Steering Committee Meeting #5

Development Charge & Impost Fee Background Study

Summary Notes

Steering Committee Meeting #5 was held on May 7th, 2014 in the Councillor’s Lounge, City Hall. The following briefly summarizes the discussions at this Meeting.

Attendees: Andrew Grunda (Watson & Associates), Peter Simcisko (Watson & Associates), Gerard Hunt (City) George Wallace (City), Desiree Kennedy (City), Jim Keech (UK), Jim Miller (UK), Randy Murphy (UK), Mark Van Buren (City), Lanie Hurdle (City), Sheila Kidd (City), Patricia Enright (City), Neal Ritchie (KHBA), Jordan Van Leuken (KHBA), Doug Haight (KCA), Harry Sullivan (KCA), David Trousdale (Homestead), Jeff Garrah (KEDCO)

Regrets: Lana Foulds (City), Cherie Mills (City), Terry Willing (City), Alf Hendry (Homestead), Christian Hugget and Bernard Luttmer (Podium Developments)

DC/Impost Fee Review Process

The City’s CAO, Gerard Hunt, addressed the Steering Committee to open the meeting. His opening remarks noted the following:

ý The objective of the DC/Impost Review is to get the best product possible as we build our community;
ý This is not a “we versus them” approach – the City needs the input from the industry and appreciates the requests for clarification;
ý Without the identified services and infrastructure, we won’t have growth;
ý The preliminary costs being put forward are a better product than the last and the review process improves each time;
ý He was glad to see the ownership of and participation in the review process on the part of City staff and complimented Watson & Associates on the job they are doing managing the process;
ý While the industry presence around the table represents the residential sector, the commercial and industrial sectors are important as well and the identified servicing/infrastructure needs to accommodate growth in those sectors;
ý Council’s endorsement of the existing urban boundary is also important - development outside of the urban boundary would be more costly than the preliminary calculations that have been presented;
ý The City is committed to transparency and will continue to provide year end summaries that will get better year to year;
ý The June Report on the DC/Impost Reserves will be in line with what was agreed to and will be based on the input received from the industry;
ý The City does need some latitude and flexibility in administering the funds and maintaining separate DC and Impost By-laws is an example in that regard;
ý He concluded that the review process is a team effort, not “we versus them” and encouraged a spirit of cooperation as work on the new By-laws proceeds.
Revised Capital Needs and Preliminary Development Charge & Impost Fee Calculations

Revised Service Standard and Capital sheets were distributed at the meeting. The revisions were made as a result of the various submissions from developers and subsequent review by City staff and Watson & Associates. The Fee comparison table presented revised DC/Impost charges and compared the revised charges to both the current charges and those presented at the last Steering Committee meeting.

Watson & Associates reviewed the updated tables and explained how the revisions impacted the preliminary charges for the various services. Watson noted that the changes resulted in a reduction in the overall charges (DC and Impost) for a single-detached dwelling of almost $2,000 ($21,795 to $19,811) from the calculations initially presented to the Steering Committee. It was also indicated that the overall non-residential charge (DC and Impost) also decreased by $1.44 per square foot ($15.56 to $14.12) compared with the initial calculations presented to the Steering Committee.

There were no questions or comments respecting the updated tables or the revised DC/Impost calculations.

Consolidated City Response to Submissions

The City’s consolidated responses to the submissions from Altus Group, Kingston Construction Association (KCA), Kingston Home Builders Association (KHBA) and Homestead Land Holdings Limited were attached to the agenda as Appendix A-1 to A-7. The submissions were attached to the Agenda as Appendix B to F.

Watson & Associates reviewed the City’s response to the various submissions. During the discussions, the following questions, issues, concerns were raised:

- At the outset of the discussions the KHBA thanked the City and Watson & Associates for the detailed responses. They noted that since they only received the responses Tuesday morning they were still in the process of reviewing the responses and that they would be providing a written response as soon as they could;
- Response to Question 2, Altus Group – KCA noted that the project cost includes the flow reversal to the Cataraqui Bay Plant and questioned if that resulted in a Post Period Benefit (PPB) at Ravensview. In response, it was confirmed that the PPB is now shown for the Ravensview Project;
- Response to Question 6, Altus Group – it was noted that further review of the PPB for the 2nd component of this watermain Project will be presented at a future meeting;
- Response to Question 15, Altus Group – it was noted that financial statements for 2009-2013 can be provided, if requested;
- Response to Question 2, KCA April 17th Letter – KCA noted that they have not had the opportunity for a full review of the numbers presented in the second bullet respecting the increased costs for materials. It was indicated, based on experience with their own
projects, that their numbers were substantially different. As examples, they noted that: the cost for HLI asphalt had increased 53% compared to the City’s number of 82%; medium duty binder had increased 18% compared to the City’s 175%; granulars had decreased 36% for granular A and 43% for granular B compared to the City’s 30% increase; and earth excavation had decreased 12% compared to the City’s increase of 69%. City staff noted that the cited costs are tracked on a regular basis, are based on recent projects, and are used to generally inform the per metre cost of road construction. KCA requested that the City re-check the quoted numbers. Staff agreed to re-check the numbers and provide more information for the next Steering Committee Meeting;

- Response to Question 20 (Roads), KHBA April 17th Letter – it was noted that the City could provide the vehicle inventory and that it would be at the discretion of the City whether or not to divulge information about any vehicles driven home as this issue does not really relate to the DC Review;

- Response to Question 2 (Water), KHBA April 17th Letter – it was confirmed that even if the Master Plan Study was included under Administrative Studies the 10% deduction would not be applicable;

- Response to Question 11 (Water), KHBA April 17th Letter – it was noted that further review of the PPB for the 2nd component of this Project will be presented at a future meeting;

- Response to Question 19 (Sewer), KHBA April 17th Letter – KHBA advised “SMO” should have been “SMP” (i.e. Sewer Mater Plan);

- Response to Questions 2 & 3 (Parks), KHBA April 17th Letter – KHBA noted that the upgrades to Third Avenue and Victoria Parks were necessitated by intensification and questioned why the upgrades were not being paid for by the 5% cash-in-lieu of parkland dedication that would be applicable to intensification projects. In response, staff advised that the 5% parkland dedication is to be used for the acquisition of parkland and DC funds cannot be used for land acquisition. Therefore, the growth related costs for upgrading the parks is included in the DC. Staff agreed to provide information on the parklands that have been recently acquired by the City through the parkland reserve fund;

- Response to Question 1 (Library), KHBA April 17th Letter – KHBA thanked staff for the detailed response to this question but indicated that they do not have any comparable information for previous years. Staff agreed to provide historical information for past years;

- Transportation Master Plan Update – KHBA inquired as to the timing of the Update. Staff advised that an open house will be held in late June, 2014 and the presentation to Council will be in late September;

- At the conclusion of the discussions the KCA thanked the City and Watson & Associates for the detailed responses and noted that they were still reviewing the responses and would be providing a written response as soon as they could;

- KHBA requested an electronic version of the Revised Service Standard and Capital sheets
that had been distributed at the meeting. Staff indicated that it would be forwarded as soon as possible.

Summary Notes – Steering Committee Meeting #4

The Summary Notes were attached to the Agenda as Appendix G. There were no comments or requested revisions respecting the Summary Notes for Steering Committee Meeting #4.

Other Business

There were no items identified.

Next Steering Committee Meeting

The next Steering Committee Meeting is scheduled for Wednesday, May 21st, 2014 at 10:00 a.m. in the Loyalist Room, City Hall.