



# Halton District School Board

Report Number: 13021

Date: January 31, 2013

## INCIDENTAL INFORMATION

TO: The Chair and Members of the  
Halton District School Board

FROM: Lucy Veerman, Superintendent of Business Services

RE: Undertaking of a New Education Development Charge By-law

### Warrant:

To introduce and update the Board on the process for the 2013/2018 Halton District School Board (HDSB) and Halton Catholic District School Board (HCDSB) Joint Education Development Charges Review.

### Background:

Education Development Charges (EDCs) are used to fund the acquisition of school sites and related costs to accommodate growth-related pupil needs. These are levies that are applied to all new residential and non-residential development, with certain exceptions. The existing By-law recovers 85% of education land costs (i.e. the purchase price of school sites and associated costs) from residential development and 15% from non-residential development.

On May 20, 2009, the Board adopted a jurisdiction wide 2009 EDC By-law under the legislative authority of the Education Act, R.S.O., 1990 c.E.2, which was undertaken jointly with the Halton Catholic District School Board. The 2009 EDC By-law had an effective implementation date of June 8, 2009 and may be in effect for no more than five (5) years. The 2009 EDC By-law was amended in June 2011 for both boards. The HDSB charges are as follows:

	<i>Residential Development</i>	<i>Non-Residential Development</i>
\$ per residential unit (as defined in the EDC By-law)	\$2,506 per residential unit	
\$ per sq. ft. of gross floor area or \$ per sq. m. of gross floor area (as defined in the EDC By-law)		\$ 0.69 per sq. ft. or \$7.43 per sq. m.

### Rationale:

An EDC By-law has a lifespan of up to five (5) years, at which time a new EDC By-law is required that reflects current financial, enrolment growth, and economic conditions. Each EDC By-law may be amended to adjust the EDC rates on an annual basis, within its five (5) year lifespan, if unexpected changes occur in the cost of land, cost of servicing of the land, or speed of enrolment growth.

The Board's current EDC By-Law expires on June 8, 2014, however due to a current shortfall in the both the HDSB and HCDSB's EDC reserve accounts, as a result of significant enrolment growth pressure and increased land costs, a joint Background Study and new EDC By-law process have been initiated. An EDC Background Study examines and analyzes existing and future enrolment growth, development growth, existing school facilities, current and future financial conditions, current and future land costs and servicing of that land, and ratepayer input. Through this analysis, a recommendation of the correct rates for Education Development Charges is provided to each School Board for review. If approved, this recommendation is then implemented through the adoption of an EDC By-law.

On November 2, 2012, Watson and Associates Economists Ltd. (Watson Ltd.), being the successful bidder for a joint HDSB and HCDSB Request for Proposal (RFP), was awarded the task of preparing a joint Background Study and updated EDC By-law that would enable each Board to collect appropriate EDC's to fund the acquisition of school sites over the next 5 years.

In terms of ensuring consistency in the joint process, the following chart identifies the expected timelines for various staff and statutory public meetings for the two Boards.

2013 EDC By-law Meeting Schedule (HDSB, HCDSB, Watson Ltd.)

HCDSB	HDSB	Type of Meeting
5-Feb-13	6-Feb-13	<b>Regular Board Meeting</b> Introduction
4-Mar-13	6-Mar-13	Joint Staff meeting (updates / issues / concerns)
27-Mar-13	27-Mar-13	Joint Stakeholders Meeting
2-Apr-13	2-Apr-13	Joint Staff meeting (updates / issues / concerns)
16-Apr-13	17-Apr-13	<b>Regular Board Meeting</b> Progress report
21-May-13	22-May-13	<b>Regular Board Meeting</b> Statutory Public Meeting
5-Jun-13	5-Jun-13	Joint Staff meeting (updates / issues / concerns)
18-Jun-13	19-Jun-13	<b>Regular Board Meeting</b> By-law Passage

EDC By-law Policies

It should be noted that legislation (Section 257.60 (1), Education Act) states that a School Board must conduct a review of its EDC policies prior to renewing their EDC By-law. This policy review includes determining the areas to which the By-law applies; the ability to have different charges for different types of housing developments; By-law exemptions; and how much of the eventual charge is to be borne by residential development. This will be presented and discussed at a future Policy, Governance and By-law (PB&G) Committee meeting.

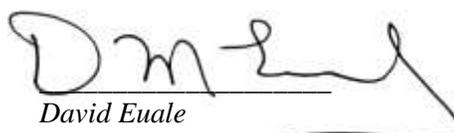
As well, Ontario Reg. 20/98, 9. (1) identifies the requirement for Boards, as part of the EDC By-law Background Study, to review the "Application of Operating Surpluses for Capital Needs" and "Alternative Accommodation Arrangements". These will be discussed at a future PB&G Committee meeting.

Conclusion:

As per past practice in EDC By-law development, to ensure consistency, HDSB and HCDSB have undertaken a joint EDC study that will ultimately lead to the implementation of a new EDC By-law for each Board in June 2013. To accomplish this task, a number of joint staff meetings, along with related Board meetings have been scheduled.

*Respectfully Submitted*

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 Lucy Veerman  
 Superintendent of Business Services

  
 David Euale  
 Director of Education