

Conseil des écoles publiques de l'Est de l'Ontario

January 20, 2015

2015 Education Development
Charges – Stakeholders'
Meeting

- Introductions
- Use of Education Development Charges by School Boards
- Identified Growth-related Needs
- Preliminary new school site analysis
- Questions/Comments

- Education Development Charges (EDCs) are the primary source of funding site acquisition needs for a school board experiencing growth within its jurisdiction.
 - This increase in enrolment stems from new students resulting from new residential development within the jurisdiction of a district school board
- School Boards across Ontario may collect EDCs through the adoption of an EDC By-law that meets the requirements of Division E of Part IX of the Education Act and its associated regulation, Ontario Regulation 20/98 as amended
 - Prior to adopting an EDC By-law, the Minister of Education's approval of the Board's 15-year enrolment projections and the proposed number of sites to be acquired over the 15 years is required
- Once a school board has an EDC by-law in place, EDCs are collected by the local municipality at the issuance of a building permit; funds collected are forwarded on a monthly basis to the school board

- The Conseil des écoles publiques de l'Est de l'Ontario (CEPEO) provides education services in the United Counties of Prescott and Russell, the City of Ottawa, the Counties of Hastings, Leeds and Grenville, Lennox and Addington, Lanark, Stormont, Dundas & Glengarry, Renfrew, Frontenac and Prince Edward, including the municipalities of Belleville, Brockville, Gananoque, Kingston, Pembroke, Smiths Falls, and Quinte West.
- While the CEPEO currently collects EDCs in the City of Ottawa, this will be the first time the Board intends to collect EDCs within the United Counties of Prescott and Russell.
- The maximum term of an EDC By-law is 5 years. The analysis of need; however, spans a 15-year period as required by legislation.

- The CEPEO, in its initial EDC by-law, is eligible based on its elementary enrolment within its jurisdiction being greater than its available permanent space over the 5 years following the date of by-law passage
- A Board may impose a 100% Residential EDC on new residential development or it may recover up to 40% of the total Growth-Related Education Land Costs from non-residential development.
- The CEPEO's EDC Background Study is based on a proposed EDC applied to Residential Development only.
- Prior to adopting an EDC By-law, the Board is required to submit the EDC Background Study to the Ministry of Education and to obtain the Minister of Education's approval of the reasonableness of its 15-year enrolment projections and the proposed number of school sites required
 - The EDC Background Study will be submitted to the Ministry of Education no later than January 27, 2015

- A Board's ability to impose EDCs is governed by Division E of the *Education Act* and Ontario Regulation 20/98 as amended
- The CEPEO proposes to adopt an initial EDC by-law for the United Counties of Prescott and Russell on March 24, 2015. If adopted by the Board, the EDC by-law will be in force as of March 30, 2015.
- The Board will hold a public meeting to inform the public generally about the EDC proposal on February 24, 2015.
- To be eligible to adopt an EDC by-law, the Board must meet one of the eligibility criteria set out in Section 10(2)(i), (ii) or (iii) of Ontario Regulation 20/98 as amended regarding Education Development Charges:
 - A board's average elementary or secondary enrolment within its jurisdiction, over the 5 years following the date of by-law passage, exceeds the board's elementary or secondary capacity;
 - A board with an existing EDC by-law in effect may have financial obligations that exceed the current balance in the EDC account.

2015 Proposed Education Development Charges

– Demographics

- In the United Counties of Prescott and Russell, between the 2006 and 2011 Census periods number of pre-school-aged children (0-3) has increased by 13.8% whereas the elementary school-aged children (4-13) has decreased by 8.2% and the secondary school-aged children (14-17) has decreased by 6.8%.

	2006	2011	Change	As %
Population by Age Groups				
0-3	3,215	3,660	445	13.8%
4-13	10,465	9,610	-855	-8.2%
14-17	5,210	4,855	-355	-6.8%
# of Occupied Households	30,065	33,130	3,065	10.2%
Persons Per Unit (PPU)				
0-3	0.107	0.110	0	3.3%
4-13	0.348	0.290	0	-16.7%
14-17	0.173	0.147	0	-15.4%

2015 Proposed Education Development Charges

– Residential Growth Forecast

- Based on the information contained in the source documents below, the Consultants have determined that the projected gross new residential units for the EDC is 6,552 based on a timeframe encompassing 2015-16 to 2029-30.

Document	Source	Date
Growth Forecast and Lands Needs Analysis for the United Counties of Prescott and Russell	Hemson Consulting Ltd.	December 2012
Township of Russell 2013 Development Charges Background Study and the associated Addendum	Watson & Associates Economists Ltd.	December 2013

- Existing legislation requires recognition that some future new residential units over the 15-year period may be replacement homes as a result of the demolition of existing homes.
 - the projected gross new residential units has been reduced to a net amount based on reducing 3% of projected medium density units to comply with the required statutory exemption.
 - This results in 6,540 projected net new residential units.

SINGLES	MEDIUM DENSITY	APARTMENTS	TOTAL NET NEW UNITS
5,265	390	885	6,540

In the United Counties of Prescott and Russell, over the projected 15-year period:

- CEPEO is projected to have 1,460 students from Existing Community and an additional 243 students projected from New Development on the elementary panel. On the secondary panel the board is projected to have 490 students from Existing Community and 153 from New Development.
- In assessing its growth-related accommodation needs, the CEPEO has subdivided its jurisdiction into 2 elementary review areas and 1 secondary review area.
 - Review Areas consider: alignment of feeder school patterns as students move from elementary to secondary programs; existing school attendance boundaries, travel distances to schools consistent with the Board's transportation policies; manmade or natural barriers (i.e., Highway 417, railway crossings); distance to nearby schools of the Board
- Based on the location of future new residential development within these review areas, 1 elementary and 1 secondary school site over the legislatively required 15-year planning timeframe would be required.

- Ontario Regulation 20/98 re: EDCs, provides site size maxima and indicates:

Elementary Schools	
Number of Pupils	Maximum Area (Acres)
1 to 400	4
401 to 500	5
501 to 600	6
601 to 700	7
701 or more	8
Secondary Schools	
Number of Pupils	Maximum Area (Acres)
1 to 1,000	12
1,001 to 1,100	13
1,101 to 1,200	14
1,201 to 1,300	15
1,301 to 1,400	16
1,401 to 1,500	17
1,501 or more	18

- Section 2.3.8 of the Ministry of Education’s EDC Guideline, in reference to *Section 2(3) of O.Reg. 20/98 re: EDCs* indicates “when the area of any of the proposed sites exceeds the site designations in this table (i.e. table above), justification as to the need for the excess land is required.”

- The CEPEO secured the services of the Altus Group to undertake site appraisals in three areas:
 - The Municipality of Clarence-Rockland
 - The Village of Russell
 - The Village of Embrun
- The Appraiser's report provided to the Board on November 17, 2014 finds that the average cost per acre for serviced land in Russell Township is \$135,000 per acre while within the Municipality of Clarence-Rockland, it is slightly higher at \$150,000 per acre given the Municipality's proximity to the City of Ottawa

2015 Proposed Education Development Charges

– Preliminary Site Needs

Proposed School Sites

Review Area	Panel	Proposed School Size in Pupil Places	Total Net Growth Related Pupil Places	% of Acres Eligible to be funded from EDCs	Total # of Acres	Total # of EDC Eligible Acres
Alfred and Plantagenet; Casselman; Clarence-Rockland; Russell; The Nation	E	325	221	68.0%	4.0	2.7
Champlain; East Hawkesbury; Hawkesbury	E		22		Accommodate in Existing Schools	
United Counties of Prescott & Russell	S	200	153	76.6%	7.8	6.0

2015 Proposed Education Development Charges

– Proposed Charge

CALCULATION OF RESIDENTIAL EDUCATION DEVELOPMENT CHARGE	
Total Growth-Related Net Education Land Costs (over 15-year forecast period including associated financing and study costs)	\$2,903,760
Costs Financed in the Previous By-law	\$0
Site Acquisition Costs	\$1,263,334
Land Escalation Costs	\$14,831
Site Preparation Costs	\$1,041,498
Site Preparation Escalation Costs	\$47,285
Debenture Interest Payments	\$0
Short Term Debt Interest Payments	\$386,812
Study Costs	\$150,000
Financial Obligations/Surplus (projected EDC Account Balance as of March 30, 2015)	\$0
Interest Earnings	\$3,519
Closing Account Balance ¹	\$89,131
Total Net New Units	6,540
Total Non-Residential, Non-Exempt Board-Determined GFA	1,232,684
Residential Education Development Charge Per Unit based on 100% of Total Growth-Related Net Education Land Costs	\$444
Non-Residential Education Development Charge Per Sq. Ft. of GFA based on 0% of Total Growth-Related Net Education Land Costs	\$0

[1]Reflects the EDC account balance in Year 15 (2028/29) which would be required to fund the residual debt requirement of \$88,652 for the Board.