

Education Development Charges



EDC Stakeholder Meeting
April 15, 2021

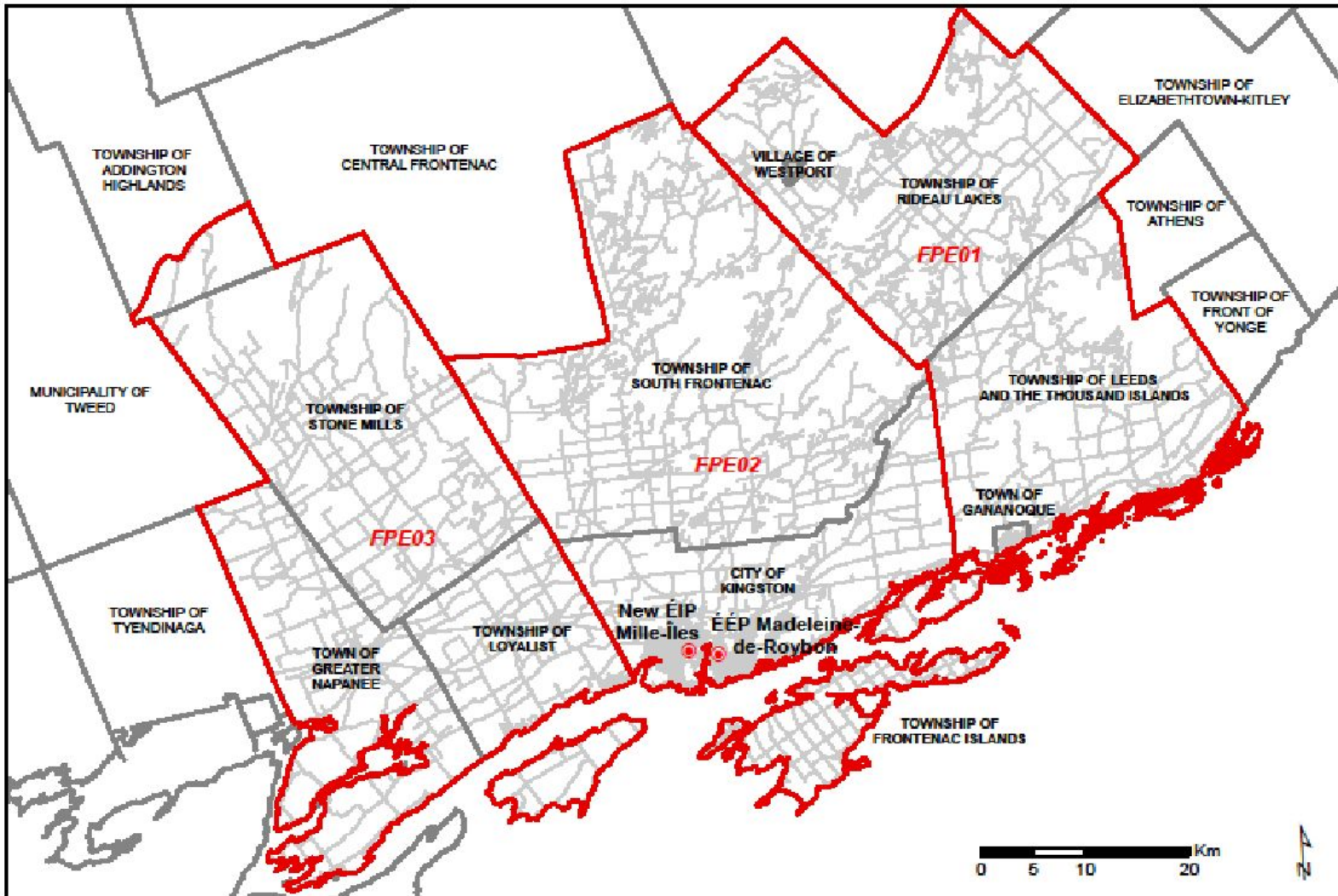
Proposed Agenda

1. Introductions
2. Principles of Education Development Charges and Legislative ‘Cap’
3. Proposed EDC Rates
4. EDC Legislative Process
5. EDC Calculation Methodology & Eligibility to Adopt EDC By-laws
6. 15-year Residential Forecasts and Gross to Net New Dwelling Units
7. Pupil Yields by Density Type
8. Total 15-year Student Enrolments
9. Site Acquisition Costs Per Acre
10. Site Preparation Costs Per Acre
11. Financial Analysis
12. Proposed Public Meeting Dates
13. Statutory Exemptions
14. Next Steps/ Future Meetings
15. Questions?

Principles of Education Development Charges

- School boards that qualify, can impose EDCs to pay for land acquisition and site development costs associated with additional pupils generated by new housing development over the next 15 years and beyond
- The Conseil des écoles publiques de l'Est de l'Ontario (CEPEO) qualifies to adopt EDCs – the Board currently has EDC by-laws in City of Ottawa and United Counties of Prescott and Russell
- EDCs are applied to any residential development that is not statutorily-exempt, at the time of building permit issuance, and to the appropriate municipality
- Charging municipalities collect EDCs and forward funds to the CEPEO on a monthly basis (a separate information session will be held with municipalities to review legislative protocols respecting by-law implementation)
- Legislation divides Province into various 'regions' for the purposes of adopting EDC by-laws – in this case:
 - United Counties of Leeds and Grenville
 - Frontenac County and the City of Kingston
 - Lennox and Addington County
- Area-specific EDC by-laws proposed in each of these 3 'regions'. The by-laws will only apply to those communities within each County where students currently attend Madeleine-de-Roybon and Mille-Îles in Kingston

Principles of Education Development Charges



Conseil des Écoles Publiques de l'Est de l'Ontario: Education Development Charges Background Study 2021

Elementary Review Areas



Principles of Education Development Charges

- Ministerial oversight re purchase of land, funding to pay costs to construct additional pupil places, and to enable a school board to adopt an EDC by-law(s)
- Legislation requires that Minister of Education approves spending EDC funds collected in Leeds and Grenville & Lennox and Addington, on lands within the City of Kingston
- The EDC scheme was designed to derive precisely the value of the net growth-related land needs (including financing and study costs) – not a penny more; not a penny less. School boards do not have access to the tax base and the Province has limited, enveloped funds for land purchases
- As of November 1, 2019 the Province adopted the following legislative ‘caps’:
 - Increase residential rates by the greater of \$300 or 5% per annum provided that these ‘capped’ rates do not exceed the ‘calculated’ rates determined in the EDC Background Study report. As such, the initial EDC by-laws proposed to support additional CEPEO enrolment growth arising from new housing development cannot exceed \$300 per dwelling unit during the first year of the by-laws. By Year 2, the full EDC rates are imposed

Proposed EDC Rates

The CEPEO is proposing to acquire a 7.65 acre elementary school site in the Woodhaven Phase 4 subdivision

Conseil des Écoles Publiques de l'Est de l'Ontario - Kingston

Proposed Residential EDC By-law Rates

		Year 1	Year 2	Year 3	Year 4	Year 5
EDC By-law Charging Area	EDC Calculated Rate (per Dwelling Unit)	In-force Date: May 31, 2021 to May 30, 2022	In-force Date: May 31, 2022 to May 30, 2023	In-force Date: May 31, 2023 to May 30, 2024	In-force Date: May 31, 2024 to May 30, 2025	In-force Date: May 31, 2025 to May 30, 2026
By-law #1 (FPE01) United Counties of Leeds & Grenville incl. Westport, Gananoque, Rideau Lakes (except South Elmsley), Leeds and the Thousand Islands	\$333	\$300	\$333	\$333	\$333	\$333
By-law #2 (FPE02) South Frontenac Twsp, Frontenac Islands & City of Kingston	\$365	\$300	\$365	\$365	\$365	\$365
By-law #3 (FPE03) County of Lennox & Addington south of Highway 7	\$344	\$300	\$344	\$344	\$344	\$344

The CEPEO will also require \$1.8 million in Land Priorities funding to pay for the new elementary school site in Kingston West. Land Priorities funding is provided by the Provincial through the tax base

EDC Legislative Process

Figure 1-1

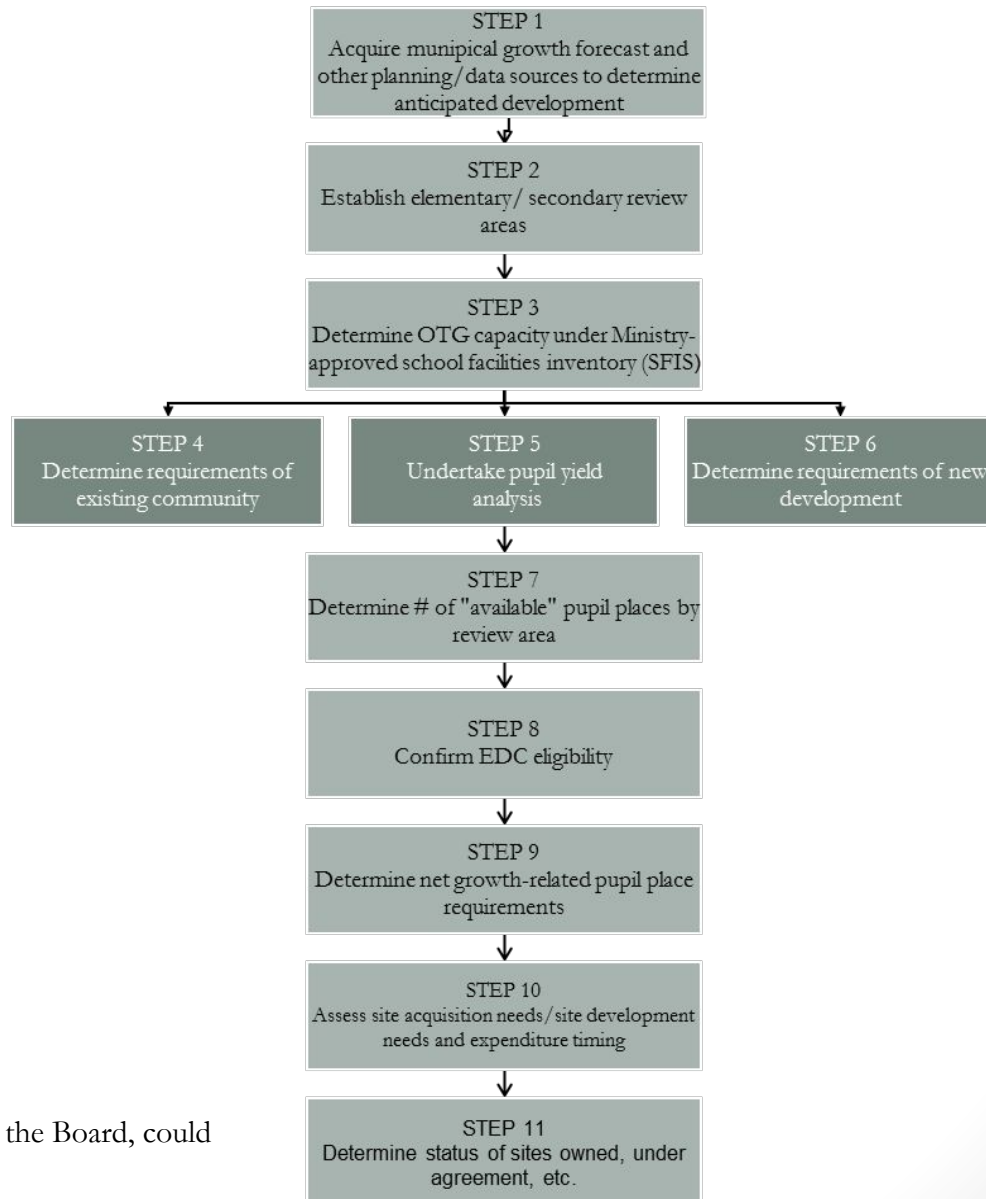
Overview of Education Development Charges Process and Proposed Timelines

PHASE ONE	PHASE TWO	PHASE THREE	PHASE FOUR	PHASE FIVE	PHASE SIX	PHASE SEVEN
PRELIMINARY CONSULTATION	DETERMINING ELIGIBILITY	ANALYSIS OF NGRELC ¹	MINISTRY SUBMISSION	STAKEHOLDER CONSULTATION PROCESS	BY-LAW ADOPTION & IMPLEMENTATION	MANAGING UNFUNDED NELC
A. Preliminary Consultation with Municipalities, Co-terminous Boards, Development Community re potential for Alternative Projects and LEDAs	A. Capacity Trigger Evaluation and Notify Ministry of Education if Board Intends to Exclude Capacity	A. 15-year Estimate of Amount, Type and Location of Residential Development and Non-Residential GFA Projections (net of statutory exemptions)	A. Completion of Ministry Forms (EDC Submission)	A. Follow-up Consultation with Stakeholders re Basis for 'Calculated Charge' and % Unfunded Costs	A. Liaison with Area Municipal Representatives re By-Law Interpretation, Implementation & Collection Issues	A. Determine Unfunded Portion of NELC by school site
B. Prepare and approve internal Policy outlining the basis upon which Alternative Projects will be Evaluated	B. EDC Account Analysis - determine sites proposed to be acquired & sites acquired, what has been fully or partially funded and would accommodate current (holding pupils) and future growth-related student accommodation	B. Prepare 15-year student enrolment projections - Existing Community Requirements plus Requirements of New Development and Determine if there is a Need to Alter Review Area boundaries given Long Term Accommodation Strategies	B. Complete Background Study and Forward to Ministry, Co-terminous Boards & Stakeholders who have provided notification (90 days in advance of 1st Public Meeting)	B. Conduct Public Meeting (s) including Policy Review Public Meeting (including Policy restrictions resulting from Legislative 'Cap')	B. Board Consideration of Public Input and Calculation Revisions as necessary (may require additional Ministry Review/approval or request for additional data)	B. Determine if there is ability for Project Substitution - Change in Accommodation Strategy and Impact on Unfunded NELC
C. Define Area Specific By-law Structure if LEDA is contemplated	C. EDC Financial Obligations Evaluation (including how Financial Obligations will be repaid)	C. Review Area Analysis to Determine Schools Impacted by New Housing Development	C. Preparation & Public Distribution of Policy Document	C. Review of Public Submissions	C. Additional Public Meeting at Discretion of Board	C. Apply for Land Priorities Funding as part of Site Acquisition Approval Process
D. Review Status of Ministry Approval of Site Acquisitions		D. Forecast of Net Growth-related Pupils and Determine # of Sites, Site Expansions and/or Site development Costs by Location	D. Ministry of Education Review & Approval Process (90 days review period)		D. By-law Adoption	
		E. Estimate Growth-related Net Education Land Costs (net of any surplus EDC account funds)			E. By-law Implementation	
		F. Calculate NELC on a Cashflow basis and Determine Portion of NELC to be Funded from EDCs given Legislative 'Cap'			F. Notice of By-law Passage & Appeal Date, Municipal Notification of By-law Passage and Implementation Considerations	

1. NGRELC = Net Growth-related Education Land Costs

EDCs – Calculation Methodology Overview (Part 1)

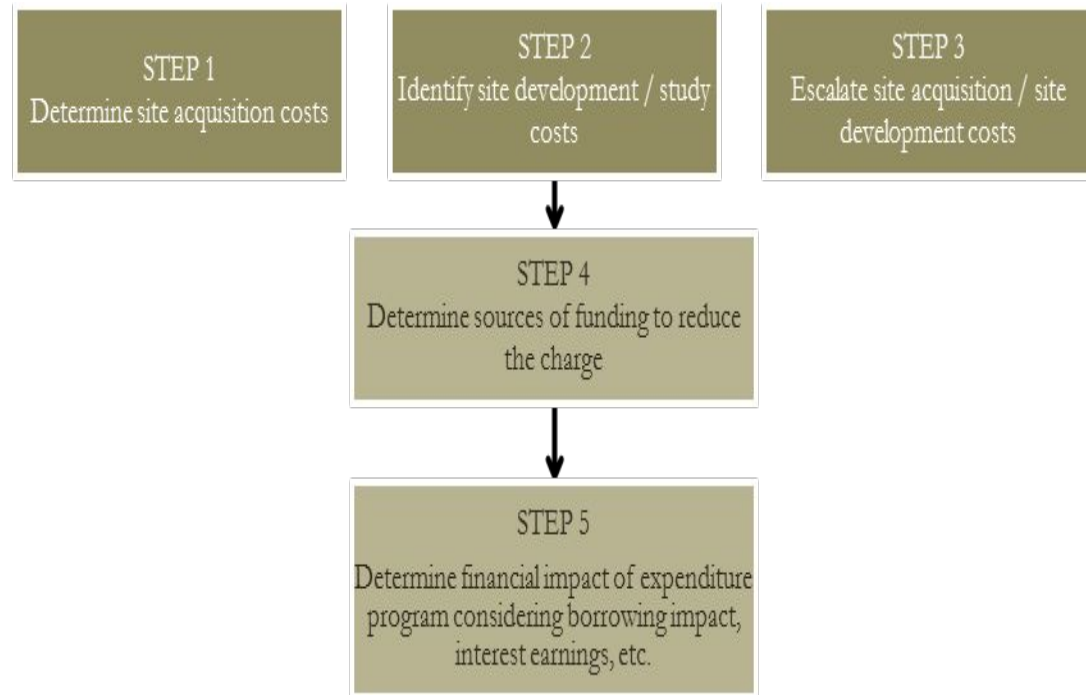
Planning Component:



Available pupil places, that, in the opinion of the Board, could reasonably be used to accommodate growth

EDCs – Calculation Methodology Overview (Part 2)

Financial Component:



While the entire EDC calculation process is a pure mathematical construct and is predictive in nature, the determination of 15-year growth-related needs should align with the board's long term accommodation plan and future capital priorities funding requests to the Province.

Eligibility to Adopt a Successor EDC By-law

- Eligibility to impose an EDC by-law is either:
 - the estimated average enrolment over the 5 years following the day the board intends to have the by-law come into force exceeding the total capacity that exists on the day the by-law is passed on either the elementary or secondary panel

OR

- A board has an existing EDC by-law in place and has outstanding EDC-related financial obligations (deficit in the EDC account)
- The CEPEO qualifies to adopt EDC by-laws within its jurisdiction based on elementary enrolment in excess of capacity

15-year Forecast of Net New Dwelling Units

	Year 1 2021/ 2022	Year 2 2022/ 2023	Year 3 2023/ 2024	Year 4 2024/ 2025	Year 5 2025/ 2026	Year 6 2026/ 2027	Year 7 2027/ 2028	Year 8 2028/ 2029	Year 9 2029/ 2030	Year 10 2030/ 2031	Year 11 2031/ 2032	Year 12 2032/ 2033	Year 13 2033/ 2034	Year 14 2034/ 2035	Year 15 2035/ 2036	Total All Units
Total Kingston West Catchment Area																
Singles and Semi-Detached	374	377	369	384	381	388	392	392	351	355	321	327	324	272	270	5,277
Townhouses, Row Housing, etc.	103	109	111	113	110	120	113	111	109	99	98	102	104	79	79	1,560
Apartments	414	379	382	408	593	509	281	415	339	295	303	285	409	564	564	6,140
Total	891	865	862	905	1,084	1,017	786	918	799	749	722	714	837	915	913	12,977
FPE01 United Counties Leeds & Grenville incl. Westport, Gananoque, Rideau Lakes (except South Elmsley), Leeds and the Thousand Islands																
Singles and Semi-Detached	55	56	49	56	56	46	50	57	51	56	41	45	42	51	51	762
Townhouses, Row Housing, etc.	2	10	6	2	1	15	5	4	7	1	2	8	7	3	3	76
Apartments	58	40	10	37	35	35	5	32	32	40	50	32	30	42	42	520
Total	115	106	65	95	92	96	60	93	90	97	93	85	79	96	96	1,358
FPE02 South Frontenac Twsp, Frontenac Islands & City of Kingston																
Singles and Semi-Detached	199	201	201	208	206	218	218	212	176	175	171	172	172	112	110	2,751
Townhouses, Row Housing, etc.	54	54	56	62	62	60	61	60	53	51	53	52	53	29	29	789
Apartments	331	314	347	346	533	450	252	359	283	231	231	231	356	499	499	5,262
Total	584	569	604	616	801	728	531	631	512	457	455	455	581	640	638	8,802
FPE03 County of Lennox & Addington south of Highway 7																
Singles and Semi-Detached	120	120	119	120	119	124	124	123	124	124	109	110	110	109	109	1,764
Townhouses, Row Housing, etc.	47	45	49	49	47	45	47	47	49	47	43	42	44	47	47	695
Apartments	25	25	25	25	25	24	24	24	24	24	22	22	23	23	23	358
Total	192	190	193	194	191	193	195	194	197	195	174	174	177	179	179	2,817

Notes: 1. Assumed to be net of demolitions and conversions. Statutory exemptions include secondary dwellings that are ancillary to, or as part of

an existing dwelling unit.

Grand Total Gross New Units in By-Law Area	13,498
Less: Statutorily Exempt Units in By-Law Area	521
Total Net New Units in By-Law Area	12,977

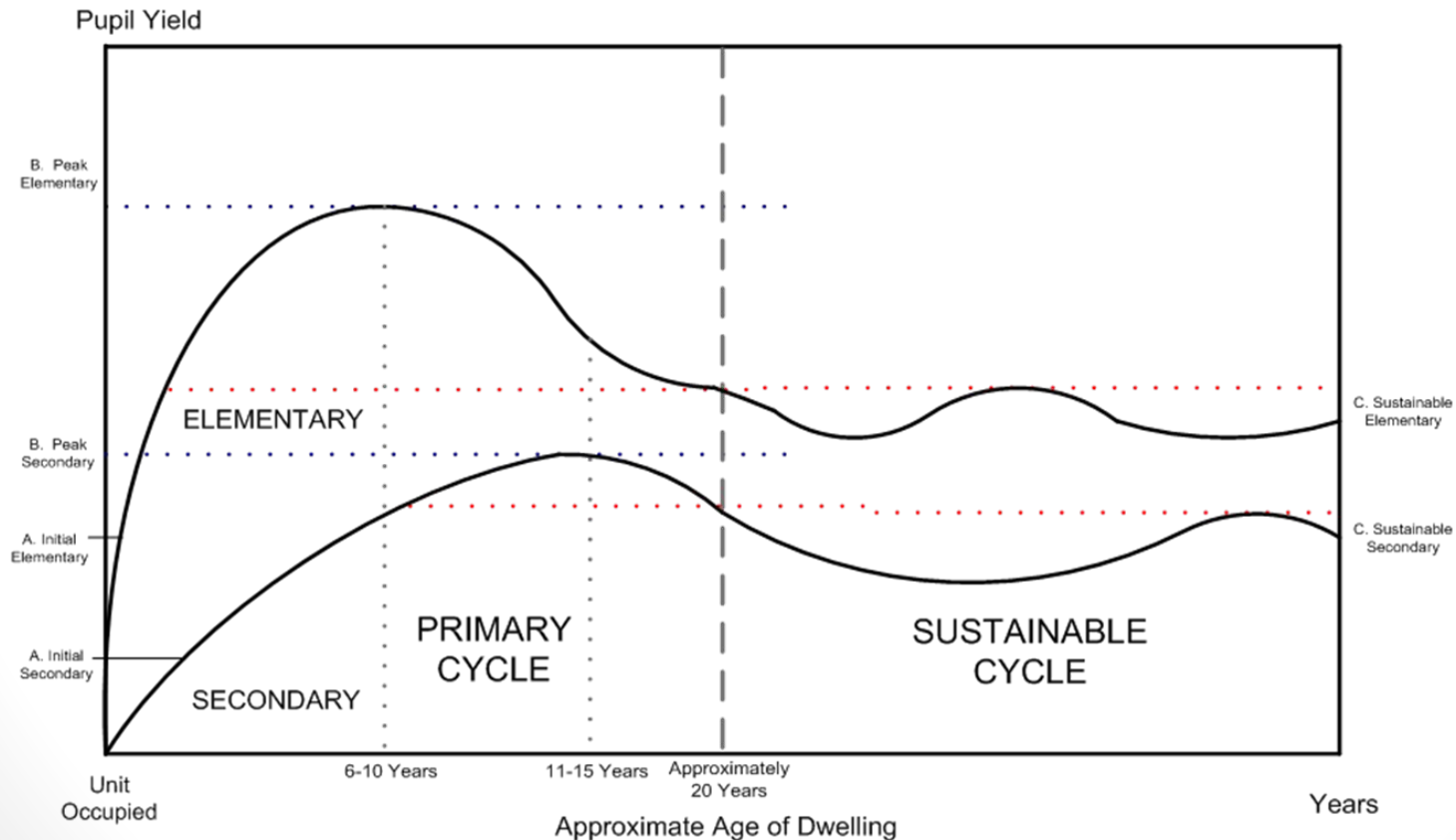
15-year EDC Enrolment Projections

- Calculated by school, by grade including pre-school attendees
- Consist of 2 parts:
 1. Requirements of the Existing Community, plus
 2. Requirements of New Development (ROND)
- Requirements of the Existing Community are pupils enrolled in schools of the board and retained over time (i.e. graduating from grade to grade)
- Without increased births and/or positive net migration of increasing apportionment share the Requirements of the Existing Community may decline over time
- Requirements of New Development are pupils generated by the construction of new homes in the by-law coverage area over the next 15 years
- In a municipality where there is steady and substantive residential construction the Requirements of New Development assist in offsetting what might otherwise be a decline in enrolment
- 15-year EDC enrolment is the total of the Requirements of the Existing Community and the Requirements of New Development

EDC Pupil Yields

- EDC pupil yields represent weighted & blended yields as of the final year (Year 15) of the forecast period

Figure 3
Conceptual Representation of the Pupil Yield Cycle
for A New Single Detached Dwelling



Weighted Blended EDC Pupil Yields

Applicable pupil yields and ROND by area and by density type based on spatial matching of actual student data and MPAC data

CEPEO EDC 2021 Weighted Blended Pupil Yields

Elementary Review Area	SINGLE and SEMI-DETACHED	MEDIUM DENSITY	APARTMENTS (includes purpose-built seniors housing and student housing)	TOTAL UNITS
FPE01 United Counties Leeds & Grenville incl. Westport, Gananoque, Rideau Lakes (except South Elmsley), Leeds and the Thousand Islands	0.0210	0.0132	0.0019	0.0133
FPE02 South Frontenac Twsp, Frontenac Islands & City of Kingston	0.0403	0.0152	0.0008	0.0144
FPE03 County of Lennox & Addington south of Highway 7	0.0193	0.0072	0.0000	0.0138
TOTAL	0.0305	0.0115	0.0008	0.0142

CEPEO EDC 2021 Weighted Blended Pupil Yields

Secondary Review Area	SINGLE and SEMI-DETACHED	MEDIUM DENSITY	APARTMENTS (includes purpose-built seniors housing and student housing)	TOTAL UNITS
FPS01 United Counties Leeds & Grenville incl. Westport, Gananoque, Rideau Lakes (except South Elmsley), Leeds and the Thousand Islands	0.0039	0.0000	0.0000	0.0022
FPS02 South Frontenac Twsp, Frontenac Islands & City of Kingston	0.0062	0.0038	0.0004	0.0025
FPS03 County of Lennox & Addington south of Highway 7	0.0034	0.0000	0.0000	0.0021
TOTAL	0.0049	0.0019	0.0003	0.0024

15-year Enrolment Projections Summary

Conseil des Écoles Publiques de l'Est de l'Ontario - Kingston Catchment Area

Historical and Projected Enrolment

Elementary Panel	Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031	2031/ 2032	2032/ 2033	2033/ 2034	2034/ 2035	2035/ 2036
	Existing	533	559	564	587	602	620	628	642	649	672	688	703	716	721	726
Requirements of New Development		13	27	40	53	67	80	94	107	120	132	143	155	166	175	184
Total	533	573	591	627	655	686	708	736	756	791	820	846	871	888	901	913

380

Secondary Panel	Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031	2031/ 2032	2032/ 2033	2033/ 2034	2034/ 2035	2035/ 2036
	Existing	61	65	77	98	116	147	176	199	225	223	218	218	210	227	238
Requirements of New Development		2	5	7	9	11	14	16	18	20	22	24	26	28	30	31
Total	61	67	81	105	125	158	190	215	243	243	240	243	236	255	267	280

219

The construction/occupancy of 13,498 new homes will generate 184 elementary and 31 secondary pupils. The construction of a new elementary and secondary school in Kingston will increase total enrolment (Madeleine-de-Roybon increased by 181% since the Board acquired the school in 2009).

Site Acquisition Costs per Acre

A February 15, 2019 appraisal report prepared by MW Cotman & Associates Real Estate Appraisers & Consultants established a land valuation of \$411,765 per acre.

On January 28, 2021 the appraisers were asked to provide an opinion as to current value and an appropriate annual land escalation factor to be applied over the term of the proposed EDC by-law (consistent with EDC practice across the Province). An annual land escalation factor of 5% provided by the appraiser derives a cost of \$500,503 per acre if the Board acquires the land in 2023.



Site Preparation Costs per Acre

CEPEO KINGSTON WEST

AVERAGE SITE PREPARATION COSTS PER ACRE (Based on City of Ottawa Site Development Cost Experience for Elementary Schools)

Current Review Area Reference	EDC Eligible Site Name	Address	Year Site Acquired	Site Size in acres	Net Site Preparation Costs to Date	Net Site Preparation Costs Per Acre	Net Site Preparation Costs per Acre 2021\$	Total Site Preparation Costs per Acre 2021\$
1. FPE01/FPS01	ÉÉP Maurice-Lapointe (Kanata South) (JK-12)	17 Bridgestone Dr, Kanata, ON K2M 0E9	2011	15.96	\$ 3,487,690	\$ 218,527	\$ 299,069	\$ 4,773,145
2. FPE02	ÉÉP Michel-Dupuis (Riverside Sud) (JK-8)	715 Brian Good Ave, Manotick, ON K4M 0E2	2012	6.07	\$ 1,182,934	\$ 194,882	\$ 256,451	\$ 1,556,660
OTTAWA TOTALS				22.03	\$ 4,670,624	\$ 212,012	\$ 277,760	\$ 287,327
Value to be Included in 2021 EDC Submission							\$	287,300

As the Board has never acquired raw land in the City of Kingston, CEPEO site acquisitions in south Kanata and Nepean were used as a proxy. Derived site preparation costs per acre of \$287,300 with a 2.5% escalation factor applied to the 15-year forecast period (i.e. in recognition of escalating labour and materials costs)

Financial Analysis

- EDC calculation is based on 15-year cashflow analysis of the proposed capital expenditure program for school sites; cash flow methodology is consistent with that undertaken by municipalities
- Derives the lowest residential rate wherein the Year 15 closing balance is as close to \$0 as possible
- The rate applied to each 'region' is based on the proportionate share of the growth-related accommodation needs generated by each individual 'region'

Conseil des Écoles Publiques de l'Est de l'Ontario - Kingston Catchment Area

CALCULATION OF EDUCATION DEVELOPMENT CHARGES	
Total Growth-Related Net Education Land Costs (over 15-year forecast period including associated financing and study costs)	\$ 4,632,789
Costs Financed in the Previous By-law	N/A
Site Acquisition Costs	\$ 2,427,634
Land Escalation Costs	\$ 248,832
Site Preparation Costs	\$ 1,536,000
Site Preparation Escalation Costs	\$ 159,457
Credit Line Interest Payments	\$ -
Study Costs	\$ 260,000
Financial Obligations/Surplus (projected EDC Account Balance as of May 31, 2021)	N/A
Interest Earnings	\$ (2,039)
Closing Account Balance	\$ 2,905
Total Net New Units	12,977
Total Non-Residential, Non-Exempt Board-Determined GFA	-
Residential Education Development Charge Per Unit based on 100% of Total Growth-Related Net Education Land Costs (average cost of three 'regions')	\$ 357
Non-Residential Education Development Charge Per Sq. Ft. of GFA based on 0% of Total Growth-Related Net Education Land Costs	0

Statutory Exemptions

Additional Dwelling Unit Exemption

Name of class of residential building	Description of class of residential buildings	Maximum number of additional dwelling units	Restrictions
Single detached dwellings	Residential buildings, each of which contains a single dwelling unit, that are not attached to other buildings.	Two	The total gross floor area of the additional dwelling unit or units must be less than or equal to the gross floor area of the dwelling unit already in the building.
Semi-detached dwellings or row dwellings	Residential buildings, each of which contains a single dwelling unit, that have one or two vertical walls, but no other parts, attached to other buildings.	One	The gross floor area of the additional dwelling unit must be less than or equal to the gross floor area of the dwelling unit already in the building.
Other residential buildings	A residential building not in another class of residential building described in this table.	One	The gross floor area of the additional dwelling unit must be less than or equal to the gross floor area of the smallest dwelling unit already in the building.

Secondary Dwelling Unit Exemption

- *DCA* legislation revised to add section dealing with secondary dwelling units (i.e. creation of additional units on same property where legal ownership does not change)
- *EDC* legislation does not have this provision
- School boards have taken steps within their by-laws to limit circumstances where applicant is trying to avoid paying the charge

Statutory Exemptions cont'd

- A municipality; a district school board; a private school; place of worship
- Farm retirement lots and farm building
- A long-term care home, as defined in the *Long-Term Care Homes Act, 2007*.
- A retirement home, as defined in the *Retirement Homes Act, 2010*.
- A hospice or other facility that provides palliative care services.
- A child care centre, as defined in the *Child Care and Early Years Act, 2014*.
- A memorial home, clubhouse or athletic grounds owned by the Royal Canadian Legion.
- The owner is a college of applied arts and technology established under the *Ontario Colleges of Applied Arts and Technology Act, 2002*.
- The owner is a university that receives regular and ongoing operating funds from the Government of Ontario for the purposes of post-secondary education.
- The owner is an Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institutes Act, 2017*. O. Reg. 371/19, s. 1.
- A Board may recognize additional exemptions in EDC by-laws; however, such exemptions, i.e., not-for-profit housing; cottages, would be considered non-statutory. Any non-legislative exemptions granted by the Board would create a shortfall in funding
- The shortfall would have to be offset from elsewhere within the Board's funding envelopes – Generally this is not possible given the restrictions imposed through Ministry policies and Regulations

Proposed Consultation Process

- Legislation requires that a school board conduct 1 public meeting
- Consistent with historical practice there will be 2 opportunities to delegate the Board of Trustees prior to consideration of by-law adoption
- Stakeholder consultation – April 15, 2021 (this meeting)
- 1st public meeting Tuesday April 27, 2021 7:30 PM (virtual meeting)
- 2nd public meeting & consideration of by-law adoption Tuesday May 25, 2021 7:00 PM (virtual meeting)
- **Monday May 31, 2021 – By-law Implementation Date**

The Board would appreciate receiving written submissions one week prior to the Public Meetings, so that they may be distributed to trustees prior to the meetings. Anyone wishing to attend the virtual meeting, provide a written submission, or make a request to address the Board as a delegation should contact the Secretary for the Board prior to 3PM on the day of meeting:

Solange Houde, Session Secretary at solange.houde@cepeo.on.ca, (613) 742-8960 ext. 2200
c.c. moncef.cherouk@cepeo.on.ca and karima.menouer@cepeo.on.ca

In addition to the legislated public meetings indicated above, the Board has regularly scheduled Board meetings, at which the Board may receive information regarding education development charges. Regular Board meeting procedures will apply to these meetings.

Any comments or requests for further information regarding this matter may be directed to Mr. Etienne Paquet, Mgr. of Planning (613-742-8960 ext. 2297) during regular office hours.