

Report for Public Consultation

Prepared by Hemson Consulting for the City of Niagara Falls

City of Niagara Falls

Community Benefits Charge Strategy

July 5 2022



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Executive Summary

A. Purpose of 2022 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, however, are 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), parkland dedication, and other public recreation amenity 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.

ii. Legislative Context

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

iii. CBCs Levied on Higher Density Development

A CBC can only be levied against mid to high-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, a building that contains both residential and non-residential uses, can be subject to a CBC if it meets the above 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.

B. CBC Strategy

Subsection 37(32) of the Act prescribes that the maximum permitted CBC that can be levied against any particular development is 4 per cent of land value evaluated on the day before issuance of the building permit. Several key steps must be undertaken in order to levy CBCs including the preparation of a CBC Strategy prior to passing a CBC by-law. Through the Strategy, 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

As set out in the 2019 Development Charges Study, Niagara Falls is anticipated to grow by 1,000 occupied dwellings in buildings that may be subject to a CBC over the ten-year planning period from 2022 to 2031. As set out in Section 3 of *O.Reg. 509/20* the maximum permissible CBC is capped at 4 per cent of land value of the development sites in question. At the 4 per cent cap, a high level estimate of the CBC revenue potential associated with these units ranges from \$1.6 million to \$2.0 million over the ten-year forecast horizon. Additional details regarding the estimated appraised land values per unit and estimated CBC revenues over the planning period are provided in Section 5.

D. CBC Capital Needs Exceed Revenue Forecast

The estimated CBC eligible costs of the development-related capital program total \$26.8 million (see Section 4). Evidently, the CBC eligible costs exceed the anticipated 10-year revenue potential (\$1.6 million - \$2.0 million) under the legislated 4 per cent cap.

E. Application of CBCs

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

1. Introduction

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

A. Background

This City of Niagara Falls 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).

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 others, is provided.

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 July 12th, 2022 following public release of the CBC Strategy. The release of the material and the public meeting will provide the public an opportunity to understand the City's CBC Strategy and proposed by-law and provide the City with written comments and questions. The City will consider all written submissions in advance of finalizing the CBC Strategy and by-law. 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 August 2022.

It is also noted that the City intends to review the CBC Strategy concurrent with the City's next Development Charges (DC) Study, which will be likely be initiated in 2023 prior to the DC By-law expiry in July, 2024.

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

B. Legislative Context and Regulatory Requirements

The CBC section of the Act has replaced what was previously referred to as section 37 "Increased Density" or "Density Bonusing". 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. The new 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.

The new section 37 sets out the relationship between CBCs and other development-related funding tools, including development charges (DCs) levied under the *Development Charges Act*, 1997.

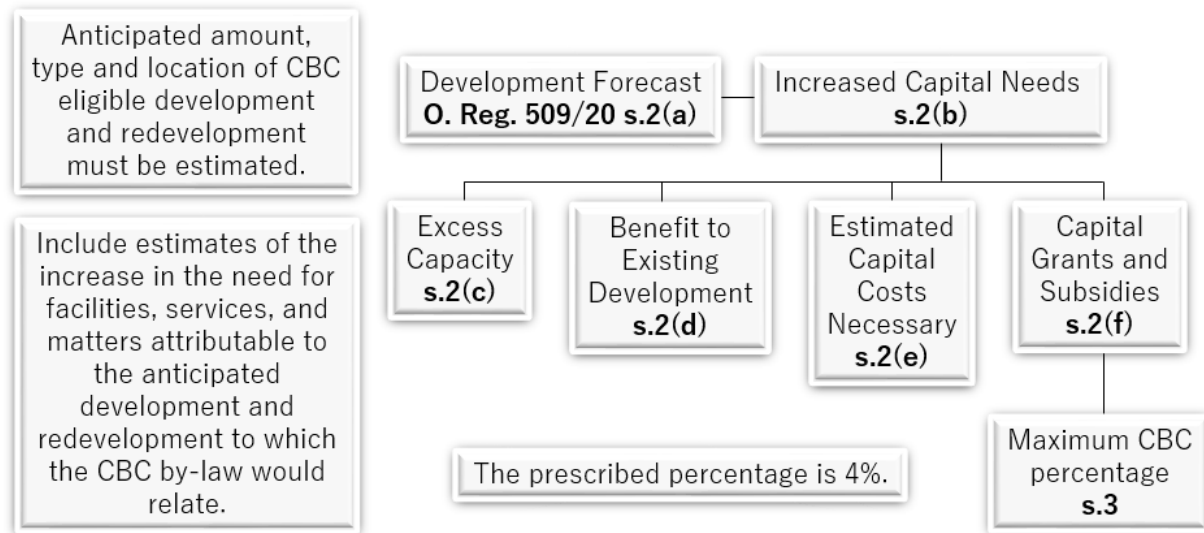
2. Purpose of the 2022 Community Benefits Charge Strategy

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 the CBC Strategy to include various components in order to validate the resulting charge. In the case of the City of Niagara Falls, it is proposed that the charge be levied on the basis of a percentage of land value, with no individual CBC exceeding the legislated maximum of 4 per cent of land value.

Figure 1 Key Steps in Determining CBCs



B. Proposed Methodology and Approach

The CBC legislation does not specify the method by which a CBC is levied. Various options could be applied by a municipality, such as charges based on a per cent of land value, a per-unit charge, or a charge based on gross floor area of development.

Most municipalities that are implementing a CBC have imposed a CBC charge on all development and redevelopment in the municipality based on 4 per cent of land value at the time of first building permit issuance.

The CBC capital program, summarized in the section below and in Section 4 was developed with City staff and relies on previous work completed for the City's capital budget and forecast, the 2019 DC Background Study, various master servicing plans, the City Official Plan, the previous use of section 37 "density bonusing" contributions, and other planning documents.

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. Staff will prioritize CBC project allocation and spending through the annual capital budget process.

The CBC Strategy serves to substantiate levying a 4 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 legislative 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

The gross cost of the CBC capital program of projects eligible for partial or full funding from CBCs is \$55.4 million. Approximately \$28.6 million of this gross capital cost is ineligible for CBC funding over the 2022 – 2031 period, 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.

No grants or subsidies have been identified to cover the gross cost of the program. Replacement or benefit to existing shares removed from the eligible recovery costs total \$12.5 million. Of the remaining \$42.9 million:

- \$26.8 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;
- \$16.1 million, relating to parking, urban amenities, and active transportation, is development-related but not to CBC development occurring during the 2022-2031 period. Funding for these costs will need to be considered in future DC Studies and CBC Strategies, subject to legislative constraints, or secured through other sources.

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

The CBC capital program is summarized in Table 1 below.

TABLE 1

**CITY OF NIAGARA FALLS
SUMMARY OF CBC CAPITAL PROGRAM (\$000)**

Service	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	BTE (\$)	Total Development Related Cost	Potential DC Funded	Remaining Development Related	CBC Share (\$)	Other Funding*
CBC By-Law Reviews & Strategy Updates	\$ 200	\$ -	\$ 200	\$ -	\$ 200	\$ -	\$ 200	\$ 200	\$ -
Parking	\$ 17,500	\$ -	\$ 17,500	\$ 5,833	\$ 11,667	\$ -	\$ 11,667	\$ 5,833	\$ 5,833
Urban Amenities	\$ 17,130	\$ -	\$ 16,630	\$ -	\$ 17,130	\$ -	\$ 17,130	\$ 13,518	\$ 3,612
Public Art, Heritage & Culture	\$ 600	\$ -	\$ 600	\$ -	\$ 600	\$ -	\$ 600	\$ 600	\$ -
Active Transportation	\$ 20,000	\$ -	\$ 20,000	\$ 6,667	\$ 13,333	\$ -	\$ 13,333	\$ 6,667	\$ 6,667
Total Cost	\$55,430	\$0	\$54,930	\$12,500	\$42,930	\$0	\$42,930	\$26,818	\$16,112

* 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. However, unlike DC by-laws, the *Planning 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. Moreover, a single, uniform City-wide charge is most suitable in Niagara Falls as most services included in the CBC capital program are planned for on a City-wide basis.

E. Implementation and Administration

The implementation and administration of the CBC will be determined 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 basis for and results of the development forecast used to determine the potential CBC revenues. The development forecast is based on technical background work prepared in the City's 2019 Development Charges Study.

The forecasts in this section set out the amount, type and location of development to which the CBC applies, in line with the requirements of *O.Reg. 509/20* s.2(a).

A. Proposed 10-Year Planning Horizon

The timeframe for the CBC development forecast and CBC capital program in this Strategy is 2022 – 2031 and is consistent with the City's 10-year capital development forecast.

B. The Growth Forecast is Consistent with the DC Study

The forecast for the CBC Strategy is based on the forecast used in the City's 2019 DC Background Study (DC Study), which is derived from Census Canada and CMHC data.

Based on the City's current development pipeline data, approximately 80 per cent of apartment units over the 2022 to 2031 period are anticipated to meet the CBC criteria; that is, be five or more storeys *and* contain 10 or more residential units. As shown in Table 2, the total forecast of units in the City over the 2022 – 2031 period totals 6,000.

Table 2. Forecast of Occupied Dwellings 2022 – 2031

Year	Single/Semi	Row	Apartment	Total
2022	360	105	125	590
2023	360	105	125	590
2024	360	105	125	590
2025	360	105	125	590
2026	360	105	125	590
2027	380	105	125	610
2028	380	105	125	610
2029	380	105	125	610
2030	380	105	125	610
2031	380	105	125	610
Total 2022-2031	3,700	1,050	1,250	6,000

Table 3 shows that approximately 80 per cent of all future apartment units are forecast to be eligible for the CBC. This assumption was developed with the City's planning staff and is based on historical data. Single detached, semi-detached, and rowhouse unit types are not anticipated to meet the criteria for the CBC.

Table 3. Forecast of CBC-Eligible Units 2022-2031

Year	Single/Semi	Row	Apartment	Total
2022	0	0	100	100
2023	0	0	100	100
2024	0	0	100	100
2025	0	0	100	100
2026	0	0	100	100
2027	0	0	100	100
2028	0	0	100	100
2029	0	0	100	100
2030	0	0	100	100
2031	0	0	100	100
Total 2022-2031	0	0	1,000	1,000

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 (excepting development exempt from CBCs) will be included in the land valuation for a site when determining the CBC.

Table 4 sets out the calculation of persons in new units subject to CBCs as a percentage of persons in all new units. The calculation is based on the average occupancy or “persons per unit” (PPU) assumptions used in the City’s 2019 DC Background Study. The average PPUs for all units are: 3.27 for singles/semis, 2.05 for rowhouses, and 1.55 for apartments. The population in CBC-eligible units as a percentage of the population in all new units is 10 per cent.

Table 4. Population in New Units 2022 – 2031

	Single/Semi	Row	Apartment	Total
Units Subject to CBC	0	0	1,000	1,000
All Units	3,700	1,050	1,250	6,000
PPU Assumptions	3.27	2.05	1.55	
Persons in Units Subject to CBCs	0	0	1,554	1,554
Persons in All Units	12,092	2,153	1,942	16,187
% of Persons in Units Subject to CBCs				10%

C. Excluded Development

O.Reg. 509/20 excludes the following types of development 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 subsection 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 subsection 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.

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 on which CBC funding may be spent.

A. Facilities, Services and Matters Considered

The following facilities, services and matters have been identified in the Strategy as being required, in whole or in part, to meet the increased need for service arising from the CBC-eligible development forecast in Section 3:

- CBC By-Law Reviews & Strategy Updates;
- Parking;
- Urban Amenities;
- Public Art, Heritage and Culture; and
- Active Transportation.

For each service, the City anticipates development-related costs to arise, fully or partially driven by mid to high-density residential and mixed-use development, to which CBCs will apply. 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.

It is noted that the CBC capital program is a point-in-time analysis of the needs anticipated over the 2022-2031 planning period. It is recognized that these needs may change over time through the City's annual budgeting processes. While certain projects, and types of projects, are listed within the CBC capital program, the identified capital project listings within each service do not preclude the City from assigning CBC funds to another facility or project under that service.

1. 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 Costs;
- Identification of any Anticipated Capital Grants, Subsidies or Other Contributions;
- Consideration of Benefit to Existing;
- Relation to funding from DCs (if applicable); and
- Share of Net Capital Costs related to CBC Eligible Developments.

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.

i. CBC By-Law Reviews and Strategy Updates

a) 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 *More Homes for Everyone Act, 2022*. 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.

b) Service Delivery and Service Levels Consideration

Inclusion of the CBC Strategy and implementation and administration of the CBC By-law does not increase the level of service provided to existing residents as this work largely replaces staff time previously spent on administering existing Section 37 density bonusing agreements and, services such as Parking, that are now ineligible for DC funding.

c) 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 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 2022-2031 period, similar needs are anticipated to continue beyond the ten-year planning horizon.

d) Consideration of Excess Capacity

No excess capacity exists for this service.

e) Capital Cost

The gross cost included in the capital program totals \$200,000 over the ten-year planning period.

f) Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

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

g) Consideration of Benefit to Existing

No benefit to existing has been identified as these costs relate entirely to new development that is subject to the CBC.

h) Relation to funding from DCs (if applicable)

No DC funding is available for this service.

i) Share of Net Capital Costs related to CBC Eligible Developments

The entire \$200,000 cost is related to development subject to CBCs.

j) Other Funding

No other funding is applicable for this service.

TABLE 5

CITY OF NIAGARA FALLS
2022 COMMUNITY BENEFITS CHARGE STRATEGY
10 YEAR DEVELOPMENT-RELATED CAPITAL PROGRAM

Project Description	Timing	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	BTE (%)	BTE (\$)	Total Development Related Cost	Potential DC Funded	CBC Share (%)	CBC Share (\$)	Other Funding*
1.0 CBC BY-LAW REVIEWS & STRATEGY UPDATES											
1.1 Community Benefits Strategies Review	Various	\$100,000	\$0	\$100,000	0%	\$0	\$100,000	\$0	100%	\$100,000	\$0
1.2 Implementation of By-law and Appraisal Funding	Various	\$100,000	\$0	\$100,000	0%	\$0	\$100,000	\$0	100%	\$100,000	\$0
TOTAL CBC BY-LAW REVIEWS & STRATEGY UPDATES		\$200,000	\$0	\$200,000		\$0	\$200,000	\$0		\$200,000	\$0

ii. Parking

a) Service Description

The City of Niagara Falls Parking Services is responsible for planning, managing, rehabilitating and maintaining the City's parking to meet the needs of the community.

b) Service Delivery and Service Levels Consideration

Niagara Falls is a vibrant city that continues to grow, though increasingly through redevelopment and intensification. There is a need identify and plan for how best to utilize existing parking facilities and expand the capacity of the service to accommodate increased needs. Although some municipalities traditionally funded parking services through DC By-laws, Niagara Falls funded parking services from its own source revenue. The parking service has recently been made ineligible for DC funding, with CBCs becoming a new funding tool that can be leveraged for parking-related investments in developing areas.

c) Estimate of Need

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

- Provision to expand parking supply to maintain service levels in the face of a growing city. The provision equates to approximately 250 new spaces for a parking structure on land already owned by the City. This need is driven by residential and non-residential development across the entire City;
- An annual provision for parking equipment infrastructure, including new Pay and Display machines and LPR hardware (license plate recognition). This need is driven by residential and non-residential development across the entire City;
- An annual provision for new EV Charging Stations, which will support both on and off street opportunities. This need is driven by residential and non-residential development across the entire City; and

- An annual provision to expand on street parking through road construction to maintain service levels in the face of a growing city. This includes curbing, markings, drainage, and signs. This need is driven by residential and non-residential development across the entire City.

While the Parking CBC capital program represents a point-in-time analysis of the anticipated CBC-eligible project costs over the 2022-2031 period, similar service levels are anticipated to be provided by the City beyond the ten-year planning horizon.

d) 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 are those anticipated to be incurred over the next ten years, as noted below one-third of the costs, \$5.8 million, is considered development-related but not related to CBC development over the period 2022-2031, these costs relate to other development which might include development occurring beyond 2031 and as such a share can be consider "excess capacity" at 2031.

e) Capital Cost

The gross capital cost associated with the Parking CBC program is \$17.5 million. The capital costs include \$15.0 million for a parking supply increase of 250 spaces throughout the planning period, \$1.0 million for parking equipment infrastructure (calculated at \$100,000 per year for the 10-year planning period), \$500,000 for EV charging stations (\$50,000 per year for the 10-year planning period), and \$1.0 million for new on street parking expansion (\$100,000 per year for the 10-year planning period).

f) Identification of any anticipated capital grants, subsidies or other contributions

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

g) Consideration of Benefit to Existing

A benefit to existing share of one-third, \$5.8 million, has been identified to account for the need for all provisions to consider parking utilization by existing residents of the City. The capital costs included in the CBC Strategy for parking are driven by the incremental servicing needs arising from higher density development, primarily buildings that are subject to a CBC. High density development is subject to lower parking standards, which are reduced further for some developments, to reflect lower car ownership by residents in high density developments. However, there is a resulting need for enhanced public parking to accommodate guests and visitors (including those providing servicing to residents and the building) to these development. It is recognized this infrastructure will provide benefit to existing residents and other future development, as such the CBC strategy provides for a one-third allocation (33 per cent) of the capital costs to benefit to existing and a further one-third (33 per cent) to other development (non-CBC buildings and possible post-period benefit). The remaining one-third share (33 per cent) is considered to benefit CBC development within the ten-year planning period of 2022-2031. This share has been removed from the calculation of CBC-eligible costs.

h) Relation to funding from DCs (if applicable)

The projects included in the parking capital program are ineligible for DC funding.

i) Share of Net Capital Costs related to CBC Eligible Developments

The development-related cost of \$11.7 million will benefit all development across the City, including CBC eligible development. The total CBC eligible cost is \$5.8 million or 33 per cent of the total cost related to parking.

j) Other Funding

A share of \$5.8 million represents other funding related to development, but not funded from Development Charges or Community Benefit Charges within the planning period.

TABLE 6

CITY OF NIAGARA FALLS
2022 COMMUNITY BENEFITS CHARGE STRATEGY
10 YEAR DEVELOPMENT-RELATED CAPITAL PROGRAM

Project Description	Timing	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	BTE (%)	BTE (\$)	Total Development Related Cost	Potential DC Funded	CBC Share (%)	CBC Share (\$)	Other Funding*
2.0 PARKING											
2.1 Provision for Parking Supply Increase	Various	\$15,000,000	\$0	\$15,000,000	33%	\$5,000,000	\$10,000,000	\$0	33%	\$5,000,000	\$5,000,000
2.2 Parking Equipment Infrastructure	2022-2031	\$1,000,000	\$0	\$1,000,000	33%	\$333,333	\$666,667	\$0	33%	\$333,333	\$333,333
2.3 EV Charging Stations	2022-2031	\$500,000	\$0	\$500,000	33%	\$166,667	\$333,333	\$0	33%	\$166,667	\$166,667
2.4 New On Street Parking Expansion	2022-2031	\$1,000,000	\$0	\$1,000,000	33%	\$333,333	\$666,667	\$0	33%	\$333,333	\$333,333
TOTAL PARKING		\$17,500,000	\$0	\$17,500,000		\$5,833,333	\$11,666,667	\$0		\$5,833,333	\$5,833,333

iii. Urban Amenities

a) Service Description

The Urban Amenities service covers a number of enhancements including Streetscaping, urban parks, and related public realm improvements. The costs included in the CBC strategy are those that directly related to improving and preparing for development in high density areas, the City undertakes similar improvements in other parts of the municipality and those costs are not included herein

b) Service Delivery and Service Levels Consideration

As the City continues to grow, particularly through redevelopment and intensification, there is a growing need to invest in urban amenities. The City investments included in this service are required specifically in high density areas only, where significant intensification and redevelopment is planned for. The City has historically funded this type of development-related project through the previous Section 37 density bonusing agreements.

Under section 42 of the Planning Act, the City can secure land, or cash in lieu of land, for public parks. However, providing urban parks in areas that are intensifying is a challenge as appropriate sites are in short supply and land is generally much more expensive than in “greenfield” areas. Current section 42 contributions are lower than what is required to achieve the City’s parkland provision targets. CBC funding can be used to support the City’s efforts in this respect.

The acquisition of parkland is ineligible for DC funding.

For greater clarity, the capital costs included are not to be funded through direct developer contributions as a local service.

c) Estimate of Need

The need for the streetscaping projects are based on per metre costing provisions provided by City staff:

- Extended Sidewalks: \$600 per m
- Decorative Streetlights: \$800 per m
- Street Furniture: \$200 per m
- Street Trees: \$400 per m
- **Total: \$2,000 per m**

This includes streetscaping improvements to over 6,500 metres of roads included in the 10-year program.

A conservative estimate of the cost to acquire urban parks in high density neighbourhoods over the planning period is included (\$500,000). The need for urban parks projects are based on an annual provision of \$50,000 per year. The incremental need for urban parks, and the cost of acquiring the land, will be monitored by the City and adjustments will be made during subsequent CBC Strategy reviews and updates.

While the Urban Amenities CBC capital program represents a point-in-time analysis of the anticipated CBC-eligible project costs over the 2022-2031 period, a continuation of similar service levels are anticipated to be provided beyond the ten-year planning horizon.

d) Consideration of Excess Capacity

As discussed below, of the \$17.1 million in identified expenditures \$3.6 million related to development and needs beyond 2031 and is considered excess capacity and will be considered in future CBC strategies.

e) Capital Cost

The gross capital cost associated with the Urban Amenities program is \$17.1 million.

f) Identification of any anticipated capital grants, subsidies or other contributions

No grants, subsidies or other contributions have been identified for the program.

g) Consideration of Benefit to Existing

The benefits of the program are considered to be entirely development-related as the need for the works is driven by development and redevelopment in high density parts of the city.

h) Relation to funding from DCs (if applicable)

No DC funding has been recognized for this service.

i) Share of Net Capital Costs related to CBC Eligible Developments

Given the projects in the CBC capital program are located based on proximity to new high density development the entire program of \$17.1 million is considered to be eligible for CBC funding.

j) Other Funding

A share of \$3.6 million represents development-related costs attributed to development beyond the 2031 planning period; as such, this share has been removed from the 2022 – 2031 CBC eligible costs. The total CBC eligible costs over the 10-year planning period is \$13.5 million.

TABLE 7

CITY OF NIAGARA FALLS
2022 COMMUNITY BENEFITS CHARGE STRATEGY
10 YEAR DEVELOPMENT-RELATED CAPITAL PROGRAM

Project Description	Timing	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	BTE (%)	BTE (\$)	Total Development Related Cost	Potential DC Funded	CBC Share (%)	CBC Share (\$)	Other Funding*
3.0 URBAN AMENITIES											
3.1 Streetscaping	Various	\$16,630,000	\$0	\$16,630,000	0%	\$0	\$16,630,000	\$0	78%	\$13,018,000	\$3,612,000
3.2 Urban Parks and POPs	Various	\$500,000	\$0	\$500,000	0%	\$0	\$500,000	\$0	100%	\$500,000	\$0
TOTAL URBAN AMENITIES		\$17,130,000	\$0	\$17,130,000		\$0	\$17,130,000	\$0		\$13,518,000	\$3,612,000

iv. Public Art, Heritage and Culture

a) Service Description

Public Art, Heritage and Culture are valuable assets that enhance the quality of life for citizens, strengthens community pride, improves the aesthetic of the public realm, and contributes to the City's material culture, social well-being, and economic vitality.

The City's Culture Plan identifies public art, heritage and culture as playing a vital role in creating suitable public buildings and spaces. The Public Art Master Plan identifies the need for downtown and significant areas of the city to have additional public art, heritage and culture. Moreover, the provisions outlined supports the following Council policies and plans: Culture Plan, Official Plan, and Public Art Policy.

b) Service Delivery and Service Levels Consideration

Public art, heritage and culture are not currently funded through the DC By-law. The inclusion of these services in the CBC By-law will provide the City with an opportunity to invest more broadly in public art, heritage and culture in priority neighbourhoods where population growth and density are anticipated to increase significantly. Most public art installations to date have been funded by including them in the scope of larger construction projects.

It is noted that the Public Art, Heritage and Culture CBC capital program does not represent the City's entire ten-year development-related capital program for this service. Only projects with development-related shares beyond the estimated funding capacity of other growth funding tools (e.g. parkland dedication) are included.

c) Estimate of Need

The City will experience a growing demand for public art, heritage and culture, particularly in areas that are intensifying and redeveloping. The Culture Plan and City staff have identified the high priority locations for public art, heritage and culture investments based on population growth and density.

Provisions for future investment in priority, high density locations are included:

- \$200,000 investment in Public Art (\$100,000 every 5 years);
- \$200,000 investment in Heritage (\$100,000 every 5 years); and
- \$200,000 investment in Cultural Spaces (\$100,000 every 5 years).

The cost of these provisions represents a high level estimate, and recognizes that these capital needs cannot always be planned in advance through the City's normal budgeting processes.

The Public Art, Heritage and Culture CBC capital program is a point-in-time estimate of the planning period CBC-eligible project needs. However, similar service levels are anticipated to continue to be provided beyond the ten-year planning horizon.

The costs brought forward for possible CBC funding are net of any potential future parkland dedication (s. 42) contributions, and other contributions.

d) Consideration of Excess Capacity

Available excess capacity is considered as part of the City's budgeting and 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.

e) Capital Cost

The gross capital cost associated with the Public Art, Heritage and Culture CBC capital program is \$600,000.

f) Identification of any anticipated capital grants, subsidies or other contributions

The gross project costs are 100 per cent City costs; no grants, subsidies, or other contributions are anticipated to offset the costs.

g) Consideration of Benefit to Existing

No benefit to existing has been identified as these projects provide new or expanded facilities, and as such the costs relate entirely to future development within the planning horizon.

h) Relation to funding from DCs (if applicable)

Public art, heritage and culture are ineligible for DC funding.

i) Share of Net Capital Costs related to CBC Eligible Developments

Given the projects in the CBC capital program are located in priority locations based on proximity to new high density development the entire program of \$600,000 is considered to be eligible for CBC funding.

j) Other Funding

No other funding has been identified for this service.

TABLE 8

CITY OF NIAGARA FALLS
2022 COMMUNITY BENEFITS CHARGE STRATEGY
10 YEAR DEVELOPMENT-RELATED CAPITAL PROGRAM

Project Description	Timing	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	BTE (%)	BTE (\$)	Total Development Related Cost	Potential DC Funded	CBC Share (%)	CBC Share (\$)	Other Funding*
4.0 PUBLIC ART, HERITAGE & CULTURE											
4.1 Public Art	Various	\$200,000	\$0	\$200,000	0%	\$0	\$200,000	\$0	100%	\$200,000	\$0
4.2 Heritage	Various	\$200,000	\$0	\$200,000	0%	\$0	\$200,000	\$0	100%	\$200,000	\$0
4.3 Cultural Spaces	Various	\$200,000	\$0	\$200,000	0%	\$0	\$200,000	\$0	100%	\$200,000	\$0
TOTAL PUBLIC ART, HERITAGE & CULTURE		\$600,000	\$0	\$600,000		\$0	\$600,000	\$0		\$600,000	\$0

v. Active Transportation

a) Service Description

This service covers City investments around Active Transportation (including bike lanes and trails) to ensure appropriate infrastructure is in place to support the high density development that is planned for these areas. The investments are a high priority for the City.

b) Service Delivery and Service Levels Consideration

Niagara Falls 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 expand the capacity of the service to accommodate increased needs. Council's intentions to promote active transportation in locations of intensification and high density redevelopment have been approved through Sustainable Transportation Master Plan (in 2011), and Official Plan policies. Specific roadways and intersections selected for bike lanes/paved shoulders, and land for trails have been identified by Municipal Works City Staff.

While active transportation initiatives have traditionally been funded through the DC By-law, it is now considered appropriate to partially fund them through the CBC as some of the initiatives have very localized benefits.

c) Estimate of Need

The need for additional active transportation driven by CBC-eligible development considers:

- A \$10.0 million provision for bike lanes and paved shoulders for almost 80,000 meters of roads at an urban road unit cost of \$200 per metre and a rural road unit cost of \$125 per metre; and
- A \$10.0 million provision to expand and create five trails.

While the active transportation CBC capital program represents a point-in-time analysis of the anticipated CBC-eligible project costs over the 2022-2031 period, similar service levels are anticipated to continue to be provided by the City beyond the ten-year planning horizon.

d) 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 are those anticipated to be incurred over the next ten years, as noted below one-third of the costs, \$6.7 million, is considered development-related but not related to CBC development over the period 2022-2031, these costs relate to other development which might include development occurring beyond 2031 and as such a share can be considered "excess capacity" at 2031.

The gross capital cost associated with the Active Transportation CBC program is \$20.0 million, including \$10.0 million for bike lanes, and \$10.0 million for trails.

e) Identification of any anticipated capital grants, subsidies or other contributions

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

f) Consideration of Benefit to Existing

The capital costs included in the CBC Strategy for active transportation are driven by the incremental servicing needs arising from higher density development, primarily buildings that are eligible to subject to a CBC. Residents in high density areas have higher active transportation mode shares which necessitates an incrementally higher investment in active transportation infrastructure to provide further capacity, new pathways as well as linkages to existing and planned active transportation corridors.

Recognising this infrastructure will provide benefit to existing residents and other future development, the CBC strategy provides for a one-third allocation (33 per cent) of the capital costs to benefit to existing residents and a further one-third (33 per cent) to other development (non-CBC buildings and possible post-period

benefit. The remaining one-third share (33 per cent) is considered to benefit CBC development within the ten-year planning period of 2022-2031.

g) Relation to funding from DCs (if applicable)

No DC funding has been identified for these projects.

h) Share of Net Capital Costs related to CBC Eligible Developments

The development-related cost of \$13.3 million will benefit all development across the City, including CBC eligible development. The total CBC eligible cost is \$6.7 million or 33 per cent of the active transportation capital costs (\$20.0 million).

i) Other Funding

A share of \$6.7 million represents other funding related to development, but not funded from Development Charges or Community Benefit Charges within the planning period.

TABLE 9

CITY OF NIAGARA FALLS
2022 COMMUNITY BENEFITS CHARGE STRATEGY
10 YEAR DEVELOPMENT-RELATED CAPITAL PROGRAM

Project Description	Timing	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	BTE (%)	BTE (\$)	Total Development Related Cost	Potential DC Funded	CBC Share (%)	CBC Share (\$)	Other Funding*
5.0 ACTIVE TRANSPORTATION											
5.1 Bike Lanes	Various	\$10,000,000	\$0	\$10,000,000	33%	\$3,333,333	\$6,666,667	\$0	33%	\$3,333,333	\$3,333,333
5.2 Trails	Various	\$10,000,000	\$0	\$10,000,000	33%	\$3,333,333	\$6,666,667	\$0	33%	\$3,333,333	\$3,333,333
TOTAL ACTIVE TRANSPORTATION		\$20,000,000	\$0	\$20,000,000		\$6,666,667	\$13,333,333	\$0		\$6,666,667	\$6,666,667

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.

A. CBC Capital Needs Exceed Projected CBC Revenue

The average per-unit land value in current (2022) dollars is calculated at approximately \$40,000 - \$50,000. These land values are based on 2019 land appraisals which have been indexed to current 2022 dollars.

Applying the legislated 4 per cent cap, it is anticipated that the average unit will contribute \$1,600 - \$2,000 in CBCs. Applying this range against the projected 1,000 CBC eligible apartment units results in a high level estimate of potential CBC revenues of \$1.6 million to \$2.0 million over the 2022 – 2031 period.

As set out in Section 4, the total cost of the CBC-eligible capital program over the same 2022 – 2031 period is \$26.8 million. As such, the CBC capital needs cannot be fully funded from potential CBC revenues.

Table 10. Estimate of Potential CBC Revenues, 2022 – 2031

Scenario (Land Value)	2022-2031 CBC Apt. Units	Land Value per Unit	Average CBC per Unit (at 4%)	Total CBC Revenue at 4% Cap
Low	1,000	\$40,000	\$1,600	\$1,600,000
High	1,000	\$50,000	\$2,000	\$2,000,000

B. Proposed CBC Rate Structure is a Percentage of Site 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*.

Appendix
Draft CBC By-law
(to be made available
under separate cover)