

2019 Development Charges By-law Review

August 23, 2019

With the Township's continual growth, new infrastructure is needed in order to maintain service levels. Development Charges (DCs) are fees currently collected from land developers/builders at the time a building permit is issued. These charges help pay for infrastructure items such as roads, transit, water and sewer, indoor/outdoor recreation, and fire facilities to accommodate growth.

It is common practice for municipalities in Ontario to use DCs to ensure that the cost of providing infrastructure to service growth, is not borne by existing residents and businesses in the form of higher property taxes and user fees.

In order to continue to collect DCs, the Township of Oro-Medonte is required under the Development Charges Act to update and adopt a new DC By-law, at minimum, every 5 years.

Prior to updating the DC By-law, the Township must complete a comprehensive DC Background Study to forecast the Township's future residential and non-residential growth, identify the related infrastructure needs, costs and legislated deductions, and to establish the maximum calculated DC rates that can be imposed.

Proposed By-law Review Timeline

- Data collection – May to July, 2019
- DC calculations – July/August, 2019
- DC Background Study and proposed By-law published for feedback – August 23, 2019
- DC feedback period open August 23 – September 13, 2019
- Public consultation meeting – September 16, 2019, Township Council Chambers
- Staff report presented to Council regarding the results of feedback and consultation, including any changes to the DC Study and proposed By-law – October 23, 2019
- Council consideration and passing of the new DC By-law – October 23, 2019
- Implementation – October 24, 2019

DC Background Study and By-law Released for Feedback/Consultation

On August 23, 2019, the Township released a Background Study and proposed By-law for public feedback/consultation, available for review by visiting <https://www.oro-medonte.ca/municipal-services/taxes-finance/development-charges>. The Background Study reports on the maximum calculated DC rates that can be levied under the Development

Charges Act. Input received through the feedback/consultation process will be included in the staff report for presentation at the October 23, 2019 Council meeting. Additionally, any recommended transitional provisions and refinements to the calculated charges or proposed By-law will be included with the staff report.

Any necessary adjustments to the DC rates and policies will be made and incorporated into the final amended DC Study and proposed By-law for consideration of Council. Council may adopt rates lower than the calculated rates. However, DC revenue shortfalls must be funded from other sources.

Comparison of May 1, 2019 and Calculated DC Rates (Township-wide)

Development Type	Current Rates (effective May 1, 2019)	2019 DC Study Calculated Rates
<u>Residential (\$ / unit)</u>		
Single Detached & Semi-Detached Dwelling	7,081	12,628
Apartments: 2 bedrooms +	4,375	7,394
Apartments: Bachelor & 1 bedroom	3,215	5,166
Multiple Dwellings	6,018	10,248
Special Care / Special Dwelling Units (new)	-	4,659
<u>Non-Residential (\$ / sq ft.)</u>		
Industrial *	2.31	4.10
Commercial *	2.31	4.10

* Industrial & Commercial Development Charges currently deferred by Council

The above chart excludes area-specific DC's, which are in addition to the Township-wide DCs. Please refer to the 2019 DC Background Study for details.

The increase in the 2019 calculated DCs, compared to the current DC's reflects updated capital programs, revised growth forecasts and recent provincial legislative changes.

DC Revenue

The Township currently collects approximately \$600,000 - \$1 million in development charges revenue annually under the current (2014) DC By-law.

Calculated Charge by Service

The majority of the development charges are attributed to highways, recreation, and fire services. Charges reflect the average calculated demand that new land development places on the Township for this type of infrastructure.

Service Allocation of Township-Wide DCs Collected				
<u>SERVICE</u>	Residential		Non-Residential	
	<u>Current</u>	<u>Calculated</u>	<u>Current</u>	<u>Calculated</u>
Services Related to a Highway	43.17%	47.89%	51.95%	56.59%
Fire Protection Services	14.19%	13.69%	18.18%	16.10%
Outdoor Recreation Services	18.03%	14.44%	11.69%	9.27%
Indoor Recreation Services	21.51%	18.83%	14.29%	11.95%
Administration	3.09%	5.15%	3.90%	6.10%

Proposed Bylaw

The proposed By-law reflects the majority of the Township's current By-law policies and exemptions, including exemptions for:

- Farm Buildings
- A Place of Worship, under Section 3 of the Assessment Act
- A Public Hospital, under the Public Hospitals Act

For additional information, please review the 2019 DC Background Study and Draft By-law by visiting <https://www.oro-medonte.ca/municipal-services/taxes-finance/development-charges>, or by contacting Mark DesLauriers, CFO/Treasurer by telephone at 705-487-2171, or by e-mail at dcfeedback@oro-medonte.ca.