



Staff Report for Budget Committee of the Whole Meeting

Date of Meeting: June 26, 2019

Report Number: SRCFS.19.032

Department: Corporate and Financial Services

Division: Financial Services

Subject: SRCFS.19.032 - 2018 Development Charges, Cash in Lieu of Parkland and Section 37 Community Benefits Reserve Funds Statement

Purpose:

To present the City of Richmond Hill's 2018 Development Charges, Cash in Lieu of Parkland and Section 37 Community Benefits Reserve Funds Statement, in accordance with the legislative requirements provided in the Development Charges Act, 1997 and the Planning Act.

Recommendation(s):

- a) That Council receive staff report SRCFS.19.032 for information purposes; and
- b) That the 2018 Development Charges, Cash in Lieu of Parkland and Section 37 Community Benefits Reserve Funds Statement be made available to the public on the City of Richmond Hill website as outlined in the report.

Contact Person:

David Dexter, Director, Financial Services & Treasurer, Corporate & Financial Services, Extension 2484

Ilan Treiger, Financial Management Advisor, Long Range Financial Planning & Policy, Extension 2415

Report Approval:

Submitted by: Mary-Anne Dempster, Commissioner of Corporate and Financial Services

Approved by: Neil Garbe, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner and City Manager. Details of the reports approval are attached.

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Background:

In March 1998, the provincial government enacted the Development Charges Act, 1997, (DCA) which revised existing development charges legislation. Section 43 of the DCA, 1997 and O. Reg. 82.98 outline specific reporting requirements for Development Charges Reserve Funds.

On December 3, 2015 the Province enacted Bill 73, “Smart Growth for Our Communities Act, 2015” which, among other matters, made amendments to the reporting requirements previously outlined in Section 43 of the DCA, and Section 42 of the Planning Act. The amended legislation came into effect for the Development Charges Act on January 1, 2016 and on July 1, 2016 for the Planning Act.

Following each year, the Treasurer of the municipality is required to provide Council with a financial statement relating to established development charge By-laws and reserve funds. As a result of *Bill 73, the amended legislation* requires that the contents of the financial reporting be expanded to include additional details on:

- the use and sources of the funds and a statement as to the municipality’s compliance in not imposing, directly or indirectly, a charge related to development, except as permitted by the *DCA*
- detailed reporting of Cash in Lieu of Parkland (Planning Act S.42(6)) received from development and how the funds are spent
- detailed reporting on bonus density contributions (Planning Act S.37) received from development and how these funds are spent

This report compiled the 2018 Development Charges, Cash in Lieu of Parkland and S.37 Community Benefits Reserve Funds Statement information. Development Charges, Cash in Lieu of Parkland and S.37 Community Benefits Reserve Fund balances are not discretionary reserve funds of the City. These funds may be spent only for capital costs determined within the regulations of the *Development Charges Act, 1997 and Planning Act* as amended.

Financial/Staffing/Other Implications:

Attachment 2A identifies the capital projects funded from Development Charges and Cash in Lieu of Parkland Reserve Funds, other funding sources associated with these projects as well as the amounts returned to these reserve funds as a result of capital projects closed or budget reductions.

Development Charges Reserve Funds

The Development Charges Reserve Fund balances have decreased by \$0.89 million, from an opening balance of \$44.18 million to a closing balance of \$43.29 million. During 2018, the City funded \$21.21 million capital projects from Development Charges

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Reserve Funds and collected \$19.10 million. Attachment 2A contains the details of the various projects funded by the Development Charges Reserve Funds, as well as, projects that were funded by Development Charges in previous years but were closed during 2018 with the surplus funds being returned to the Development Charges Reserve Funds.

Summary Table A - Development Charge Reserve Fund Activity for 2017 and 2018

City of Richmond Hill			
Development Charge Reserve Fund Activity	2018 \$(millions)	2017 \$(millions)	Difference
Beginning Balance	\$44.18	\$51.61	(\$7.43)
Add:			
DC Revenues	\$19.10	\$10.15	\$8.95
Interest Income	\$1.22	\$0.83	\$0.59
Total Revenues	\$20.32	\$10.98	\$9.34
Less:			
DC Funds Allocated to Capital Projects	\$21.21	\$20.32	\$0.89
DC Funds Returned from Capital Projects	\$0.00	(\$1.92)	\$1.92
Total Expenditures	\$21.21	\$18.41	\$2.81
Ending Balance	\$43.29	\$44.18	(\$0.89)

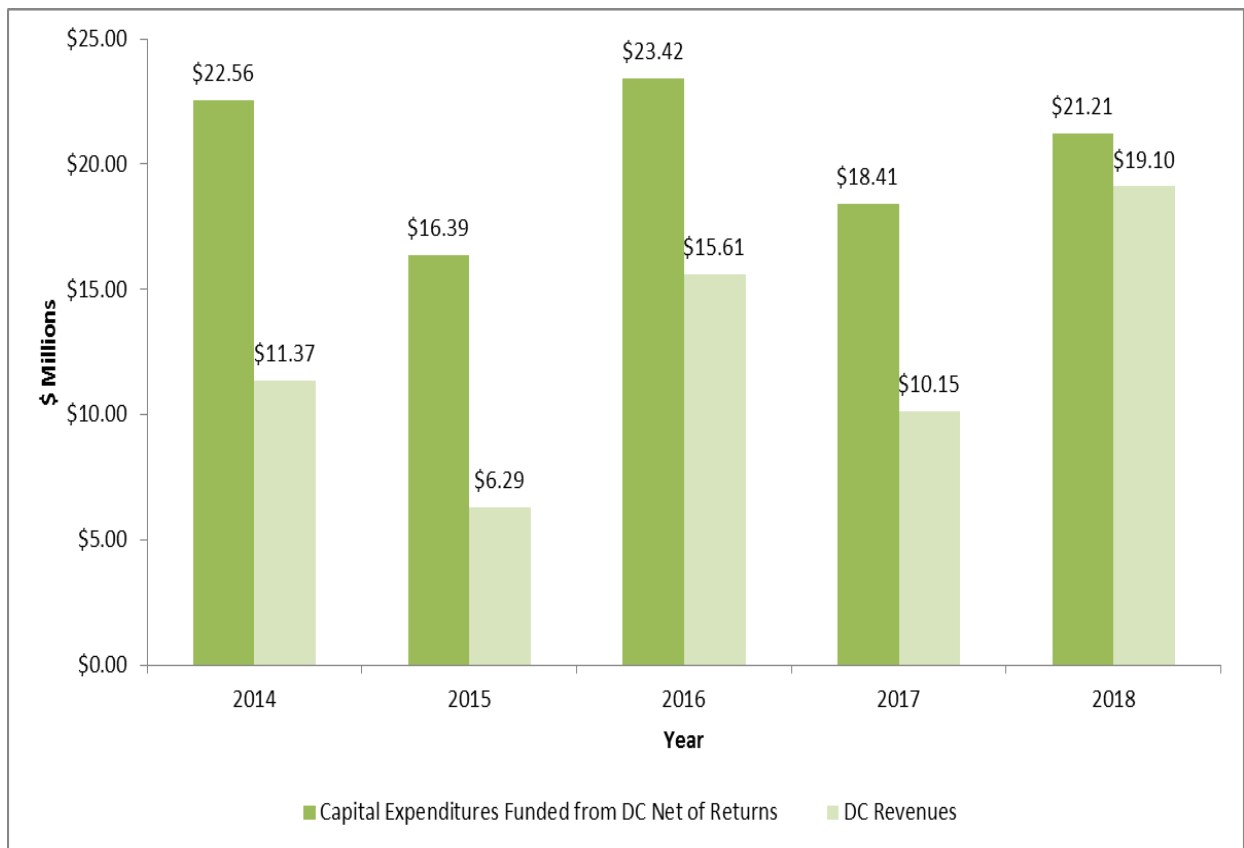
As shown in the graph below, the collections of Development Charges from 2014 to 2018 total \$62.57 million. The expenditures towards Capital projects over the 5 year period amounted to \$101.99 million. Over the last 4 years there has been a trend of funding projects through the reserves from the previous years where collections were greater than expenditures. The timing difference between when development charges are collected and spent will always exist but over extended timeline, it should be net neutral gain. The substantial expenditures over the past few years are related to funding of significant ongoing facility and park projects: David Dunlop Park, Ed Sackfield Arena, Operations Centre Expansion Design, Duke of Richmond North Trail and Park, Richmond Green Sports Field, Lake Wilcox Park, and land acquisitions. Staff will continue to monitor reserve levels and associated expenditures during the annual budget process to ensure the long term financial sustainability of these reserves.

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Attachment 2B shows the Development Charge credits which were outstanding at the beginning of the year, granted during the year, utilized during the year and the balance remaining at the end of 2018.

A full description of all the Development Charges Reserve Funds is provided in Table 1.

2014-2018 Development Charges Revenues and Expenditures Comparison



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Cash in Lieu of Parkland Reserve Fund

The 2018 ending balance in the Cash-in-Lieu reserve fund is \$30.73 million and reflects a decrease of \$19.04 million from 2017. The City collected \$3.63 million of Cash-in-Lieu of parkland payments and funded \$23.52 million of capital expenditure in 2018. Nearly 70% of the Cash-in-Lieu collected were due to the high density development in Ward 6. \$14.89 million was used to fund land acquisition and \$8.06 million funded projects such as David Dunlop Observatory Park and Bradstock Park Revitalization. Attachment 2A contains the details of the various projects funded by the Cash-in-Lieu of Parkland Reserve Funds.

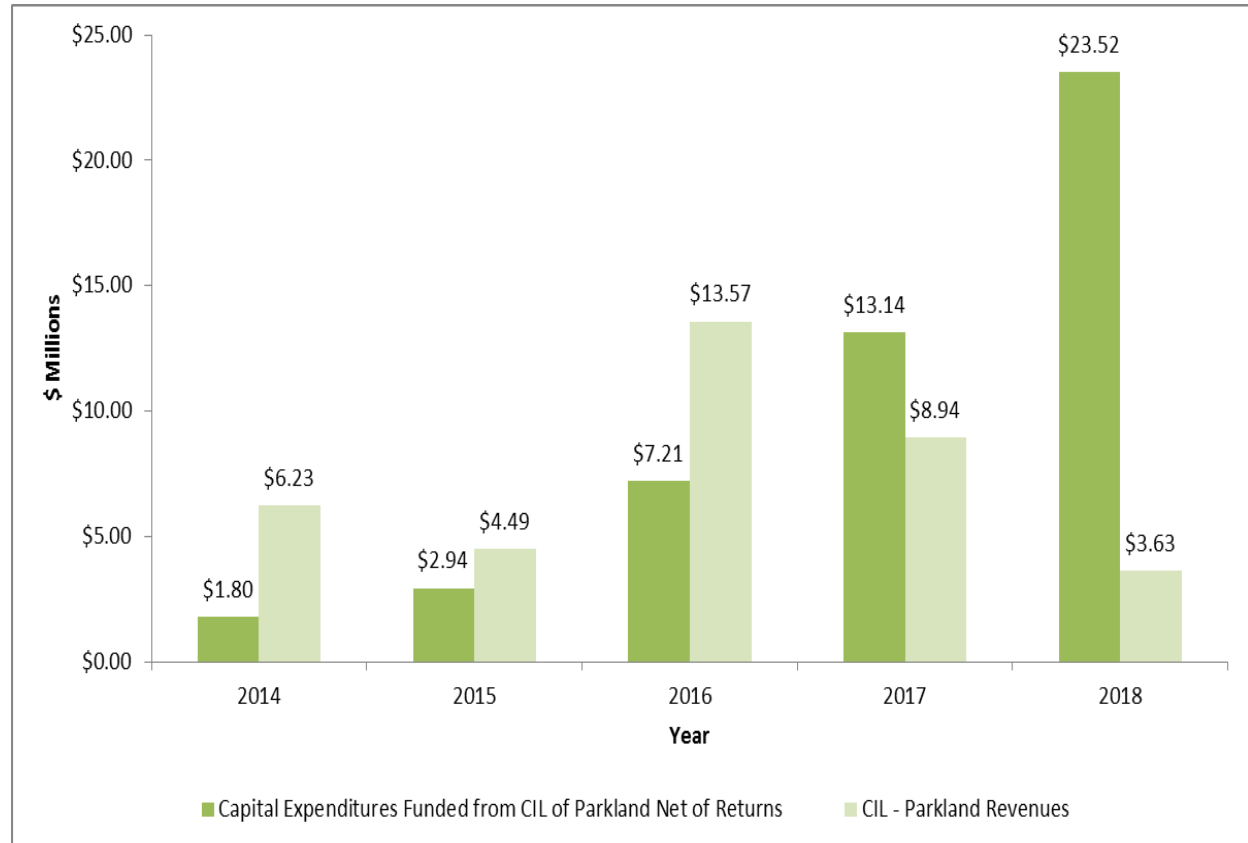
Summary Table B – CIL of Parkland Reserve Fund Activity for 2017 and 2018

City of Richmond Hill			
CIL - Parkland Reserve Fund Activity	2018 \$(millions)	2017 \$(millions)	Difference
Beginning Balance	\$49.77	\$53.22	(\$3.45)
Add:			
CIL - Parkland Revenues	\$3.63	\$8.94	(\$5.31)
Interest Income	\$0.85	\$0.74	\$0.11
Total Revenues	\$4.48	\$9.68	(\$5.2)
Less:			
CIL - Parkland Funds Allocated to Capital Projects and Acquisitions	\$23.52	\$13.50	\$10.02
CIL - Parkland Funds Returned from Capital Projects	\$0.00	(\$0.36)	\$0.36
Total Expenditures	\$23.52	\$13.14	\$10.38
Ending Balance	\$30.73	\$49.77	(\$19.04)

As shown in the graph below, the revenues collected for Cash-in-lieu of Parkland from 2014 to 2018 totaled \$36.86 million. The expenditures towards Capital projects over the 5 year period amounted to \$48.61 million.

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2014-2018 CIL of Parkland Revenues and Expenditures Comparison



S.37 Community Benefits Reserve Fund

The Section 37 Community Benefits Reserve Fund was reported in accordance with section 37 of the Planning Act. These funds enable the City to provide community benefits including facilities and services, when increases in development height and density are approved by Council. There are no cash contributions into the reserve fund to date, however there are outstanding commitments from developers to contribute community benefits towards City capital projects.

Relationship to the Strategic Plan:

Presentation of the Development Charges, Cash in Lieu of Parkland and S.37 Community Benefits Reserves Fund Statement demonstrates wise management of resources in Richmond Hill.

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Conclusion:

The attached tables comprise the Treasurer's Statement on the Development Charges, Cash in Lieu of Parkland and S.37 Community Benefits Reserve Funds for 2018. The Treasurer's Statement is provided pursuant to the reporting requirements of the *Development Charges Act, 1997*, the City's Development Charges By-laws and Planning Act as amended.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format, please call contact person listed in this document.

- Table 1 - Development Charges, Cash in Lieu of Parkland and Section 37 Community Benefits Reserve Funds
- Table 2 - Annual Treasurer's Statement of Development Charges, Cash in Lieu of Parkland and S.37 Community Benefits Reserve Funds as at December 31, 2018
- Attachment 2A - Amounts Transferred to Capital (Other) Funds
- Attachment 2B - Statement of ASDC Credit Carry Forward

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Report Approval Details

Document Title:	SRCFS.19.032 2018 Treasurer's Statement Development Charges Cash in Lieu of Parkland and S 37 Community Benefits.docx
Attachments:	- SRCFS.19.032 Table 1.pdf - SRCFS.19.032 Table 2.pdf - SRCFS.19.032 Table 2a.pdf - SRCFS.19.032 Table 2b.pdf
Final Approval Date:	Jun 12, 2019

This report and all of its attachments were approved and signed as outlined below:

David Dexter - Jun 12, 2019 - 1:30 PM

MaryAnne Dempster - Jun 12, 2019 - 3:38 PM

Neil Garbe - Jun 12, 2019 - 4:05 PM

Table 1**Development Charges, Cash in Lieu of Parkland and Section 37 Community Benefits Reserve Funds**

Type	Name	By-law	Account #
Area Specific	19th Avenue	170-99	053-202260 General
Area Specific	19th Avenue	170-99	053-202270 Boundary Roads
Area Specific	19th Avenue	170-99	053-202290 Consulting
Area Specific	Bayview Northeast	30-16	053-202440 General
Area Specific	Bayview Northeast	30-16	053-202450 Boundary Roads
Area Specific	Bayview Northwest	146-04	053-202300 General
Area Specific	Bayview Northwest	146-04	053-202310 Boundary Roads
Area Specific	Bayview Northwest	146-04	053-202330 Consulting
Area Specific	Elgin West	53-14	053-202190 General
Area Specific	Elgin West	53-14	053-202200 Boundary Roads
Area Specific	Elgin West	53-14	053-202220 Consulting
Area Specific	Headford Excluding Storm	32-16	053-202480 General
Area Specific	Headford Excluding Storm	32-16	053-202490 Boundary Roads
Area Specific	Headford Excluding Storm	32-16	053-202500 Consulting
Area Specific	Headford North of Rouge-Storm Drainage	54-14	053-202510 General
Area Specific	North Leslie (East)	34-16	053-202360 General
Area Specific	North Leslie (East)	34-16	053-202370 Boundary Roads
Area Specific	North Leslie (East)	34-16	053-202390 Consulting
Area Specific	North Leslie West	33-16	053-202400 General
Area Specific	North Leslie West	33-16	053-202420 Boundary Roads
Area Specific	North Leslie West	33-16	053-202430 Consulting
Area Specific	Oak Ridges Lake Wilcox - Bond Crescent	67-09	053-202800 General
Area Specific	Oak Ridges Lake Wilcox - Douglas Road	68-09	053-202840 General
Area Specific	Oak Ridges Lake Wilcox - Greenfield	57-14	053-202770 General
Area Specific	Oak Ridges Lake Wilcox - Greenfield	57-14	053-202780 Consulting
Area Specific	Oak Ridges Lake Wilcox - Overall	56-14	053-202730 General
Area Specific	Oak Ridges Lake Wilcox - Overall	56-14	053-202740 Boundary Roads
Area Specific	Oak Ridges Lake Wilcox - Overall	56-14	053-202750 Roads
Area Specific	Oak Ridges Lake Wilcox - Overall	56-14	053-202760 Consulting
Area Specific	Oak Ridges Lake Wilcox - Valleyland	269-97	053-202710 General
Area Specific	Observatory Lane	62-09	053-202520 General
Area Specific	Observatory Lane	62-09	053-202530 Boundary Roads
Area Specific	Urban Fringe East	55-14	053-202600 General
Area Specific	Urban Fringe East	55-14	053-202610 Boundary Roads
Area Specific	Urban Fringe East	55-14	053-202630 Consulting
Area Specific	Urban Fringe West	315-95	053-202640 General
Area Specific	West Gormley	35-16	053-202900 General
Area Specific	Yonge Crosby General	63-09	053-202560 General
Area Specific	Yonge Crosby General	63-09	053-202590 Consulting
Development Charges	Fire Service	71-16	053-202040 Fire Services
Development Charges	General Government	71-16	053-202070 General Government
Development Charges	Indoor Recreation	71-16	053-202010 Indoor Recreation
Development Charges	Library Service	71-16	053-202060 Library Services
Development Charges	Parks Development & Facilities	71-16	053-202020 Parks Development & Facilities

Development Charges	Public Works Yard & Fleet	71-16	053-202080 Public Works - Yard & Fleet
Development Charges	City Wide Engineering	71-16	053-202090 City Wide Engineering
Cash-in-Lieu	Cash-in-Lieu of Parkland	58-13	053-101050
Section 37	Section 37 Community Benefits	84-13	053-404560

Table 2
Municipality of Richmond Hill
2018 Annual Treasurer's Statement of Development Charges, Cash-in-Lieu of Parkland and Section 37 Community Benefit Reserve Funds

Description	Services to which the Development Charge Relates											Cash in lieu of Parkland Reserve Fund	Section 37 Community Benefits
	Non-Discounted Services						Discounted Services						
	Services Related to a Highway/Road	Water	Wastewater	Storm Water	Fire Services	Public Works	Indoor Recreation	Outdoor Recreation	Library Services	General Administration	TOTAL		
Opening Balance, January 1, 2018	38,082,098	1,414,269	662,752	5,358,562	(1,993,750)	2,690,776	5,371,563	(3,964,277)	(1,347,422)	(2,093,315)	44,181,256	49,773,645	-
Plus:													
Collections	8,926,659	133,124	133,212	636,725	445,388	835,592	3,819,150	2,893,411	990,637	287,316	19,101,213	3,627,107	-
Accrued Interest	818,550	35,742	18,313	136,351	-	62,474	152,066	-	-	-	1,223,496	850,305	-
Reduction of Funding as a Result of Capital Close ¹	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Monies Borrowed from Fund and Associated Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	\$ 9,745,209	\$ 168,867	\$ 151,524	\$ 773,075	\$ 445,388	\$ 898,067	\$ 3,971,216	\$ 2,893,411	\$ 990,637	\$ 287,316	\$ 20,324,710	\$ 4,477,412	\$ -
Less:													
Amount Transferred to Capital (or Other) Funds ¹	13,545,629	-	176,958	80,884	210,000	365,000	75,800	4,132,700	1,361,430	1,264,260	21,212,661	23,523,954	-
Amounts Refunded	-	-	-	-	-	-	-	-	-	-	-	-	-
Amounts Loaned to Other DC Service Category for Interim Financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Credits	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	\$ 13,545,629	\$ -	\$ 176,958	\$ 80,884	\$ 210,000	\$ 365,000	\$ 75,800	\$ 4,132,700	\$ 1,361,430	\$ 1,264,260	\$ 21,212,661	\$ 23,523,954	\$ -
Closing Balance, December 31, 2018	\$ 34,281,678	\$ 1,583,136	\$ 637,318	\$ 6,050,753	\$ (1,758,361)	\$ 3,223,843	\$ 9,266,978	\$ (5,203,566)	\$ (1,718,215)	\$ (3,070,259)	\$ 43,293,305	\$ 30,727,103	\$ -

¹ See Attachment 2A for details

The Municipality is compliant with s.s. 59.1 (1) of the *Development Charges Act*, whereby charges are not directly or indirectly imposed on development nor has a requirement to construct a service related to development been imposed, except as permitted by the *Development Charges Act* or another Act.

**Attachment 2A
Municipality of Richmond Hill
Amounts Transferred to Capital (or Other) Funds - Capital Fund Transactions**

Capital Fund Transactions	Total Gross Capital Cost	DC Recoverable Cost Share					Non-DC Recoverable Cost Share					
		DC By-Law Period		Post DC By-Law Period			2018 Cash -in Lieu of Parkland	Section 37 Community Benefits	2018 Other Reserve/Reserve Fund	2018 Tax Supported Operating Fund Contributions	2018 Rate Supported Operating Fund Contributions	2018 Grants, Subsidies Other Contributions
		2018 DC Reserve Fund Draw	2018 Reduction of funding as a result of Capital Close	Grants, Subsidies Other Contributions	Post-Period Benefit/Capacity Interim Financing	Grants, Subsidies Other Contributions						
Services Related to a Road												
Addison Extension EA	200,000	200,000										
Elgin Mills Grade Separation Preliminary Engineering Study	200,000	200,000										
Smart Commute	50,000	50,000										
Viva Next YRT Yonge Street	4,565,980	780,621										
Red Maple Road	120,000	120,000									3,785,359	
Archeological Assessem. Bethesda	10,000	10,000										
High Tech Study	14,000	14,000										
Railway Crossing Grade	211,520	119,850				91,670						
Leslie St. - Elgin Mills Road E to 19th Ave (Regional) - Sidewalk & Trails	559,800	447,800							112,000			
Great Lands (Yonge 16th) - City Contribution	(216,500)	(216,500)										
Sub-Total - Services Related to Roads	5,714,800	1,725,771				91,670			112,000		3,785,359	
Services Related to Storm Water												
Flood Remediation - Project	1,831,100	897,700										483,400
Sub-Total - Services Related to Storm	1,831,100	897,700										483,400
Fire Services												
Training Tower Prop	210,000	210,000										
Sub-Total - Fire	210,000	210,000										
Public Works												
Articulated Sidewalk Tractors (2)	320,000	320,000										
Vehicle for Maint Repair Perso	45,000	45,000										
Sub-Total - Public Works	365,000	365,000										
Indoor Recreation												
Sub-Total - Indoor Recreation	-	-										
Outdoor Recreation												
DDO Park Early Priorities	1,608,000	1,447,200					160,800					
Briggs Parkette	39,200	18,000										21,200
Lake Wilcox Boardwalk	1,843,000	1,658,700										184,300
TransRichmond Trail-Gamble Gle	470,000	359,500										110,500
David Hamilton / Ed Sackville, Brandstock Park - Parks Opening	17,240	7,740										4,300
Parks Furniture - 2018	25,000	22,500										2,500
Parks M&E - Large Walkbehind sand sifter	30,000	27,000										3,000
Parks M&E - Dual Stream Refuse Collection Vehicle	130,000	117,000										13,000
Sub-Total - Outdoor Recreation	4,362,400	3,657,640					499,600				65,160	

**Attachment 2A
Municipality of Richmond Hill
Amounts Transferred to Capital (or Other) Funds - Capital Fund Transactions**

Capital Fund Transactions	Total Gross Capital Cost	DC Recoverable Cost Share					Non-DC Recoverable Cost Share					
		DC By-Law Period		Post DC By-Law Period			2018 Cash -in Li of Parkland	Section 37 Community Benefits	2018 Other Reserve/Resee Fund	2018 Tax Supported Operating Fund Contributions	2018 Rate Supported Operating Fund Contributions	2018 Grants, Subsidies Other Contributions
		2018 DC Reserve Fund Draw	2018 Reductio of funding as a result of Capital Clos	Grants, Subsidies Other Contributions	Post-Period Benefit/Capaci Interim Financing	Grants, Subsidies Other Contributions						
Library Services												
External Digital Signage RG & RV	140,000	126,000						14,000				
Automated Materials Handling Sortation System RG	230,000	207,000						23,000				
External Digital Signage RG & RV	10,000	9,000						1,000				
Local History Archival Software CO	25,000	22,500						2,500				
Collection Development CO	325,700	293,130						32,570				
Sub-Total - Library Services	730,700	657,630	-	-	-	-	-	59,070	-	-	-	-
Administration (General Government)												
New Comprehensive Zoning By-law	240,800	216,720						24,080				-
Sustainability Metric Study	100,000	90,000						10,000				
Transportation Master Plan	200,000	200,000										
UMESP Master Environmental Service Plan (MESP) Update	200,000	200,000										
DC Background Study	279,900	259,900						20,000				
Land Appraisals	25,000	22,500						2,500				
Sub-Total - Administration (General Government)	1,045,700	989,120										
Civic Precinct - EIS	13,823,100	12,006,000					68,800	84,000	106,800	624,500	933,000	
Civic Precinct - Library	896,900	703,800									193,100	
Sub- Total - Projects funded from multiple Development Charges Reserve Funds	14,720,000	12,709,800	-	-	-	-	68,800	84,000	106,800	624,500	1,126,100	
Projects Funded from CIL of Parkland, no DC												
Land Purchase - 6 Roosevelt	2,188,819						2,188,819					
Land Purchase - 19 Rockwell	2,777,175						2,777,175					
Harding/Lennox Park	200,000						140,000		60,000			
Land Purchase - 100 Centre St.	1,773,728						1,773,728					
Land Purchase - 63 Observatory	5,413,656						5,413,656					
Land Acquisition - 21 Rockwell	2,737,376						2,737,376					
DDO Long Term Rehab (27)	5,745,300						5,745,300					
DDO -SRPRS.16.181	350,000						350,000					
Bradstock Park Revitalization	3,227,000						1,613,500		1,613,500			
Westview Parkette Revitalizati	480,000						216,000		264,000			
Sub- Total - Projects Funded from CIL of Parkland, no DC	24,893,054	-							1,937,500	-	-	
TOTAL:	82,549,521	21,212,661					91,670	-	2,114,660	4,268,759	1,126,100	

Note*: Land appraisals done in 2017 for projects funded in 2018

Attachment 2B
Municipality of Richmond Hill
Statement of Credit Holder Transactions

Credit Holder	Applicable DC Reserve Fund	Credit Balance Outstanding Beginning of Year 2018	Additional Credits Granted During Year	Credits Used by Holder During Year	Indexing	Credit Balance Outstanding End of Year 2018
Barker Business Park - PH2 19T-06005	BL 30-16 Bayview North East	4,431,873	-	(286,056)	136,812	4,282,629
Heathwood Rothbury - 19T-07003	BL 53-14 Elgin West	816,064	-	-	26,930	842,994
Jaycrest Developments (Feldbar) - 19T-85095	BL 53-14 Elgin West	186,102	-	-	6,141	192,243
2179548 Ontario Ltd (Catalia) - D06-03062	BL 52-14 Town Wide	1,512,192	-	-	49,902	1,562,094
Apple Bottom Homes - 19T-13011	BL 56-14 Oak Ridges/Lake Wilcox Overall	47,141	-	(47,141)	-	-
Parker Land Developer - 19T-13004	BL 56-14 Oak Ridges/Lake Wilcox Overall	213,633	-	(108,668)	3,464	108,429
		\$ 7,207,005	\$ -	\$ (441,864)	\$ 223,250	\$ 6,988,391