



Administrative Report

To: Warden MacDonald and Members of Essex County Council

From: Rebecca Belanger, MCIP, RPP, Manager, Planning Services

Date: Wednesday, November 6, 2024

Subject: Update on the County Development Charges Study and By-law

Report #: 2024-1106-IPS-R29-RB

Purpose

The purpose of this Administrative Report (the "**Report**") is to advise County Council on the outcome of the consultant selection to advance the County Development Charges initiative. Hemson Consulting Ltd has been retained to undertake this initiative for the County and will be in attendance to introduce the project and advise County Council on the planned timeline to complete the workprogram.

Background

This report is provided as further information to the prior report brought forward on this matter on May 15, 2024, attached as Appendix A. The previous report advised County Council that the purpose of this initiative is to put in place the appropriate legal funding mechanism to ensure that forthcoming growth related expenses for services such as roads, EMS and long-term care will be adequately funded. The funds that will be collected as development charges are used by the County to cover capital costs associated with both residential and non-residential growth.

Discussion

The contract has been finalized with Hemson Consulting Ltd to undertake the County's Development Charges initiative. The first step in any development charges project is to prepare the required background study which will inform the calculation of development charges. The study will look at the anticipated residential and non-residential growth over the next 10 years. Based on those projections, Hemson will determine the increase that is required to ensure the service is delivered at the same level as it has been

provided, on average, over the past 15 years. This ensures that development charges pay for growth and are not used to increase the level of service delivery.

A project initiation meeting was held with the Senior Leadership Team. A significant amount of background data collection has occurred as well as individual meetings with the relevant County department heads. The preparation of historical capital inventories is presently underway and informed by department head meetings along with the preparation of development-related capital forecasts. The capital project cost estimates will be discounted by grants and other contributions; benefit to existing population and post period benefit to arrive at the development charge rates required to recover growth related infrastructure costs.

Through these recent meetings with the Hemson Team, confirmation of the extent of services attributable to development charges, is still in the early stages of consideration.

Schedule of Key DC Process Dates for Essex County

Schedule of Study Milestone	Dates
1. Data collection, staff review, DC calculations and policy work	October 2024 to January 2025
2. Meeting with local municipal administration	November 2024
3. Stakeholder Meeting	January 2025
4. Public release of DC Background Study and Policy Recommendations	January 2025
5. Public Meeting advertisement placed in newspaper(s)	Mid-February 2025
6. Public Meeting of County Council	End of February/early March of 2025
7. Council considers adoption of the background study and passage of the by-law	End of March 2025

8. Newspaper notice given of by-law passage	By 20 days after passage
9. Last day for by-law appeal	40 days after passage
10. County makes pamphlet available (where by-law not appealed)	By 60 days after in force date

The County of Essex approved the 2024-2027 Strategic Plan in December of 2023. The Plan is built around three strategic goals and underneath each of those goals are strategic directions and initiatives. The three goals are:

- (1) Working as Team Essex County,
- (2) Growing as Leaders in Public Service Excellence and
- (3) Building a Regional Powerhouse.

The Strategic Plan states that Essex County Council is committed to focusing on the initiatives underpinning these strategic goals and can use this Strategic Plan to help guide its decision-making over this term of Council and beyond.

Goal 3 in the Strategic Plan, Direction 7) states the following, *"Providing Reliable Infrastructure for Partners: Maintain existing and expand critical economic and community infrastructure.*

To achieve this, the County will:

- *Explore sustainable funding and financing options for long-term infrastructure planning including the introduction of development charges to fund growth infrastructure.*
- *Assess and right-size the County's internal asset management capacity and capabilities in relation to its existing and anticipated asset portfolio and legislative requirements.*
- *Conduct a needs assessment and feasibility study for the future of the Sun Parlor Long Term Care Home."*

Financial Implications

The consultant's fees associated with the Development Charges Study will be funded through rate stabilization reserves, up to a maximum of \$60,000 as directed by a resolution of County Council at the May 15, 2024 meeting.

There are no further financial implications at this time and the project is proceeding within anticipated budget allocation. The outcomes of the study will inform subsequent decisions and ultimately impact the County Budget as well as the establishment of development charge reserves for the relevant services covered in the Development Charges Study and By-law. The outcome from this work will affect costs incurred to the development community through the imposition of development charges, required to be charged at the time of the issuance of building permits.

Detailed financial implications of imposing development charges at the County level will be discussed in the follow up report accompanying the proposed by-law along with policy recommendations including statutory and non-statutory exemptions.

Consultations

The County's Senior Leadership team will be consulted throughout the development of the County's first Development Charges Background Study and associated By-law preparation.

A project webpage will be created on the County's website to inform interested individuals on the progress of the Development Charges project. The project webpage will be updated at milestones throughout the project. The County will utilize social media platforms to send notifications regarding this initiative to the public.

Consultations are planned with the local municipalities, the development community and any interested individuals to obtain feedback at such a time when the background study has been prepared.

A statutory public meeting will be held in accordance with the Development Charges Act, which will invite verbal and written comments on the DC study and by-law prior to adoption.

Strategic Plan Alignment

**Working as Team
Essex County**

**Growing as Leaders in
Public Service
Excellence**

**Building a Regional
Powerhouse**

<ul style="list-style-type: none"><input checked="" type="checkbox"/> Scaling Sustainable Services through Innovation<input checked="" type="checkbox"/> Focusing "Team Essex County" for Results<input checked="" type="checkbox"/> Advocating for Essex County's Fair Share	<ul style="list-style-type: none"><input type="checkbox"/> Being an Employer with Impact<input checked="" type="checkbox"/> A Government Working for the People<input checked="" type="checkbox"/> Promoting Transparency and Awareness	<ul style="list-style-type: none"><input checked="" type="checkbox"/> Providing Reliable Infrastructure for Partners<input checked="" type="checkbox"/> Supporting Dynamic and Thriving Communities Across the County<input checked="" type="checkbox"/> Harmonizing Action for Growth<input type="checkbox"/> Advancing Truth and Reconciliation
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Recommendation

That Essex County Council receive report number 2024-1106-IPS-R29-RB, Update on the County Development Charges Study and By-law as information.

Approvals

Respectfully Submitted,

Rebecca Belanger

Rebecca Belanger, MCIP, RPP, Manager, Planning Services

Concurred With,

Allan Botham

Allan Botham, P.Eng., Director, Infrastructure and Planning Services

Concurred With,

Sandra Zwiers

Sandra Zwiers, MAcc, CPA, CA, Chief Administrative Officer

Appendix	Title
A	Report to County Council 2024-0515-IPS-R08-RB Advancement of a County Development Charges Study and By-law https://coe-pub.escribemeetings.com/Meeting.aspx?Id=be3d7478-a5fa-4afe-99d7-2fc6e2daa841&Agenda=Agenda&lang=English&Item=39&Tab=attachments