

July 17, 2025

Memorandum to: Michael Smith  
Georgina Developers Association

From: Daryl Keleher, MCIP, RPP, Principal  
Keleher Planning & Economic Consulting Inc.

Re: Georgina DC – Follow-Up and Outstanding Issues  
Our File: P1165

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Keleher Planning & Economic Consulting Inc. (KPEC) was retained by the Georgina Developers Association to review the Town of Georgina's 2025 DC Background Study and proposed DC by-law.

This memorandum presents outstanding questions and comments stemming from my review, which included a memorandum dated May 9, 2025, and a response received from the Town's consultants dated June 25, 2025, as well as meetings with the Town and its consultants to discuss questions and comments. We appreciate the Town and their consultants time and effort to consult during the DC by-law adoption process.

## Fire Service Levels

With the completion of the Pefferlaw Fire Station, the service levels as expressed in terms of building area per capita increased from 0.42 SF per capita in 2010 to 0.52 SF per capita in 2025. The Town's response indicated that the station was constructed by non-DC funding sources and therefore the excess capacity associated with the facility cannot be used to meet the needs associated with future development.

*The Pefferlaw Fire Station was constructed and funded from non-DC funding sources and the future debt payments are also not being paid for from future DCs. Any notional excess capacity cannot be used to meet the capital requirements required by future development, and therefore, the associated capital cost is eligible for recovery and no reduction to the funding envelope is made.*

The Town's response raises questions as to whether the Town's existing excess capacity that may have existed was appropriately accounted for in DC rate calculations. The response from the Town indicated that the 'notional' excess capacity cannot be used, with the apparent reason being that the station was funded by non-DC funding sources.

In my opinion, this in-and-of-itself is insufficient reason to not account for the excess capacity that appears to exist. Rather, the DC Act (s.5(1) para.5) directs the increase in need for service be reduced by the part that can be met using the municipality's excess capacity, regardless of how it was funded.

The only exclusions from this provision in the DC Act is in situations where Council has "indicated an intention that it would be paid for by new development.". As the Pefferlaw Fire Station causing the excess capacity is in the LOS inventory and not in the capital project list, it does not appear that Council has expressed this intent.

## Council Intent and MURC Debt Balloon Payment

The DC Study includes annual provisions for debt principal repayment and the combined amounts for Library and Recreation match those of the Region's debenture by-law 2024-01 for the MURC, for each of the years 2025-2033.

In 2034, however, the debenture repayment showing is \$22.6 million, while the debenture by-law shows only \$1.69 million in principal repayment. The DC study rate calculations are based on an assumption that relies upon the full remaining payments being paid-down in 2034, despite the amortization schedule in the Region's by-law extending to 2049.

Figure 1

### Debenture Cost Inclusions in DC Rates and Actual Schedule of Costs under Amortization Schedule

MURC - Principal Portion Only - Inclusion in DC Rate Calculations									
Gross Costs				2025-2034 DC Recoverable (incl. DC reserve funding)					
Year	Library	Recreation Centre	Total	Library	Recreation Centre	Total	Debenture (2024 not showing)		
2025	\$ 110,818	\$ 1,016,882	\$ 1,127,700	\$ 110,818	\$ 1,016,882	\$ 1,127,700	\$		1,127,700
2026	\$ 115,940	\$ 1,063,885	\$ 1,179,825	\$ 115,940	\$ 1,063,885	\$ 1,179,825	\$		1,179,825
2027	\$ 121,299	\$ 1,113,060	\$ 1,234,359	\$ 121,299	\$ 1,113,060	\$ 1,234,359	\$		1,234,359
2028	\$ 126,906	\$ 1,164,507	\$ 1,291,413	\$ 126,906	\$ 1,164,507	\$ 1,291,413	\$		1,291,413
2029	\$ 132,772	\$ 1,218,333	\$ 1,351,105	\$ 132,772	\$ 1,218,333	\$ 1,351,105	\$		1,351,105
2030	\$ 138,909	\$ 1,274,647	\$ 1,413,556	\$ 138,909	\$ 1,274,647	\$ 1,413,556	\$		1,413,556
2031	\$ 145,329	\$ 1,333,564	\$ 1,478,893	\$ 145,329	\$ 1,333,564	\$ 1,478,893	\$		1,478,894
2032	\$ 152,047	\$ 1,395,205	\$ 1,547,252	\$ 152,047	\$ 1,395,205	\$ 1,547,252	\$		1,547,251
2033	\$ 159,075	\$ 1,459,694	\$ 1,618,769	\$ 159,075	\$ 1,459,694	\$ 1,618,769	\$		1,618,769
2034	\$ 2,220,723	\$ 20,377,689	\$ 22,598,412	\$ 2,220,723	\$ 9,914,364	\$ 12,135,087	\$		1,693,592
2025-2034	\$ 3,423,818	\$ 31,417,466	\$ 34,841,284	\$ 3,423,818	\$ 20,954,141	\$ 24,377,959	\$		13,936,463
Post-Period (Discounted)				\$	-	\$ 10,463,325	\$	10,463,325	
2035-2049						\$ 25,037,014	\$	25,037,014	\$ 35,478,510
Included in DC Rates									
Summary Table	(undiscounted post-2035)		Debenture Actuals						
2025-2034	\$ 24,377,959		\$ 13,936,463						
2035-2049	\$ 25,037,014		\$ 35,478,510						
Total	\$ 49,414,973		\$ 49,414,973						
Share									
2025-2034	49%		28%						
2035-2049	51%		72%						

Source: York Region By-law 2024-01

This approach utilizes finite room under the calculated level of service cap used to estimate the maximum allowable funding envelope for each DC service. The LOS cap in the Town's 2025 DC Study is \$56.44 million. This is fully utilized, with \$16.1 million in post-period benefit, of which \$10.5 million is for the MURC debt, and the other \$5.6 million is for various waterfront parks projects.

In my opinion, the issue with the approach used in the 2024 DC Study is the lack of Council intent in the cost assumptions used for DC rate calculation – based on the by-law, the costs included in the DC rate calculation for 2034 that are over and above the scheduled debenture repayment amount (or \$12.1 million over \$1.69 million, \$10.44 million) should be removed from the calculated DC rates.

Understanding that the capital work would be fully DC eligible if it wasn't debentured, it is understood that if the work benefits growth such that it meets the increased needs of growth to 2034, a possible scenario is that in future DC studies (in 2035, the amount of debt carried in the DC capital program at that time

may be \$35.5 million, despite the DC rates in 2025 being designed to fully fund the full repayment (except the post-period share).

### **Waterfront Parks BTE**

Further review is being undertaken to assess the appropriateness of BTE allocations (ranging from 33%-50%) for waterfront parks projects. The statement provided in the Hemson response memo stated that these BTE allocations are meant to reflect “a share of some of the park amenities which will be replaced or upgraded with the redevelopment”, however a detailed information request regarding various detailed components of parks development projects outlined in the Master Plan may be sought to assess whether the BTE assumptions used in the 2025 DC Study appropriately reflect the replacement and state-of-good-repair elements of the projects.