

Simcoe County District School Board & Simcoe Muskoka Catholic District School Board

**Education Development Charge
Public Information Meeting**

June 5, 2018

Update:

Ministry of Education Approvals

- The Ministry of Education was notified by the School Boards and their consultant that the Boards would be renewing their EDC bylaws on or around May/June 2018.
- The Ministry of Education/Minister is responsible for approving the EDC Background Study. They must be given 40 business days to review the study. They are often, as a courtesy, notified in advance of receiving the background study to plan accordingly.
- In the case of the proposed 2018 EDC Bylaw, extra care was taken in Ministry communications knowing that the EDC Background Study was being reviewed close to or during a Provincial election.
- The Boards were assured by the Business Services Branch of the Ministry of Education (in writing), that the election would not impact EDC approval timing.

Update:

Ministry of Education Approvals

- The EDC Background Study was provided to the Ministry of Education on April 9, 2018. The Ministry confirmed receipt of the study via email on April 11, 2018.
- The consultant was contacted on May 8 by the Business Services branch of the Ministry of Education and notified that there would be no EDC approvals prior to the Provincial election.

A Review Of The Key Elements

- ❑ Education Development Charge (EDC) by-laws adopted under the *Education Act* enable recovery of growth-related net education land costs only.
- ❑ Boards must meet an eligibility trigger to qualify for EDCs.
- ❑ EDC by-laws may be uniform across the jurisdiction or area-specific.
- ❑ EDCs may be a single charge for all types of residential development or the Board may wish to impose different charges on different types of residential development.
- ❑ Boards can allocate net education land costs to both residential and non-residential developments.

Necessary Requirements

- ❑ The Board's consultant prepared an EDC Background Study and included the necessary requirements.
- ❑ The EDC Background Study was made available to the public at least two weeks prior to the first public meeting.
- ❑ Held legislatively required public meetings and give notice of all public meetings at least a clear 20 days prior to said meeting as required by the legislation.
- ❑ The EDC Background Study was submitted to the Ministry of Education at least 40 days prior to consideration of bylaw passage.
- ❑ *The EDC Background Study has not yet received Ministry of Education approval.*

Stakeholders/Feedback

- ❑ In addition to the legislated public process, the Boards also held an information session for all interested stakeholders in the County.
- ❑ The information session was attended by members of the Building Industry and Land Development Association (BILD) as well as staff from some of the local municipalities in the County.
- ❑ The Boards heard from delegations at the public meeting on May 1, 2018.
- ❑ The Boards have received additional feedback through letter correspondence.
- ❑ The Boards have relayed to stakeholders that bylaw considerations was being deferred to the Fall.

Main Issues

- The complete list of issues and comments received has been somewhat varied;
 - BILD/Developers:
 - Still awaiting a formal submission from BILD.
 - Some North Simcoe developers have expressed a desire for a phase-in and an area specific charge.
 - Other developers have expressed a wish to see a phase-in of the charge because of the proposed increase from the 2013 charge.
 - Local Municipalities:
 - Some municipalities have expressed surprise at the magnitude of the increase in the charge.
 - Many of the North Simcoe municipalities have expressed a desire for an area specific charge.

Policy

Jurisdiction Wide vs. Area Municipal (or Sub Area) Charges

Boards have the ability to enact EDC by-laws that cover their entire jurisdiction in a uniform manner or that cover only certain area specific parts of the jurisdiction.

History

- 1999/00 EDC Bylaw Appealed
 - Appeal Withdrawn – Boards agree to consider an area specific approach in next bylaw.
- November 2003 – EDC Jurisdiction Wide Bylaw Passed
 - EDC Background Study Included;
 - JW
 - An area specific analysis contemplating north, central and south bylaw jurisdictions – resulted in a total of 7 bylaws.
 - A north and a combined South/Central approach
- Bylaw Appealed By A Collection Of Northern Municipalities In Simcoe County

History

- Mid 2004 – OMB Hearing Starts
- 2004-2007 – Illness/Other Events Delay Hearing Until 2007
- March 2008 Appeal Dismissed
- Town of Collingwood Appeals OMB Decision To Divisional Court
- December 2009 – Divisional Court **Does Not** Grant Leave To Appeal
- Town of Collingwood also appealed Boards 2008 EDC Bylaw but withdrew appeal after court decisions.

Summary Of OMB Decision

When dealing with appeals, the board should not substitute its policy choices where the board finds, based upon evidence, that city Council has acted fairly, reasonably, within its powers and in accordance with the process set out in the act. If Council has done so, then the Board should dismiss any appeal and leave City Council's policy choices in place even if they are not the policy choices the board itself would have made.

Excerpt From OMB case of *Re City of Guelph Development Charges By-law* (1999) 39 O.M.B.D. 444

- ❑ In general, the basis for dismissal was that the OMB should not substitute its own policy for the Boards policy if it feels the Boards acted fairly, reasonable and within their own powers.
- ❑ However, the OMB went further in its decision and also commented on the application of jurisdiction wide bylaws compared with area specific bylaws and stated that, *“the Board finds the jurisdiction wide approach herein, to be fair, reasonable and in the public interest.”*
- ❑ The Board also commented that the JW EDC bylaw provides the Boards with flexibility which allows for better accommodation planning.

Summary Of Divisional Court Decision

- ❑ The Town of Collingwood was seeking leave from Divisional Court to appeal the OMB decision.
- ❑ The Divisional Court could only grant leave with regard to an OMB appeal in dealing with questions of law.
- ❑ The Divisional Court did not grant leave.

“The Town has not satisfied me that leave should be granted, as there is not good reason to doubt the correctness of the Board’s determination of any matter of law.”

Proposed Area Specific Analysis

- ❑ To provide the Boards with additional information, staff has asked their consultant to prepare an area specific EDC calculation.
- ❑ Analysis will use the North and South/Central Combined approach and boundaries from the 2003 EDC Study;
 - Consistent with the historical approach (except reserve fund application – Surplus v. Deficit).
- ❖ Reserve Fund Analysis will be based on actual historical revenues and expenditures by municipality/area.

Preliminary Sensitivity Analysis*

- Using Proposed EDC Based On 2003 % Spreads:
 - A South/Central Area Specific Charge Could Be Between 50-60% Of The Proposed JW Residential Charge (i.e Proposed JW Charge = \$5,064 & AS for Central/South = \$7,777) Or Approximately 342% higher than the existing 2013 EDC of \$1,759.

*N.B – This is a rough and preliminary analysis to provide an early approximation of what area specific EDC rates may look like.

Preliminary Sensitivity Analysis*

□ Preliminary Expenditure Analysis:

A South/Central Area Specific Residential Charge Could Be Approximately 30% Higher Than The JW Residential Charge and the North Area Specific Charge Could Be Approximately 50% Of The JW Residential Charge.

AREA	PROPOSED AREA SPECIFIC	PROPOSED JURISDICTION WIDE	% CHANGE	EXISTING JURISDICTION WIDE	% CHANGE
SCDSB					
NORTH	\$ 1,624	\$ 3,592	-55%	\$ 1,311	24%
CENTRAL/SOUTH	\$ 4,568	\$ 3,592	27%	\$ 1,311	248%
SMCDSB					
NORTH	\$ 581	\$ 1,472	-61%	\$ 448	30%
CENTRAL/SOUTH	\$ 1,872	\$ 1,472	27%	\$ 448	318%
COMBINED					
NORTH	\$ 2,206	\$ 5,064	-56%	\$ 1,759	25%
CENTRAL/SOUTH	\$ 6,440	\$ 5,064	27%	\$ 1,759	266%

*N.B – This is a rough and preliminary analysis to provide an early approximation of what area specific EDC rates may look like.

The Proposed Charge - SCDSB

Determination of Total Growth-Related Net Education Land Costs			
Total:	Education Land Costs	\$	359,575,147
Add:	EDC Financial Obligations	\$	3,599,955
Subtotal:	Net Education Land Costs	\$	363,175,102
Add:	EDC Study Costs	\$	450,000
Total:	Growth-Related Net Education Land Costs	\$	363,625,102
Non-Residential Development Allocation			
		10%	\$ 36,362,510
Residential Development Allocation			
		90%	\$ 327,262,592
Residential Growth-Related Net Education Land Costs			\$ 327,262,592
Net New Dwelling Units			91,121
Uniform Residential EDC per Dwelling Unit			\$ 3,592
Non-Residential Growth-Related Net Education Land Costs			\$ 36,362,510
GFA Method:	Non-Exempt Board-Determined GFA		37,379,541
	Non-Residential EDC per Square Foot of GFA		\$ 0.97

The Proposed Charge - SMCD SB

Determination of Total Growth-Related Net Education Land Costs			
Total:	Education Land Costs	\$	138,993,426
Add:	EDC Financial Obligations	\$	9,555,147
Subtotal:	Net Education Land Costs	\$	148,548,573
Add:	EDC Study Costs	\$	450,000
Total:	Growth-Related Net Education Land Costs	\$	148,998,573
Non-Residential Development Allocation			
		10%	\$ 14,899,857
Residential Development Allocation			
		90%	\$ 134,098,715
Residential Growth-Related Net Education Land Costs			\$ 134,098,715
Net New Dwelling Units			91,121
Uniform Residential EDC per Dwelling Unit			\$ 1,472
Non-Residential Growth-Related Net Education Land Costs			\$ 14,899,857
	Non-Exempt Board-Determined GFA		37,379,541
GFA Method:	Non-Residential EDC per Square Foot of GFA		\$ 0.40

Existing Municipal/County DCs

SIMCOE COUNTY MUNICIPAL DCs (Low Density)		
Simcoe County DC	\$ 8,983	-
Adjala-Tosorontio	\$ 7,666	-
Bradford West Gwillimbury	\$25,106	- \$ 67,381
Clearview	\$ 6,263	- \$ 22,975
Collingwood	\$13,069	- \$ 23,357
Essa	\$11,574	- \$ 19,295
Innisfil	\$29,104	- \$ 34,397
Midland	\$12,322	- \$ 16,114
New Tecumseth	\$37,339	-
Oro-Medonte	\$ 7,081	-
Penetanguishene	\$ 6,395	- \$ 13,457
Ramara	\$ 6,042	- \$ 29,934
Severn	\$ 6,073	- \$ 19,572
Springwater	\$10,530	- \$20,000+
Tay	\$ 6,309	- \$ 17,212
Tiny	\$ 4,017	-
Wasaga Beach	\$20,192	-
Orillia	\$17,708	-
Barrie	\$40,201	- \$ 45,627

Process Since May 1st & Next Steps

- Await Ministry Approvals After Provincial Election – Will Determine Future Meeting/Notice and Bylaw Renewal Consideration Dates.
- Area Specific Analysis
- Additional Stakeholder Meetings
- Continued/Additional Feedback
- Staff Recommendations/Staff Reports
- Consider Passage Of Proposed New EDC Bylaw – FALL 2018