

Council Kick-Off

# Development Charges Background Study and By-law



Source: County of Essex

COUNTY OF ESSEX

November 6, 2024



# What Are Development Charges?

- Imposed on development to fund “growth-related” capital costs
- DCs pay for new infrastructure and facilities to maintain service levels
  - County
  - Area municipal
  - Education
- “Growth pays for growth”



# Development Charges Just One Tool to Fund Capital

## Development Charges/Community Benefits Charges/Parkland Fees

- Fund a share of broader cost to expand infrastructure to service needs arising from new development

## Direct Developer Contributions

- Fund costs that would normally be required as part of a subdivision agreement (i.e. internal roads, sidewalks, streetlights, intersections, park elements)

## Property Taxes

- Statutory and non-statutory reductions on DCs
- Long-term repair and replacement of municipal infrastructure (as well as operating costs)

# Development Charges Act Requirements (DCs)

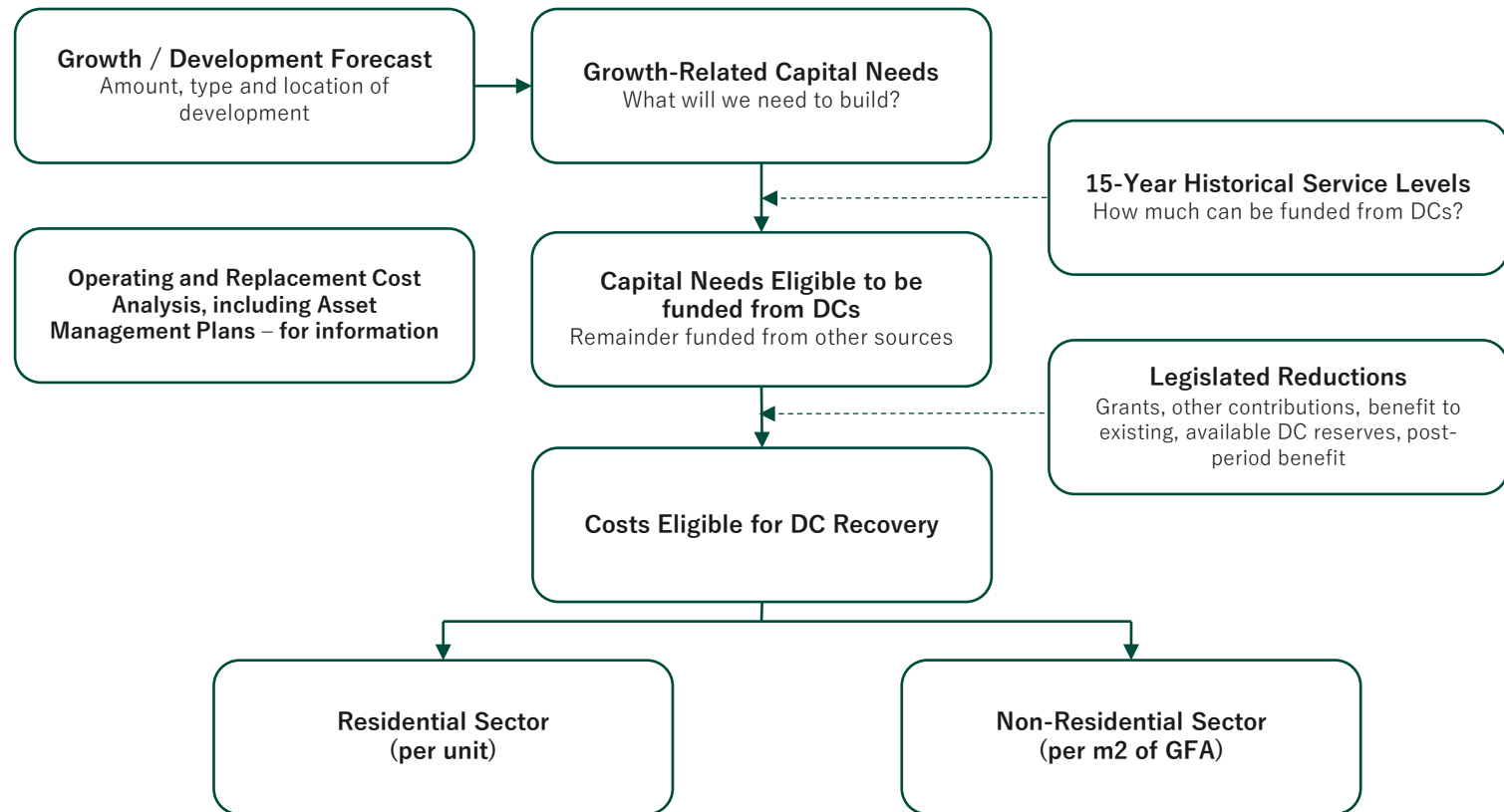
- DCs imposed by by-law
- Maximum life of a DC by-law is 10 years after the day it comes into force
- Prior to passing a by-law County must
  - Undertake a background study
  - Hold at least one public meeting
- Appeals adjudicated at OLT



# DCs Are Imposed On Services

County By-law	Area Municipal By-laws	Not Applicable in Essex
<ul style="list-style-type: none"> <li>• Services related to a highway</li> <li>• Ambulance services</li> <li>• Long term care</li> <li>• Public health</li> <li>• Child care &amp; early years programs &amp; services within the meaning of Part VI of the <i>Child Care and Early Years Act, 2014</i> &amp; related services</li> <li>• Services related to proceedings under <i>Provincial Offences Act</i>, including by-law enforcement &amp; municipally administered court services</li> <li>• Services provided by a board within meaning of the <i>Public Libraries Act</i></li> <li>• Waste diversion services</li> <li>• Services related to emergency preparedness</li> </ul>	<ul style="list-style-type: none"> <li>• Water supply services, including distribution and treatment services</li> <li>• Waste water services, including sewers and treatment services</li> <li>• Storm water drainage &amp; control</li> <li>• Services related to a highway</li> <li>• Parks and recreation services, but not the acquisition of land for parks *</li> <li>• Policing services</li> <li>• Fire protection services</li> <li>• Transit services</li> </ul>	<ul style="list-style-type: none"> <li>• Electrical power services</li> <li>• Toronto-York subway extension</li> <li>• Yonge North subway extension</li> <li>• Services related to airports, but only in Regional Municipality of Waterloo</li> </ul>

# Development Charges Study Process



# Development Forecast

- Forecast amount, type, and location of development
- Establish areas to which DCs apply (municipal-wide/area-specific)
  - Review with staff/council
  - Area rating must be considered
- Establish planning periods
- Types of development
  - Residential: population and dwelling units
  - Non-residential: non-residential floor space and employment



## OFFICIAL PLAN County of Essex

*Final Draft For Adoption*  
October 2024

 TOWN OF AMHERSTBURG  
 TOWN OF ESSEX  
 TOWN OF KINGSVILLE  
 MUNICIPALITY OF LAKESHORE  
 TOWN OF LASALLE  
 MUNICIPALITY OF LEAMINGTON  
 TOWN OF TECUMSEH

# Growth-Related Capital Program

- Future capital costs must be identified, and Council must express intent to undertake capital works
- Tie-in with approved capital budget and forecast, and master plans
- Shared capital funding responsibilities with other municipalities
- DC eligible costs cannot include:
  - Grants, subsidies & contributions
  - Benefit to existing or replacement elements
  - “Post-period” benefit



# Rate Structure Options

- Allocate costs between residential and non-residential sectors
- Prepare cash flow analysis to reflect timing of works and timing of development
- Calculate charges:
  - Residential – per dwelling unit type
  - Non-residential – per square metre of GFA

# By-law Policy Considerations



- Exemptions and discounts
  - Statutory
  - Non-statutory
- Implementation options
- Indexing
- Policy review

# Key Steps in Passing a DC By-law

Task	Description
Release DC Background Study to Public	<ul style="list-style-type: none"><li>▪ 60-days prior to by-law passage (including on website)</li></ul>
Advertise Public Meeting	<ul style="list-style-type: none"><li>▪ 20-days notice</li></ul>
Release Proposed DC By-law	<ul style="list-style-type: none"><li>▪ 2 weeks before the Public Meeting</li></ul>
Hold Statutory Public Meeting	<ul style="list-style-type: none"><li>▪ Receive submissions from public and Council</li><li>▪ Amend proposed charges and by-law, if warranted</li><li>▪ Determine if additional Public Meeting is required</li></ul>
DC By-law Passage	<ul style="list-style-type: none"><li>▪ Any changes brought forward for adoption</li></ul>
Notice of By-law Passage	<ul style="list-style-type: none"><li>▪ 20-days after DC by-law passage</li></ul>
Appeal Period	<ul style="list-style-type: none"><li>▪ 40-days following DC by-law passage</li></ul>
DC Pamphlet	<ul style="list-style-type: none"><li>▪ 60-days after passage of DC by-law</li></ul>