



**Education Development Charges Background Study
and Review of Education Development Charges
Policies for: Kawartha Pine Ridge District School
Board and Peterborough Victoria Northumberland and
Clarington Catholic District School Board**

County of Peterborough/City of Peterborough

(As Amended Nov 18, 2021)

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
KPRDSB	Kawartha Pine Ridge District School Board
PVNCCDSB	Peterborough Victoria Northumberland and Clarington Catholic District School Board
EDC	Education Development Charge
GFA	Gross Floor Area
GSR	Grade Structure Ratio



Foreword and Acknowledgements

Section 257.61 (1) of the *Education Act* states that, “Before passing an education development charge by-law, the board shall complete an education development charge background study.” Section 257.61 (2) of the Act as well as section 9 of Ontario Regulation 20/98, as amended, provide the information that must be contained in the background study. This report contains background studies for the Peterborough Victoria Northumberland and Clarington Catholic District School Board (PVNCCDSB) and the Kawartha Pine Ridge District School Board (KPRDSB).

The consultant would like to acknowledge and thank the staff at the PVNCCDSB and the KPRDSB for their work, time, and effort over the past several months. Staff from both Boards provided invaluable input and assistance throughout the EDC process.

The consultant would also like to thank Mr. Jim Easto of the firm Keel Cottrelle LLP, legal counsel for both School Boards, and Mr. Chris Vardon of Cushman & Wakefield, the appraisal firm responsible for the site valuations.

Ministry of Education Legislative Updates March 29, 2019

On March 29, 2019, the Minister of Education enacted a regulation amending Ontario Regulation 20/98 with Ontario Regulation 55/19. This amendment provides a provisional phase-in of the proposed EDC rates. A school board’s existing or most recent EDC residential rates could now be increased by \$300 or 5% of the existing rate or most recent rate (whichever is greater). For non-residential EDC rates, the charge could be increased by \$0.10 or 5% of the existing or most recent rate (again, whichever is greater).

Additionally, in year 2 of the by-law and each subsequent year thereafter (to the maximum term of the by-law) the residential rate could increase by a further \$300 or 5%



of the previous year charge (whichever is greater). Similarly, the non-residential rate could increase by an additional \$0.10 or 5% of the previous year charge. These increases would occur until the charge reached the proposed or maximum rate.

While the KPRDSB and PVNCCDSB do not have existing EDC bylaws in the City and County of Peterborough, both Boards did have EDC bylaws in place at one time and those bylaws expired and were not renewed. Therefore the most recent Education Development Charge for the KPRDSB was \$136 for residential and \$0.04 per square foot of gross floor area for non-residential. For the PVNCCDSB, the most recent EDC was \$62 for residential and \$0.02 per square foot of gross floor area for non-residential.

Based on this legislative change, the new first year EDC charge for PVNCCDSB would be **\$362 (\$300+\$62)** and for the KPRDSB the residential charge would be **\$436 (\$300+\$136)** per residential dwelling. The non-residential charge for the PVNCCDSB would be **\$0.12 (\$0.10+\$0.02)** and for the KPRDSB it would be **\$0.14 (\$0.10+\$0.04)** per square foot of gross floor area in the first year.

These charges would thereafter rise by \$300/annum and \$0.10/annum respectively, until each board's respective charge reaches its maximum value. This will occur in year 2 for the PVNCCDSB for both the residential and non-residential rate and for the KPRDSB, it would occur in year 3 for the non-residential rate and year 4 for the residential rate.

Please note that there was a small error identified in the original EDC Background Study. The year 5 phase-in rate for the PVNCCDSB in table 5-3 on page 5-12 originally stated that it was \$582 when it should have been \$524. This has been corrected and did not impact any other parts of the report or calculation.



Executive Summary



Executive Summary

EDCs are a revenue source, for school boards that qualify, to purchase and develop land for new schools. EDCs are meant as a funding mechanism for boards that are experiencing a growth-related accommodation need in their jurisdiction. In order to renew their by-laws each Board must follow processes and guidelines as required by provincial legislation. This background study fulfills legislative requirements while providing the necessary context to the understanding and determination of the EDC.

The general authority for school boards to impose EDCs is provided by Division E of Part IX for the *Education Act*. Ontario Regulation 20/98, as amended, provides the requirements necessary to determine an EDC. In addition, the Ministry has published a set of EDC Guidelines to assist boards with the EDC process.

Before an EDC by-law can be passed, school boards must ensure that they:

- Demonstrate that their elementary or secondary enrolment on a jurisdiction-wide basis is greater than the elementary or secondary OTG-approved capacity, or that their EDC reserve fund is in a deficit position.
- Prepare a background study meeting the requirements of the legislation.
- Hold required legislated public meetings.
- Receive written Ministry approval of the projected number of students and school sites.

Both the PVNCCDSB and the KPRDSB are eligible to impose an EDC by-law on the basis of the **Capacity Trigger** – that is, both boards' average projected five-year enrolment exceeds the approved OTG capacity on the elementary panel for the County and City of Peterborough.

The Boards intend to hold joint statutory public meetings to inform the public as to the new proposed EDC by-law. The Boards plan to hold a joint meeting on November 29, 2021. The Boards will consider passage of the EDC by-laws at additional board meetings early in 2022 but final dates have yet to be determined. Further details are provided in the Boards' public meeting notice contained in this report.



The EDC analysis in this background study has been completed for both the PVNCCDSB and the KPRDSB within the County of Peterborough including the City of Peterborough. The PVNCCDSB's jurisdiction spans the Municipality of Clarington, Northumberland County, the County of Peterborough and the City of Kawartha Lakes (formerly called Victoria County). The KPRDSB's jurisdiction spans the Municipality of Clarington, Northumberland County and Peterborough County. This EDC study contemplates by-laws only within the County of Peterborough/City of Peterborough which is defined as a separate region for EDC by-laws.

Demographic projections form an important component of the EDC analysis. The residential dwelling unit forecast is used both to project pupils from new development and to determine the final quantum of the residential charge. The residential forecasts used in this analysis are consistent with the most recent County/City forecasts that were available at the time of study preparation. The number of net new units projected in the County and City of Peterborough for the 15 years in the EDC analysis totals **13,765**. The total net estimated non-residential board-determined gross floor area to be constructed over 15 years from date of by-law passage is **5,723,297**.

The number of growth-related pupils is based on the aforementioned residential forecast and pupil yields that have been derived from Statistics Canada custom tabulated data and historical board enrolment information. Pupil yields are mathematical representations of the number of school-aged children that will be generated by particular dwellings, based on type. The total growth-related pupils must be offset by any available pupil places that are not occupied by existing pupils of the Boards. These calculations were done for both Boards on a review area basis to determine the total net growth-related pupil places.

The analysis projects a total of **656** elementary net growth-related pupils and **242** secondary net growth-related pupils for the PVNCCDSB in the County and City of Peterborough. For the KPRDSB, a total of **1,493** elementary net growth-related pupils were projected while secondary enrolment was projected to total **860** net growth-related pupil places in the County and City of Peterborough.

Once the net growth-related pupil place requirements have been determined, it is necessary for boards to decide the number of new schools that will be built to accommodate that need. The EDC legislation provides a table that relates pupil place requirements to school site sizes. The table, as well as a description and methodology,



is provided in the background study. The study also provides information on the approximate timing, size, and location of the proposed new schools/sites.

The EDC analysis for the County and City of Peterborough predicts that the PVNCCDSB will require approximately **2 new elementary sites**, one in Peterborough County and City – Southeast (ERA02), and one in Peterborough County and City – Northwest (ERA03). On the secondary panel, **1 new secondary site** may be required in Peterborough – North (SRA02) within the 15-year EDC time frame.

The KPRDSB's EDC analysis for the County and City of Peterborough projects a requirement of approximately **3 new elementary sites**. Two sites will be required in Peterborough County and City – Southwest (ERA01), while one site will be required in Peterborough County and City – Northeast (ERA02). On the secondary panel, **1 new secondary site** will be required in the County/City of Peterborough within the 15-year EDC time frame.

One of the final steps of the EDC process involves translating the land requirements to actual land costs. Site acquisition costs are based on appraisals completed by the firm of Cushman & Wakefield. The per acre acquisition values ranged from **\$675,000** to **\$700,000** for sites in Peterborough County and City. Due to the uncertainty in land values over the past two years, largely as a result of the COVID pandemic, there have been no escalation rates applied to land values at this time.

The costs to prepare and develop the site for school construction are also EDC-eligible costs. The assumed site preparation costs are based on Board experiences and have been escalated to the time of site purchase at a rate of **3.1%** per year.

The total land costs (acquisition and servicing costs) as well as study costs must be added to any outstanding financial obligations incurred by the board under a previous EDC by-law to determine the final net education land costs. A deficit balance in the existing EDC reserve fund is considered to be an outstanding obligation and must be added to the existing land costs. If a board has a surplus balance in the EDC reserve fund, this amount must be subtracted from the land costs and used to defray the net education land costs. There is no EDC currently in place for the County or City of Peterborough and there is no outstanding reserve fund balance and as such, this criterion is not considered in the present evaluation.



On the basis of the aforementioned net education land costs and net new unit forecasts, the analysis resulted in a proposed EDC rate of **\$524 per dwelling unit** for the PVNCCDSB's residential charge and **\$0.14 per square foot of gross floor area** for the non-residential charge in the County/City of Peterborough. The new proposed EDC rate for the KPRDSB is **\$1,246 per dwelling unit** for the residential charge and **\$0.33 per square foot of gross floor area** for the non-residential charge in the County/City of Peterborough. The charges contained herein are based on a uniform rate for all types of development, with 90% of costs allocated to residential development and 10% of the costs to non-residential development, applicable only within the County of Peterborough/City of Peterborough.