project under that service.

The description of each service below covers the following matters:

- Service description;
- Service delivery and service levels consideration;
- Estimate of need;
- Consideration of excess capacity;
- Capital cost;
- Identification of any anticipated capital grants, subsidies or other contributions;
- Consideration of benefit to existing;
- Relation to funding from DCs and other funding tools (if applicable); and
- Share of net capital costs related to CBC eligible development.

B. Capital Needs by Service

This section provides the detailed analysis undertaken to establish the development-related capital costs eligible for CBC funding for each service.

C. CBC Reviews

i. Service Description

The cost of the CBC Strategy is eligible for CBC funding under the Act and included in this service is a provision to review the CBC by-law every five years and undertake public consultation as appropriate and pursuant to the Act. Costs related to the review include updating the CBC Strategy and administering the CBC By-law, including resolving disputes and delivering the CBC capital program.

ii. Service Delivery and Service Levels Consideration

Inclusion of the CBC Strategy and implementation is intended to address new requirements in administering the program in response to growth.

iii. Estimate of Need

Included in the cost provision are regular updates to the CBC Strategy as well as the cost of dispute resolutions, legal costs, and other costs related to implementing, updating, and administering the Strategy and By-law. While the capital program represents a point-in-time analysis of the anticipated CBC-eligible project costs over the 2023-2032 period, similar needs are anticipated to continue beyond the 10-year planning horizon.

iv. Consideration of Excess Capacity

No excess capacity exists for this service as the service is new to the City.

v. Capital Cost

The gross cost included in the capital program totals \$350,000 over the 10-year planning period.

vi. Identification of Anticipated Capital Grants, Subsidies or Other Contributions

There are no grants, subsidies or other contributions anticipated for this service.

vii. Consideration of Benefit to Existing

No replacement or benefit to existing shares have been identified for this service as the benefits of the CBC Strategy are wholly attributable to CBC-eligible development.

viii. Relation to Funding from Other GFT (if applicable)

No development charges or other growth funding tools have been identified for this service.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The entire cost of the CBC Reviews of \$350,000 is deemed eligible for funding through CBCs.

Table 5: CBC Review Development-Related Capital Program

Project Description	Timing	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	BTE (%)	BTE (\$)	Total Development Related Cost	Potential DC Funded	Remaining Development Related	CBC Share (%)	CBC Eligible Costs	Other Funding*
1.0 CBC REVIEWS												
1.1 Community Benefits Strategy Review	2023-2032	\$150,000	\$0	\$150,000	0%	\$0	\$150,000	\$0	\$150,000	100%	\$150,000	\$0
1.2 Implementation of By-law & Appraisal Funding	2023-2032	\$200,000	\$0	\$200,000	0%	\$0	\$200,000	\$0	\$200,000	100%	\$200,000	\$0
TOTAL CBC REVIEWS		\$350,000	\$0	\$350,000		\$0	\$350,000	\$0	\$350,000		\$350,000	\$0

* Note: Other funding related to development but not funded from Development Charges or Community Benefit Charges within the planning period.

D. Master Plans and Studies

i. Service Description

The service of Master Plans and Studies includes costs of growth studies previously eligible for DC funding. Such studies include master servicing plans to determine growth-related infrastructure needs. These studies form the basis of long-term capital programs for new growth areas and, by extension, reflect the intentions of municipal councils in managing long-term growth.

ii. Service Delivery and Service Levels Consideration

Prior to the recent changes to the *Development Charges Act* introduced through Bill 23, the City used development charges to fund master plans and studies.

iii. Estimate of Need

Included in this service are costs of master plans and studies that address the increased need for service arising from development across the entire City of Barrie. The growth-related studies address a broad range of City services:

- City-Wide Plan Updates, through Infrastructure Master Plans and a Community Planning Permit System;
- Fire Services, through a Fire Master Plan;
- Library Services, through a Library Master Plan and Workflow Analysis Study;
- Parks and Recreation Services, through a Parks and Recreation Master Plan and Feasibility Studies;
- Other Studies related to Transit, Parking, Official Plan, and others; and
- Recovery of the Negative DC Reserve Fund Balance for growth studies (as at December 31st, 2022).

iv. Consideration of Excess Capacity

No excess capacity exists for this service as the studies in question will be examining the net increase in need for infrastructure and services across the City.

v. Capital Cost

The gross cost of the growth-related capital program is \$17.6 million over the 10-year planning period.

vi. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

There are no grants, subsidies or other contributions identified for this service.

vii. Consideration of Benefit to Existing

A \$1.4 million benefit to existing share is removed from the total development related costs. Benefit to existing shares for studies carried over from the 2019 DC Background Study have been maintained.

viii. Relation to Funding from GFT (if applicable) and Other Funding

None of the identified projects have funding from other growth funding tools.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The amount eligible for recovery from CBCs is between 12 per cent and 16 per cent, or \$2.0 million in total, depending on whether the benefit accrues to residential development only or residential and non-residential development. The remaining \$14.2 million will need to be funded from other, non-DC/CBC sources.

Table 6: Master Plans and Studies Development-Related Capital Program

Project Description	Timing	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	BTE (%)	BTE (\$)	Total Development Related Cost	Potential DC Funded	Remaining Development Related	CBC Share (%)	CBC Eligible Costs	Other Funding*
2.0 MASTER PLANS & STUDIES												
2.1 Plan Updates												
2.1.1 Infrastructure Master Plans	2023-2025	\$5,000,000	\$0	\$5,000,000	0%	\$0	\$5,000,000	\$0	\$5,000,000	12%	\$590,215	\$4,409,785
2.1.2 Infrastructure Master Plans	2028-2030	\$5,000,000	\$0	\$5,000,000	0%	\$0	\$5,000,000	\$0	\$5,000,000	12%	\$590,215	\$4,409,785
2.1.4 Community Planning Permit System	2024-2032	\$200,000	\$0	\$200,000	0%	\$0	\$200,000	\$0	\$200,000	16%	\$31,248	\$168,752
2.2 Fire Services												
2.2.1 Fire Master Plan	2024-2032	\$103,400	\$0	\$103,400	0%	\$0	\$103,400	\$0	\$103,400	12%	\$12,206	\$91,194
2.3 Library Services												
2.3.1 Library Master Plan	2024-2032	\$68,900	\$0	\$68,900	0%	\$0	\$68,900	\$0	\$68,900	16%	\$10,765	\$58,135
2.3.2 Workflow Analysis Study	2024-2032	\$68,900	\$0	\$68,900	50%	\$34,450	\$34,450	\$0	\$34,450	16%	\$5,382	\$29,068
2.4 Parks & Recreation Services												
2.4.1 Parks & Recreation Master Plan	2024-2032	\$521,900	\$0	\$521,900	25%	\$130,475	\$391,425	\$0	\$391,425	16%	\$61,156	\$330,269
2.4.2 Conceptual/Feasibility Studies	2023-2032	\$826,800	\$0	\$826,800	25%	\$206,700	\$620,100	\$0	\$620,100	16%	\$96,885	\$523,215
2.5 Other												
2.5.1 Facilities Condition Assessments	2024-2032	\$1,170,900	\$0	\$1,170,900	75%	\$878,175	\$292,725	\$0	\$292,725	12%	\$34,554	\$258,171
2.5.2 Fiscal Impact Assessment	2028	\$206,700	\$0	\$206,700	0%	\$0	\$206,700	\$0	\$206,700	12%	\$24,399	\$182,301
2.5.3 Official Plan Update	2024-2028	\$689,000	\$0	\$689,000	0%	\$0	\$689,000	\$0	\$689,000	12%	\$81,332	\$607,668
2.5.4 Transit Study	2027	\$206,700	\$0	\$206,700	0%	\$0	\$206,700	\$0	\$206,700	12%	\$24,399	\$182,301
2.5.5 Transit Study	2032	\$206,700	\$0	\$206,700	0%	\$0	\$206,700	\$0	\$206,700	12%	\$24,399	\$182,301
2.5.6 Transit Study	2037	\$206,700	\$0	\$206,700	0%	\$0	\$206,700	\$0	\$206,700	12%	\$24,399	\$182,301
2.5.7 Parking Strategy Update	2024	\$206,700	\$0	\$206,700	75%	\$155,025	\$51,675	\$0	\$51,675	12%	\$6,100	\$45,575
2.5.8 Parking Strategy Update	2029	\$206,700	\$0	\$206,700	0%	\$0	\$206,700	\$0	\$206,700	12%	\$24,399	\$182,301
2.6 Recovery of DC Reserve Fund Balance	2023-2032	\$2,734,640	\$0	\$2,734,640	0%	\$0	\$2,734,640	\$0	\$2,734,640	12%	\$322,805	\$2,411,835
TOTAL MASTER PLANS & STUDIES		\$17,624,640	\$0	\$17,624,640		\$1,404,825	\$16,219,815	\$0	\$16,219,815		\$1,964,861	\$14,254,954

* Note: Other funding related to development but not funded from Development Charges or Community Benefit Charges within the planning period.

E. Parking

i. Service Description

The City's Parking Services is responsible for planning, managing, rehabilitating and maintaining the City's parking infrastructure and facilities to meet the needs of a growing community.

ii. Service Delivery and Service Levels Consideration

Barrie is a vibrant city that continues to grow, though increasingly through redevelopment and intensification. There is a need to identify and plan for how best to utilize existing parking facilities and expand the capacity of the service to accommodate increased needs. Although the cost of parking studies and facility expansion have traditionally been funded through the City's DC By-law, the Parking service has recently been made ineligible for DC funding.

iii. Estimate of Need

The need for additional Parking facilities driven by CBC-eligible development considers provisions for:

- additional signage and equipment, to service residential and non-residential growth;
- new parking technology, including a mobile payment app and license plate recognition technology;
- recovery of existing debt for a GO Transit Platform that was previously funded through DCs; and
- recovery of the negative Parking DC reserve fund balance (as at December 31st, 2022).

While the Parking CBC capital program represents a point-in-time analysis of the anticipated CBC-eligible project costs over the 2023-2032 period, similar service levels are anticipated to continue to be provided by the City beyond the ten-year planning horizon.

iv. Consideration of Excess Capacity

Available excess capacity is considered as part of the City's budgeting and capital development planning processes. The costs included in the CBC Strategy relate to incremental needs arising from development over the ten-year planning horizon and are net of any excess capacity.

v. Capital Cost

The gross cost of the growth-related capital program amounts to \$3.0 million over the 10-year planning period.

vi. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies, or other recoveries have been identified for the Parking projects.

vii. Consideration of Benefit to Existing

Approximately \$200,900 has been identified as non-growth-related share as it is deemed to benefit existing residents. Of that amount, \$149,000 relates to remaining GO Transit Platform debt payments and is carried over from the 2019 DC Background Study.

viii. Relation to Funding from GFT (if applicable) and Other Funding

No other development charges or other growth-funding tools have been identified for this service.

ix. Share of Net Capital Costs Related to CBC Eligible Developments

In total, a 12 per cent share, or \$333,488 of the \$3.0 million growth-related Parking net capital costs, are treated as eligible for CBC funding, as it benefits both residential and non-residential development.

Table 7: Parking Development-Related Capital Program

Project Description	Timing	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	Residential Share Only	BTE (%)	BTE (\$)	Total Development Related Cost	Potential DC Funded	Remaining Development Related	CBC Share (%)	CBC Eligible Costs	Other Funding*
3.0 PARKING													
3.1 Additional Growth-Related Signage /Equipment	2023-2032	\$182,900	\$0	\$182,900		0%	\$0	\$182,900	\$0	\$182,900	12%	\$21,590	\$161,310
3.2 Technology (Mobile Payment App)	2023-2032	\$68,900	\$0	\$68,900		75%	\$51,675	\$17,225	\$0	\$17,225	12%	\$2,033	\$15,192
3.3 Technology (License Plate Recognition)	2023-2032	\$1,033,500	\$0	\$1,033,500		0%	\$0	\$1,033,500	\$0	\$1,033,500	12%	\$121,997	\$911,503
3.4 Existing Debt (Discounted) - GO Platform	2023	\$211,665	\$0	\$211,665		71%	\$149,224	\$62,441	\$0	\$62,441	12%	\$7,371	\$55,070
3.5 Recovery of DC Reserve Fund Balance	2023-2032	\$1,529,075	\$0	\$1,529,075		0%	\$0	\$1,529,075	\$0	\$1,529,075	12%	\$180,497	\$1,348,578
TOTAL PARKING		\$3,026,040	\$0	\$3,026,040			\$200,899	\$2,825,141	\$0	\$2,825,141		\$333,488	\$2,491,653

* Note: Other funding related to development but not funded from Development Charges or Community Benefit Charges within the planning period.

F. Parks Projects

i. Service Description

As high-density development occurs in the City, the need for public open space intensifies. DCs, *Planning Acts*.⁴² parkland conveyance tools, and other growth funding tools will likely not be sufficient to fully fund parks needs arising from high-density residential development. CBCs provide a mechanism for funding a share of the increase in parks needs arising from development.

The Parks Projects growth-related capital program includes the cost to develop new parkland, update master plans, acquire new parkland, and recover previous growth-related parkland expenditures that will benefit CBC-eligible development over the next decade. The program will need to be updated to reflect the final recommendations of the City's ongoing Parks Master Plan.

That portion of the project cost to develop a new building at the Hewitt's Community Centre, from the Parks and Recreation service in the City's 2023 Development Charges Study that exceed the DC maximum allowable funding envelope, is also included in the capital program.

ii. Service Delivery and Service Level Considerations

Included in the capital program is a provision to purchase \$200 million worth of additional parkland to meet the need for new residents in CBC-eligible development over the next 10 years, based on the City maintaining its current standard of 2.33 hectares of parkland per 1,000/pop.² This translates into a need for:

² This figure accounts for all current Regional Parks, District Parks, Community Parks, Neighbourhood Parks, and Village Squares, in the City.

- 18.49 additional hectares of parkland in Strategic Growth Areas to meet the needs of additional 7,924 residents in new CBC-eligible units at an estimated land value of \$10.2 million per hectare (\$188.7 million).
- 1.51 additional hectares of parkland in Other Built-Up Areas of the City to meet the needs of additional 647 residents in new CBC-eligible units at an estimated land value of \$5.7 million per hectare (\$8.7 million).

iii. Estimate of Need

High-density development places a demand for urban parks and associated amenities in built-up areas. Decreased access to private open space leads to higher use of new and existing parks in high-density neighbourhoods. Urban parks now more than ever are seen as a vital component of a complete community.

The need for urban parks, driven by CBC eligible developments in Strategic Growth Areas and Other Built-Up Areas of the City, is based on the anticipated population growth in these units and the associated demand for parkland at current service level standards. The estimate of need excludes any need being driven by CBC-eligible units in the Salem and Hewitt's Secondary Plan Areas, assuming that parkland needs in these areas has been addressed by agreements with developers.

iv. Consideration of Excess Capacity

There is no excess capacity available within the City's existing parks network in areas that will experience high-density residential development. The costs included in the CBC strategy are related to incremental needs arising from CBC-eligible development over the 10-year planning horizon (outside the Salem and Hewitt's Secondary Plan Areas).

v. Capital Cost

The gross capital cost of the growth-related Parks program is \$386.2 million.

vi. Identification of Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies or other contributions have been identified for this service.

vii. Consideration of Benefit to Existing

Benefit to existing shares have not been identified for this service area as the costs included are for new parkland and parks facilities that are entirely related to future development.

viii. Relation to Funding from GFT (if applicable) and Other Funding

Development charges or other growth-funding tools have been identified for: only one capital provision in this service, as the remaining projects are new provisions over and above existing service level standards.

- Parkland acquisition, where \$38 million of the \$200 million need attributable to CBC-eligible development is assumed to be provided/funded through section 42 contributions at current parkland by-law rates. The remaining \$162 million is eligible for CBC funding.
- The Hewitt's Community Centre New Building Development, where a portion of the gross project costs are included in the City's 2023 DC Background Study. Of the \$185.2 million gross cost of the project, \$112.9 million is being funded by development charges. A portion of the remaining \$72.4 million, or \$11.3 million, being over and above the DC maximum allowable funding envelope, is eligible for CBC funding and, as such, is included in the CBC capital program (see below in Table 8). The remaining \$61.1 million will need to be funded from non-DC/CBC sources.

ix. Share of Net Capital Costs related to CBC Eligible Developments

In total, \$173.5 million of the Parks Projects capital program, is included as a CBC-eligible cost. It is noted that a that 4 per cent limit on individual CBC payments will limit the City's ability to use CBC revenue to fund the need for Parks Projects over the next decade.

Table 8: Parks Projects Development-Related Capital Program

Project Description	Timing	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	BTE (%)	BTE (\$)	Total Development Related Cost	Potential DC Funded	Remaining Development Related	CBC Share (%)	CBC Eligible Costs	Other Funding*
4.0 PARKS PROJECTS												
Projects Not Included in DC Study												
4.1 North Shore Trail Master Plan Update	2027-2028	\$125,000	\$0	\$125,000	0%	\$0	\$125,000	\$0	\$125,000	16%	\$19,530	\$105,470
4.2 North Shore Trail Access Points	2024-2025	\$750,000	\$0	\$750,000	0%	\$0	\$750,000	\$0	\$750,000	16%	\$117,180	\$632,820
4.3 The Gables Park Master Plan Update	2028	\$125,000	\$0	\$125,000	0%	\$0	\$125,000	\$0	\$125,000	16%	\$19,530	\$105,470
4.4 Parkland Acquisition	2023-2032	\$200,000,000	\$0	\$200,000,000	0%	\$0	\$200,000,000	\$0	\$200,000,000	81%	\$162,027,781	\$37,972,219
Projects Included in DC Study												
4.5 Hewitt's Community Centre New Building	2024-2027	\$185,250,000	\$0	\$185,250,000	0%	\$0	\$185,250,000	\$112,861,811	\$72,388,189	16%	\$11,309,954	\$61,078,235
TOTAL PARKS PROJECTS		\$386,250,000	\$0	\$386,250,000		\$0	\$386,250,000	\$112,861,811	\$273,388,189		\$173,493,975	\$99,894,214

* Note: Other funding related to development but not funded from Development Charges or Community Benefit Charges within the planning period.

G. Housing

The need for social housing increases as a municipality's population grows. Under the *Development Charges Act*, the City cannot impose DCs for infrastructure or services related to housing. The City is, however, permitted to use CBCs as a growth funding tool to construct social housing and affordable housing.

i. Service Delivery and Service Levels Consideration

The City of Barrie, City of Orillia, and County of Simcoe pay for the capital costs of Social Housing through a cost-sharing agreement. The agreement identifies each municipality's share of costs based on weighted taxable assessment: 26% for Barrie; 6% for Orillia; and 68% for Simcoe County. The City is also implementing a Community Improvement Plan to, among other things, provide capital grants to promote the construction of affordable housing in Barrie.

ii. Estimate of Need

The growth-related capital program is based on the City's Affordable Housing Strategy and City of Barrie Community Improvement Plan (CIP). The Social Housing provision in the capital program is based on the City's share of social housing construction that can no longer be funded through DCs.

iii. Consideration of Excess Capacity

There is no excess capacity available within the City's existing social housing inventory and growth-related costs included in the CBC Strategy reflect incremental needs for housing services arising from development over the ten-year planning horizon.

iv. Gross Capital Cost

The gross cost of the growth-related capital program is \$123.3 million over the 10-year period from 2023-2032. The program includes \$15.0 million to provide affordable housing, including through CIP grants, \$105.0 million to construct new social housing, and \$3.3 million to recover the current negative Housing DC reserve fund balance.

Eligible costs for affordable housing could include planning application fee rebates and other capital funding incentives for affordable housing units which will be identified through updates to the City's Housing Strategy.

v. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

Subsidies in the amount of \$85.0 million for the Social Housing additional building construction provision have been identified. This amount represents that portion of new social housing costs to be funded by the County of Simcoe and City of Orillia.

vi. Consideration of Benefit to Existing

The costs associated with non-residential buildings have been excluded from the calculation of Social Housing – New Building Construction (Project 5.2) in the capital program. After removing grants, the total residential net costs amount to \$33.9 million.

A 44 per cent benefit to existing shares has been applied to the residential Social Housing and Affordable Housing projects, totalling \$13.6 million, to reflect the broad benefit of these projects across the City.

vii. Relation to Funding from GFT (if applicable) and Other Funding

None of the identified projects have funding from other growth funding tools.

viii. Share of Net Capital Costs related to CBC Eligible Developments

The amount eligible for recovery from CBCs is 16 per cent, or \$3.2 million, as the benefits of this service are deemed to benefit only residential development.

Table 9: Housing Development-Related Capital Program

Project Description	Timing	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	Residential Share Only	BTE (%)	BTE (\$)	Total Development Related Cost	Potential DC Funded	Remaining Development Related	CBC Share (%)	CBC Eligible Costs	Other Funding*
5.0 HOUSING													
5.1 Affordable Housing & Funding for CIP Grants	2023-2032	\$15,000,000	\$0	\$15,000,000	\$15,000,000	44%	\$6,630,751	\$8,369,249	\$0	\$8,369,249	16%	\$1,307,614	\$7,061,635
5.2 Social Housing - New Building Construction	2023-2026	\$104,968,831	\$85,018,331	\$19,950,500	\$15,678,171	44%	\$6,930,537	\$8,747,635	\$0	\$8,747,635	16%	\$1,366,733	\$7,380,902
5.3 Recovery of DC Reserve Fund Balance	2023-2032	\$3,316,880	\$0	\$3,316,880	\$3,316,880	0%	\$0	\$3,316,880	\$0	\$3,316,880	16%	\$518,230	\$2,798,650
TOTAL HOUSING		\$123,285,711	\$85,018,331	\$38,267,380	\$33,995,051		\$13,561,287	\$20,433,764	\$0	\$20,433,764		\$3,192,578	\$17,241,186

* Note: Other funding related to development but not funded from Development Charges or Community Benefit Charges within the planning period.

H. Growth-Related Climate Initiatives

i. Service Description

The Growth-Related Climate Initiatives service area includes growth-related capital costs related to climate changes mitigation and adaptation efforts across the City.

ii. Service Delivery and Service Levels Consideration

The City's Climate Change Adaptation Strategy (2017) and Implementation Plan (2018) set out the City's goals and actions to address the impacts of climate change, including:

- **Goal Two:** Minimize Risks to Buildings and Properties in the Climate Adaptation Strategy, which leads to Action 2.4: "Promote higher building standards which reflect newest climate projections by updating by-laws, development guidelines, and zoning regulations".

In order to achieve these goals, the City has implemented a Green Development Standard Incentive Program for new high-rise development. Costs for climate change initiatives that target existing buildings and infrastructure have not been included.

iii. Estimate of Need

The Green Development Standard Incentive Program incentivizes developers of high rise buildings to achieve the sustainability requirements outlined in a forthcoming green development standard with a goal to reduce greenhouse gas emissions from new building stock, an objective outlined in the community greenhouse gas (GHG) reduction plan. As such, the capital costs are fully attributable to CBC-eligible developments. Council recently adopted a GHG reduction plan targeting net zero emissions by 2050, which includes a goal of near zero emissions from the building stock.

iv. Consideration of Excess Capacity

No excess capacity exists for this service as it represents a new initiative designed for new development.

v. Capital Cost

The gross cost included of the growth-related capital program amounts to \$500,000 over the ten year planning period.

vi. Identification of Anticipated Capital Grants, Subsidies or Other Contributions

There are no grants, subsidies or other contributions identified for this service.

vii. Consideration of Benefit to Existing

No replacement or benefit to existing shares have been identified for this service.

viii. Relation to Funding from Other GFT (if applicable)

None of the identified project costs have funding from other growth funding tools.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The entire cost of the Climate Initiatives of \$500,000 is deemed eligible for funding through CBCs.

Table 10: Growth-Related Climate Initiatives Development-Related Capital Program

Project Description	Timing	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	Residential Share Only	BTE (%)	BTE (\$)	Total Development Related Cost	Potential DC Funded	Remaining Development Related	CBC Share (%)	CBC Eligible Costs	Other Funding*
6.0 GROWTH-RELATED CLIMATE INITIATIVES													
6.1 Green Development Standard Incentive Program	2024-2025	\$500,000	\$0	\$500,000		0%	\$0	\$500,000	\$0	\$500,000	100%	\$500,000	\$0
TOTAL GROWTH-RELATED CLIMATE INITIATIVES		\$500,000	\$0	\$500,000			\$0	\$500,000	\$0	\$500,000		\$500,000	\$0

* Note: Other funding related to development but not funded from Development Charges or Community Benefit Charges within the planning period.

I. Public Art

i. Service Description

This service includes projects to promote and construct enhanced urban design and public art. Public art can take many forms and is a way to express community values and brings a shared experience into the City of Barrie. The capital costs included are those which are ineligible for funding through development charges and are not funded as local services as defined under the *Development Charges Act*.

As stated in the Barrie Official Plan 2051, the City promotes the provision of public art in publically accessible areas, and the installation of public art as a part of public infrastructure projects. Recognizing the higher level of pedestrian and other active transportation activity in the City, especially in higher density areas, Public Art investment is important to ensure functional and liveable communities.

ii. Service Delivery and Service Levels Consideration

The City has dedicated commitments to the provision of Public Art across the City through buildings, infrastructures and public spaces as per the Barrie Official Plan 2051.

iii. Estimate of Need

The need included in the CBC Strategy for recovery from CBC eligible developments is based on discussions with staff and the Public Art policies in the Barrie Official Plan 2051.

iv. Consideration of Excess Capacity

There is no excess capacity in the Public Art CBC capital program.

v. Capital Cost

The gross cost of \$405,000 growth-related capital program includes a provision for Public Art related to the construction of Hewitt's Library, and a more general provision for other art installations.

vi. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies or other contributions have been identified for the projects included in the capital program.

vii. Consideration of Benefit to Existing

No replacement or benefit to existing shares have been identified for this service area.

viii. Relation to Funding from GFT (if applicable) and Other Funding

None of the identified projects have funding from other growth funding tools.

ix. Share of Net Capital Costs Related to CBC Eligible Developments

A 16% share, or \$63,280, is deemed to be related to CBC developments.

Table 11: Public Art Development-Related Capital Program

Project Description	Timing	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	BTE (%)	BTE (\$)	Total Development Related Cost	Potential DC Funded	Remaining Development Related	CBC Share (%)	CBC Eligible Costs	Other Funding*
7.0 PUBLIC ART												
7.1 Public Art - Hewitt's Library	2023-2032	\$105,000	\$0	\$105,000	0%	\$0	\$105,000	\$0	\$105,000	16%	\$16,405	\$88,595
7.2 Growth-Related Public Art	2023-2032	\$300,000	\$0	\$300,000	0%	\$0	\$300,000	\$0	\$300,000	16%	\$46,872	\$253,128
TOTAL PUBLIC ART		\$405,000	\$0	\$405,000		\$0	\$405,000	\$0	\$405,000		\$63,277	\$341,723

* Note: Other funding related to development but not funded from Development Charges or Community Benefit Charges within the planning period.

J. Library Services

i. Service Description

As the City continues to grow, especially as new high-density developments are brought forward, there is a need to construct new library branches and expand existing facilities. The capital costs identified in the CBC Strategy are intended to address additional demands on community facilities arising from high-density development which is not captured in the City's DC Background Study. Projects from the Library Services category in the Draft 2023 Development Charges Study are included in the capital program as they exceed the DC funding envelope service level cap.

ii. Service Delivery and Service Levels Consideration

Library Services improvements are partially funded through the City's development charges. The City's 2023 DC Background Study provides a summary of the historical service levels associated with Library Services capital assets.

iii. Estimate of Need

The need for library infrastructure, driven by CBC eligible developments in new growth areas of the City, is based on the anticipated population growth in these units and the associated residential demand on infrastructure. As such, the capital costs are fully attributable to CBC eligible developments.

iv. Consideration of Excess Capacity

No excess capacity exists for this service.

v. Capital Cost

The gross cost included in the capital program totals \$19.4 million over the 10-year planning period, based on capital costs identified in the 2023 DC Background Study.

vi. Identification of Anticipated Capital Grants, Subsidies or Other Contributions

There are no grants, subsidies or other contributions identified for this service.

vii. Consideration of Benefit to Existing

No replacement or benefit to existing shares have been identified for this service (see the 2023 DC Background Study).

viii. Relation to Funding from Other GFT (if applicable)

Development charges or other growth-funding tools have been identified for the capital provision in this service.

The Salem Library Branch costs are included in the City's Draft 2023 DC Background Study. Of the \$19.4 million gross cost of the project, \$5.9 million is being funded by development charges, and is therefore excluded from the CBC eligible costs. The remaining \$13.5 million, being over and above the DC maximum allowable funding envelope, cannot be funded through the DCs. However, it is eligible for CBC funding and, as such, is included below in Table 12. Of this amount, only 16% or \$2.1 million, equivalent to the CBC-eligible development share of costs, is recoverable through the CBC.

The remaining \$11.4 million is ineligible for DC and CBC funding at the present time.

ix. Share of Net Capital Costs related to CBC Eligible Developments

A 16% share, or \$2.1 million, is deemed to be related to CBC development.

Table 12: Library Services Development-Related Capital Program

Project Description	Timing	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	BTE (%)	BTE (\$)	Total Development Related Cost	Potential DC Funded	Remaining Development Related	CBC Share (%)	CBC Eligible Costs	Other Funding*
8.0 LIBRARY SERVICES												
8.1 Salem Branch (25,000 sq.ft.)	2027-2031	\$19,400,000	\$0	\$19,400,000	0%	\$0	\$19,400,000	\$5,907,253	\$13,492,747	16%	\$2,108,111	\$11,384,636
TOTAL LIBRARY SERVICES		\$19,400,000	\$0	\$19,400,000		\$0	\$19,400,000	\$5,907,253	\$13,492,747		\$2,108,111	\$11,384,636

* Note: Other funding related to development but not funded from Development Charges or Community Benefit Charges within the planning period.

5. CBC Revenue Analysis and Rate Structure

This section includes a projection of CBC revenue under the 4 per cent cap as well as recommendations on a CBC rate structure and CBC administration.

A. CBC Capital Needs Greater than Projected CBC Revenue

For the purposes of projecting CBC revenues under the 4 per cent cap, the forecast of apartment units subject to CBCs was broken down into three broad geographies based on current City development forecast data:

- Strategic Growth Areas (Intensification Nodes/Corridors and Urban Growth Centre);
- Designated Greenfield Area (DGA); and
- Other Built Up Area (BUA).

Land values at the time of building permit, observed within the historical development pipeline data, vary considerably between, and within, these three geographies. The average per-unit land value in current (2023) dollars is calculated at approximately \$25,000 in Strategic Growth Areas, \$40,000 in Designated Greenfield Areas, and \$35,000 in the Other Built Up Area. Non-residential shares of mixed-use buildings are embedded in the per-unit values.

Applying the legislated 4 per cent cap, it is anticipated that the average unit will contribute \$25,000 in CBCs in the Strategic Growth Areas, \$40,000 in the DGA, and \$35,000 in the Other BUA. This results in a City-wide high level estimate of potential CBC revenues of \$6.3 million using the development forecast over the 2023-2032 period.

As set out in Section 4, the total cost of the CBC-eligible capital program over the same 2023-2032 period is \$181.8 million. As such, the CBC capital needs cannot be fully funded from potential CBC revenues.

Table 13: Estimate of Potential CBC Revenues, 2023 – 2032

Area	# of CBC Eligible Units	\$ per Unit	CBC Revenue (at 4%)
Strategic Growth Areas	5,280	\$25,000	\$5,265,000
Designated Greenfield Areas	230	\$40,000	\$475,500
Other Built Up Area	430	\$35,000	\$565,600
Total	5,940	n/a	\$6,306,100

B. Proposed CBC Rate Structure is a Percentage of Land Value

It is proposed that the CBC be a uniform 4 per cent of land value across the City. All development that meets the criteria set out in Section 37(4) of the Act would be subject to the CBC excluding those listed as exempt under O.Reg. 509/20.

C. Timing of CBC Payment

CBCs are payable prior to the issuance of a building permit. In accordance with s.37(33) of the Act, if the developer considers the charge to be higher than permitted 4% of land value, they can submit a payment under protest and must submit an appraisal of the value of the land within 30 days. The City then has 45 days to provide its own appraisal of the value of the land.

D. Managing the CBC Special Account

i. Existing Reserves

Existing reserves to be transferred to the CBC Special Account include any unspent or unallocated portions of the legacy Growth Studies and Housing Services DC reserve funds less any prior commitments.

ii. CBC Reserve

Subsection 37(45) of the Act requires that a single CBC special account be established. This is unlike DC reserve funds which are dedicated to specific service areas as defined in the DC by-law. The funds in the CBC special account will include any existing reserves from non-eligible DC services as well as monies collected under the CBC by-law.

At the beginning of each year, the City must allocate or spend 60 per cent of the funds in the special account to CBC-eligible projects. The following information must be provided to the public each year in the respect of the preceding year:

1. Statements of the opening and closing balances of the special account and of the transactions relating to the account.
2. In respect of the special account referred to in s.37(45) of the Act, statements identifying,
 - i. facilities, services and matters acquired during the year with funds from the special account;
 - ii. details of the amounts spent; and
 - iii. for each facility, service or matter mentioned in subparagraph i, the manner in which any capital cost not funded from the special account was or will be funded.

3. In respect of the special account referred to in s.42(15) of the Act, statements identifying,
 - i. land and machinery acquired during the year with funds from the special account;
 - ii. buildings erected, improved or repaired during the year with funds from the special account;
 - iii. details of the amounts spent; and
 - iv. for each asset mentioned in subparagraphs i and ii, the manner in which any capital cost not funded from the special account was or will be funded.
4. The amount of money borrowed from the special account and the purpose for which it was borrowed.
5. The amount of interest accrued on any money borrowed from the special account.

E. Statutory Exemptions

O. Reg. 509/20 includes the following statutory exemptions from payment of CBCs:

1. Development or redevelopment of a building or structure intended for use as a long-term care home within the meaning of s.2(1) of the Long-Term Care Homes Act, 2007.
2. Development or redevelopment of a building or structure intended for use as a retirement home within the meaning of s.2(1) of the Retirement Homes Act, 2010.

3. Development or redevelopment of a building or structure intended for use by any of the following post-secondary institutions for the objects of the institution:
 - i. a university in Ontario that receives direct, regular and ongoing operating funding from the Government of Ontario,
 - ii. a college or university federated or affiliated with a university described in subparagraph i,
 - iii. an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institutes Act, 2017.
4. Development or redevelopment of a building or structure intended for use as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion.
5. Development or redevelopment of a building or structure intended for use as a hospice to provide end of life care.
6. Development or redevelopment of a building or structure intended for use as residential premises by any of the following entities:
 - i. a corporation to which the Not-for-Profit Corporations Act, 2010 applies that is in good standing under that Act and whose primary object is to provide housing,
 - ii. a corporation without share capital to which the *Canada Not-for-profit Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing,
 - iii. a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act. O. Reg 509/20, s.1, 8.

In addition, recent legislative changes introduce to the Act through Bill 23 have provided exemptions for attainable and affordable housing. The province has yet to define these housing types and, as such, the exemption is not yet in force.

6. Implementation & Administration

A. Consultation

The Act requires that a municipality consult with such persons and public bodies as the municipality considered appropriate. Subsection 37(10) indicates that, at the discretion of the City, consultation shall be conducted. For the CBC Strategy, the City met with the development industry and Council in early 2023 and has provided information for public review:

- An information meeting was held with Council on March 1, 2023.
- The draft CBC Strategy will be posted on the City's website in late April 2023, in advance of a formal public meeting.
- An information meeting will be held with the development industry on May 1, 2023.
- A formal public meeting is anticipated to be held on May 10, 2023, ahead of the by-law being presented to Council for passage.

B. By-Law Passage, Notice and Appeal Provisions

The CBC By-law is anticipated to be passed in June 2023. The commencement of the by-law will be on the date the by-law is passed or the specified in the by-law, whichever is later in accordance with subsection 37(11) of the Act.

A notice of passage is required to be provided no later than twenty days after passage, subsection 37(13) of the Act. Furthermore, O.Reg. 509/20 subsection 4(2) states that a notice shall be given to every owner of land in the area to which the by-law applies, every person and organization that has written request for the notice, upper-tier municipalities, school boards and by publication in a newspaper of sufficient general circulation.

A CBC by-law may be appealed to the Ontario Land Tribunal within 40 days of passage by filing with the clerk of the City. The Tribunal is limited in its ability to amend the CBC By-law including not being able to increase the amount of CBCs that will be payable in any particular case, add, remove or reduce the scope of an exemption, change a provision for a phasing in so as to make the charges payable earlier and change the date the by-law will expire.

C. Treatment of In-Kind Contributions

The City may allow developers to pay CBCs in part or in whole with in-kind contributions. Such contributions will be evaluated on a case-by-case basis. The City may require that an agreement be registered on title for the provision of these contributions.

Paragraphs 6-8 of section 37 of the Act guide the legislative framework for the consideration of in-kind contributions:

In-kind contributions

(6) A municipality that has passed a community benefits charge by-law may allow an owner of land to provide to the municipality facilities, services or matters required because of development or redevelopment in the area to which the by-law applies. 2020, c. 18, Sched. 17, s. 1.

Notice of value of in-kind contributions

(7) Before the owner of land provides facilities, services or matters in accordance with subsection (6), the municipality shall advise the owner of land of the value that will be attributed to them. 2020, c. 18, Sched. 17, s. 1.

Agreement re facilities, services or matters

(7.1) If the municipality intends to allow an owner of land to provide facilities, services or matters in accordance with subsection (6), the municipality may require the owner to enter into an agreement with the municipality that addresses the provision of the facilities, services or matters. 2022, c. 21, Sched. 9, s. 10 (1).

Registration of agreement

(7.2) An agreement entered into under subsection (7.1) may be registered against the land to which it applies and the municipality is entitled to enforce the agreement against the owner and, subject to the *Registry Act* and the *Land Titles Act*, against any and all subsequent owners of the land. 2022, c. 21, Sched. 9, s. 10 (1).

Deduction of value of in-kind contributions

(8) The value attributed under subsection (7) shall be deducted from the amount the owner of land would otherwise be required to pay under the community benefits charge by-law. 2020, c. 18, Sched. 17, s. 1.

The CBC by-law will provide for the potential acceptance of CBC in-kind contributions consistent with the legislative requirements.

D. CBC Payment Process and Dispute Mechanism

In determining the CBC for a particular development the City will require the developer to provide an appraisal of the value of the land subject to the development or redevelopment as of:

- the day before the day the building permit is issued in respect of the development or redevelopment, or
- if more than one building permit is required for the development or redevelopment, the day before the day the first building permit is issued.

The appraisal is to be prepared by an accredited appraiser at no expense to the City.

As noted above, developers may pay the CBC under protest and submit an appraisal of the value of the land as of the prescribed valuation date. The City may then respond with its own appraisal of the value of the land.

If the two appraisals are within 5% of each other the City must refund the difference in the applicable CBC (see outcome in Table 14). However, if the appraisal difference is greater than 5%, the City will request an appraisal from one of three appraisers, selected by the developer, from a list of three qualified appraisers maintained by the City. This third appraisal will serve as the final appraisal on which the CBC is to be based. Table 14 below provides a summary of the appraisal and dispute process.

Table 14: Payment Dispute Mechanism

	Planning Act	Timing	Action	Outcome
Charge as set by City	37(44)	Building permit	Developer pays	Payment received – process complete
Charge as set by City	37(44)	Building permit	Developers pays under protest	New appraisal required
Payment under protest	37(33)	30 days	Developer submits appraisal to City	City review need for new appraisal or accept value
City disputes developer's value	37(35)	45 days	City submits appraisal to applicant	Joint review - if less than 5 percent difference, use higher value
Arbitrated value	37(38)	60 days	Applicant picks appraiser from City roster	New appraisal sets value
In-kind contribution	37(7)	Before providing service / facility	City to advise applicant of in kind value	No appeal process, value is deducted from charge

Appendix

Draft CBC By-law

Available separately – Please see:

<https://www.barrie.ca/media/11007>