



The Corporation of the County of Wellington
Administration, Finance and Human Resources Committee
Public Meeting – Development Charges
Minutes

May 17, 2022
County Administration Centre
Guthrie Room

Present: Warden Kelly Linton
Councillor Chris White (Chair)
Councillor George Bridge
Councillor Earl Campbell
Councillor Andy Lennox

Also Present: Councillor Campbell Cork
Councillor Gregg Davidson
Councillor Jeff Duncan
Councillor Steve O'Neill
Gary Scandlan, Director, Watson and Associates
Byron Tan, Senior Project Coordinator, Watson and Associates

Staff: Susan Aram, Deputy Treasurer
Donna Bryce, County Clerk
Shauna Calder, Manager of Finance
Ken DeHart, County Treasurer
Suzanne Dronick, Wellington Terrace Administrator
Susan Farrelly, Director of Human Resources
Brendan Ridgeway, Manager, Human Resources – Employee Services
Aldo Salis, Director, Planning and Development

1. Opening of Meeting - Councillor White

At 1:00 pm, Councillor Chris White welcomed everyone to the meeting and introduced Gary Scandlan of Watson and Associates. The purpose of the meeting is to present the Development Charges Update Study to members of the public and Committee and receive public input on the proposed policies and charges.

2. 2022 Development Charges Study Presentation

Gary Scandlan, Director, and Byron Tan, Senior Project Coordinator, Watson and Associates

Mr. Scandlan presented the 2022 Development Charges Study.

3. Public Input

There was no public input.

4. Development Charge Study Public Meeting and By-Law Recommendations

1/1/22

Moved by: Councillor Bridge

Seconded by: Councillor Campbell

That the Development Charges Background Study dated March 25, 2022 be received and considered by County Council for adoption on May 26, 2022 including approval of the forecast of anticipated development, the underlying capital forecast and the calculations; and

That staff be directed to prepare the necessary County Development Charge By-Law.

Carried

5. Closing of Meeting

Councillor White thanked everyone for attending the meeting and advised that the Development Charges By-law would be presented at the May 26, 2022 Council meeting.

The public meeting was declared closed at 1:37 pm.

Kelly Linton - Warden

Donna Bryce - County Clerk



County of Wellington

2022 Development Charges Public Meeting

May 17, 2022

Format for Public Meeting



- Opening Remarks
- Public Meeting Purpose
- Development Charges Overview
- Presentation of the Proposed Policies and Charges
- Presentations by the Public
- Questions from Council
- Conclude Public Meeting


Public Meeting Purpose



- The public meeting is to provide for a review of the D.C. proposal and to receive public input on the proposed policies and charges
- The meeting is a mandatory requirement under the Development Charges Act (D.C.A.)
- Prior to Council's consideration of a by-law, a background study must be prepared and available to the public a minimum 60 days prior to the D.C. by-law passage

Study Process & Timelines



- Meetings with County Staff, growth forecast development and policy review (August 2021 to February 2022)
- Release of Background Study (March 25, 2022)
- **Public Meeting (May 17, 2022)** 
- Council Consideration of By-law (May 26, 2022)

Development Charges (D.C.)



Purpose:

- To recover the capital costs associated with residential and non-residential growth within a municipality
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, sewers, watermains, roads, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the Development Charges Act (D.C.A.)

Changes to D.C. Legislation since 2017

D.C. Study



There were a number of changes to the D.C.A. since the completion of the previous background study. These changes were provided through:

- Bill 108: More Homes, More Choice Act, 2019
 - Provided timing of payment provisions (for Rental Housing, Institutional development, and non-profit housing), D.C. rate freeze for site plan and zoning by-law amendments, and allows for interest to be applied.
- Bill 138: Plan to Build Ontario Together Act, 2019
 - Removed installment payments for commercial and industrial developments (identified in Bill 108)
- Bill 197: COVID-19 Economic Recovery Act, 2020
 - Provides a list of D.C. eligible services, classes of services, and removal of the 10% mandatory deduction and 10-year planning horizon.
- Bill 213: Better for People, Smart for Business Act, 2020
 - Provides for a mandatory exemption for development of land intended for use by a university that receives operating funds from the Government

D.C. Eligible Services



1. Water
2. Wastewater
3. Storm water drainage
4. Services related to a highway
5. Electrical power services
6. Toronto-York subway extension
7. Transit
8. Waste diversion
9. Policing
10. Fire protection
11. Ambulance
12. Library
13. Long-term Care
14. Parks and Recreation
15. Public Health services
16. Childcare and early years services.
17. Housing services.
18. Provincial Offences Act
19. Emergency Preparedness
20. Airports (Waterloo Region only).

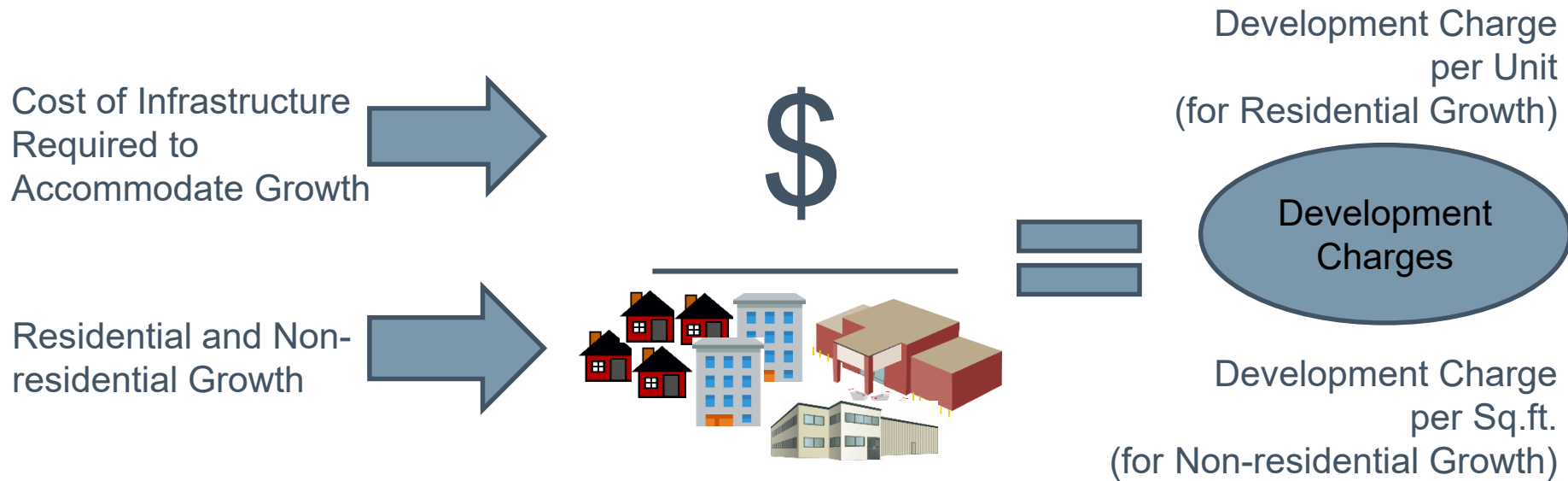
Additionally, studies related to the services noted above can be included for recovery.



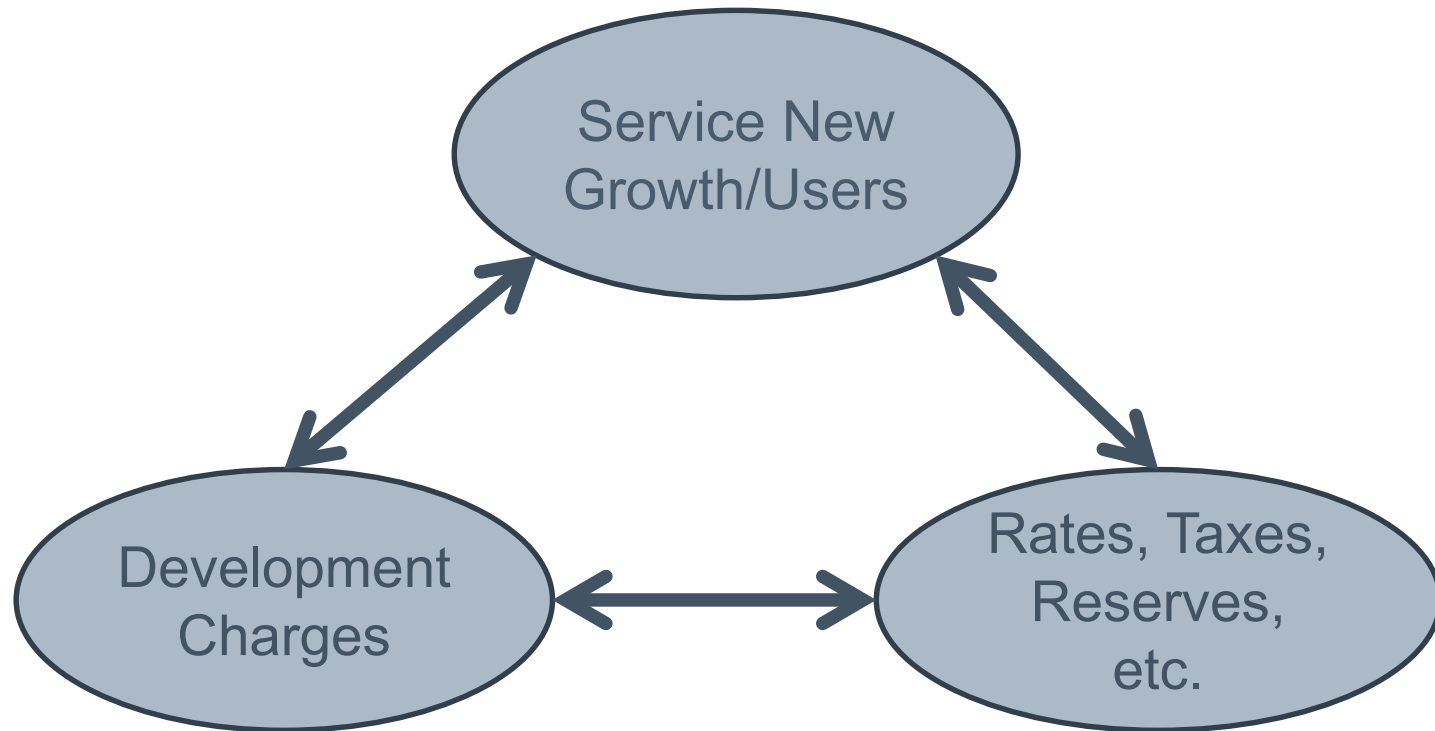
D.C. Methodology – Simplified Steps

1. Identify amount, type and location of growth
2. Identify servicing needs to accommodate growth
3. Identify capital costs to provide services to meet the needs
4. Deduct:
 - i. Grants, subsidies and other contributions
 - ii. Benefit to existing development
 - iii. Amounts in excess of 10-year historical service calculation
 - iv. D.C. Reserve funds (where applicable)
5. Net costs then allocated between residential and non-residential benefit
6. Net costs divided by growth to calculate the D.C.

Overview of the D.C. Calculation



Relationship Between Needs to Service New Development vs. Funding



Mandatory Exemptions



- Upper/Lower Tier Governments and School Boards
- for industrial building expansions (may expand by 50% with no D.C.)
- May add up to 2 apartments in a single as long as size of home doesn't double
- Add one additional unit in medium & high-density buildings
- Residential development (additional unit or ancillary dwelling) in new dwelling units (as per Bill 108)
- Development of lands intended for use by a university that receives operating funds from the Government (as per Bill 213)

Discretionary Exemptions



- Reduce in part or whole D.C. for types of development or classes of development (e.g. industrial or churches)
- May phase-in over time
- Redevelopment credits to recognize what is being replaced on site (not specific in the Act but provided by case law)

Current Discretionary Exemptions



- Hospital
- College or University
- Cemetery or a place of Worship
- Non-Residential Farm Building constructed for bona fide farm uses

Growth Forecast Summary



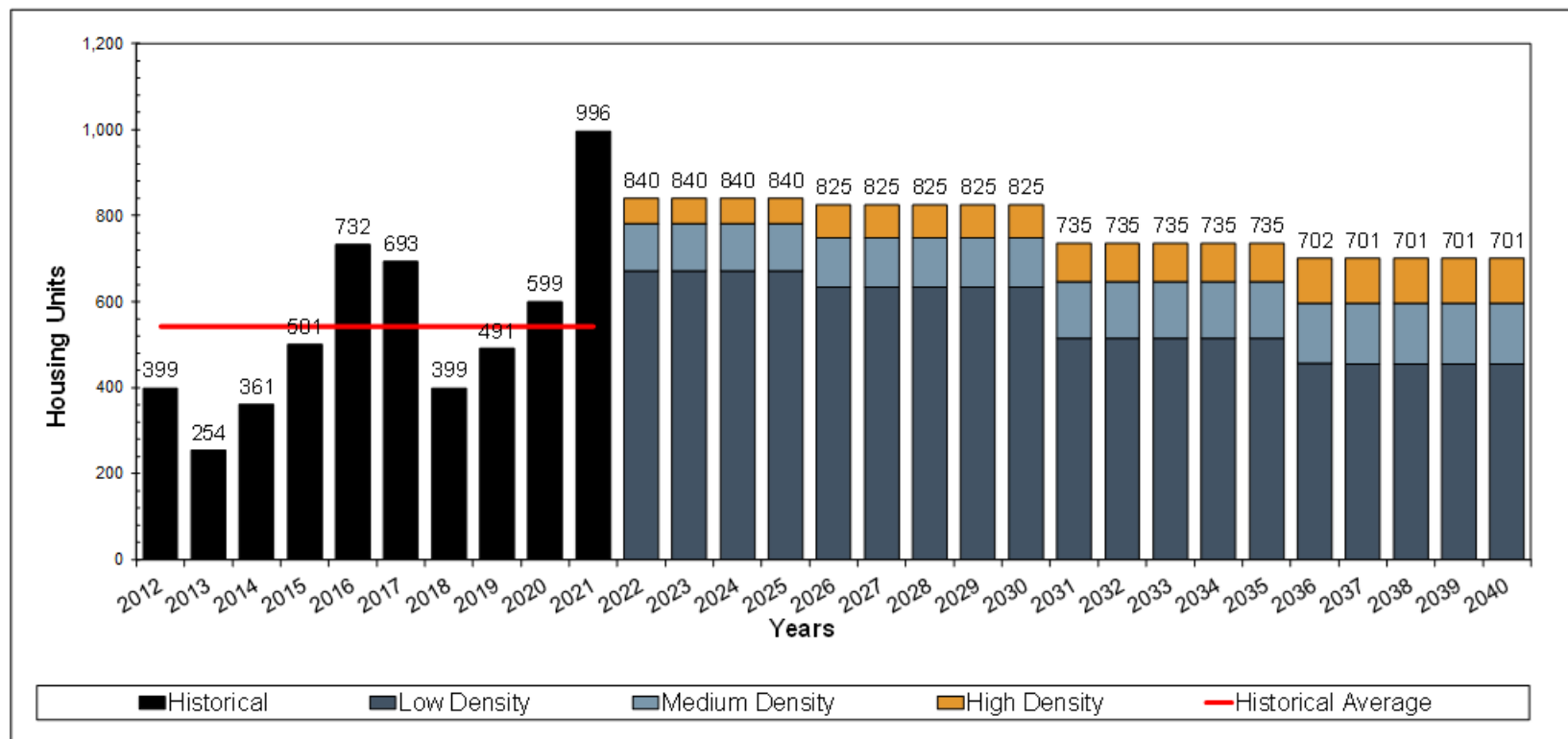
Measure	10 Year 2022-2031	20 Year 2022-2041
(Net) Population Increase	20,751	38,187
Residential Unit Increase	8,573	15,280
Non-Residential Gross Floor Area Increase (ft ²)	5,720,100	12,012,700

Source: Watson & Associates Economists Ltd. Forecast 2022

Growth Forecast



Housing Forecast, 2022 to 2041



¹ Growth forecast represents calendar year.

Source: Historical housing activity derived from County of Wellington building permit data, 2012 to 2019 and Statistics Canada building permit data for the Wellington County, 2020 to 2021.

Services & Classes of Services Considered for the D.C.



- **Services:**

- Policing Services;
- Services Related to a Highway;
- Library Services;
- Ambulance Services;
- Long-term Care Services;
- Public Health Services;
- Child Care and Early Years Services;
- Provincial Offences Act; and
- Waste Diversion

- **Classes of Services:**

- Growth Studies

Current D.C.



Service	Residential					Non-Residential
	Single & Semi Detached	Multiples	Apartments with ≥ 2 Bedrooms	Apartments with < 2 Bedrooms	Special Care/Special Dwelling Units	per sq.ft.
Services Related to a Highway	3,599	2,844	2,335	1,703	1,126	1.39
Policing Services	166	133	108	79	51	0.07
Library Services	1,206	953	783	571	379	0.04
Growth Studies	127	99	81	59	40	0.04
Long-term Care Services	110	87	71	51	35	0.01
Child Care and Early Years Services	28	22	17	12	8	-
Public Health Services	155	122	100	73	48	0.04
Provincial Offences Act	118	94	77	56	38	0.01
Ambulance Services	69	55	45	33	22	0.01
Waste Diversion Services	444	352	289	211	140	0.16
Social Services	146	116	96	69	46	0.01
Total	6,168	4,877	4,002	2,917	1,933	1.78

Note: Social Services is no longer considered a D.C. eligible service

Calculated D.C.



Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
County-Wide Services/Class of Services:						
Services Related to a Highway	6,176	4,663	3,295	2,686	2,217	2.07
Policing Services	137	103	73	60	49	0.05
Library Services	1,569	1,185	837	682	563	0.12
Growth Studies	170	128	91	74	61	0.06
Long-term Care Services	70	53	37	30	25	0.01
Child Care and Early Years Services	6	5	3	3	2	0.00
Public Health Services	289	218	154	126	104	0.04
Provincial Offences Act	200	151	107	87	72	0.07
Ambulance Services	144	109	77	63	52	0.02
Waste Diversion Services	223	168	119	97	80	0.06
Total County-Wide Services/Class of Services	8,984	6,783	4,793	3,908	3,225	2.50

Rate Comparison – Residential (Single Detached)



Service/Class of Service	Current	Calculated
County-Wide Services/Classes:		
Services Related to a Highway	3,599	6,176
Policing Services	166	137
Library Services	1,206	1,569
Growth Studies	127	170
Long-term Care Services	110	70
Child Care and Early Years Services	28	6
Public Health Services	155	289
Provincial Offences Act	118	200
Ambulance Services	69	144
Waste Diversion Services	444	223
Social Services*	146	-
Total County-Wide Services/Classes	6,168	8,984

*No longer a D.C. eligible service.

Rate Comparison – Non-Residential (per sq.ft.)



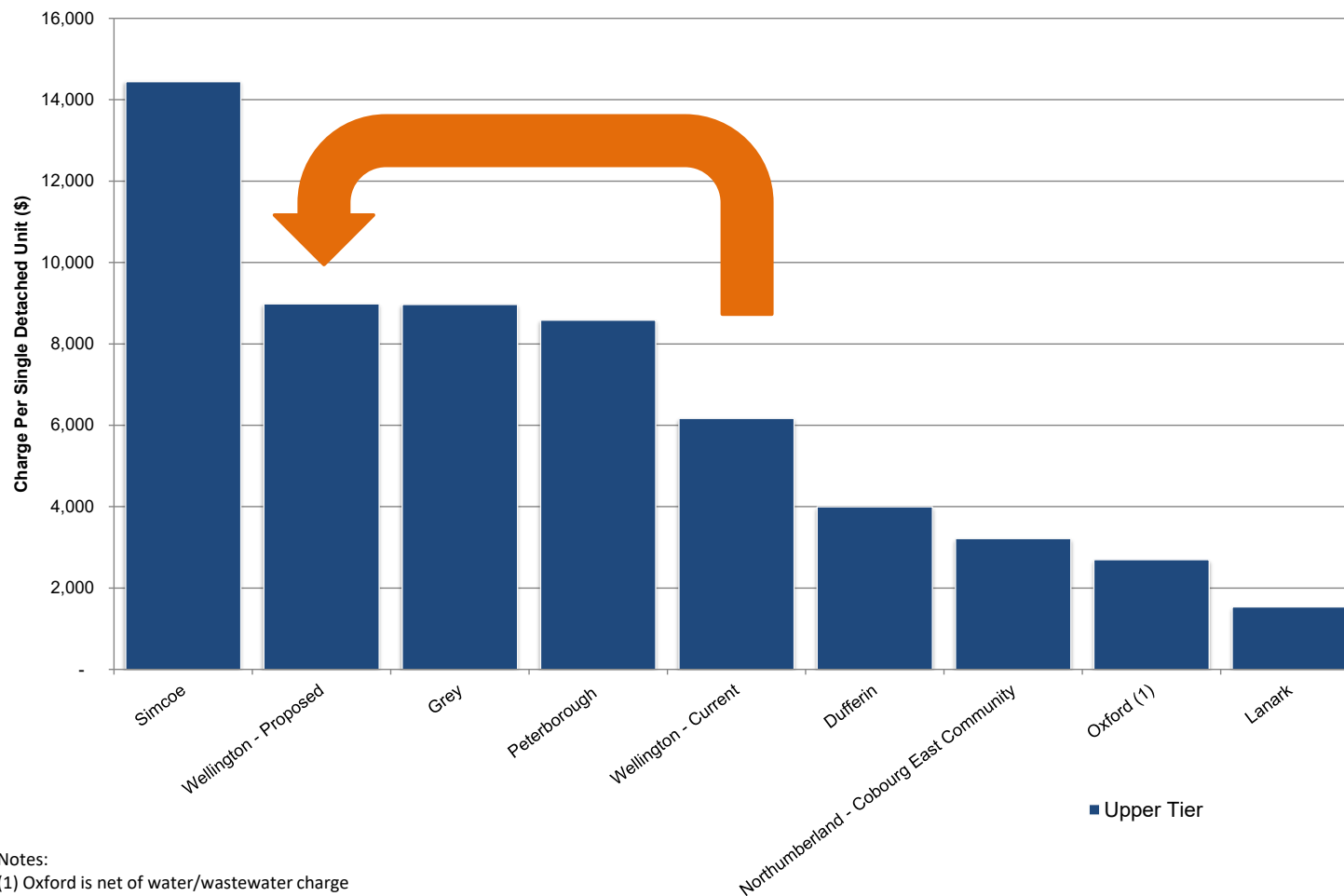
Service/Class of Service	Current	Calculated
County-Wide Services/Classes:		
Services Related to a Highway	1.39	2.07
Policing Services	0.07	0.05
Library Services	0.04	0.12
Growth Studies	0.04	0.06
Long-term Care Services	0.01	0.01
Child Care and Early Years Services	-	-
Public Health Services	0.04	0.04
Provincial Offences Act	0.01	0.07
Ambulance Services	0.01	0.02
Waste Diversion Services	0.16	0.06
Social Services*	0.01	-
Total County-Wide Services/Classes	1.78	2.50

*No longer a D.C. eligible service.

Rate Survey – Single Detached Dwellings As of May 1, 2022



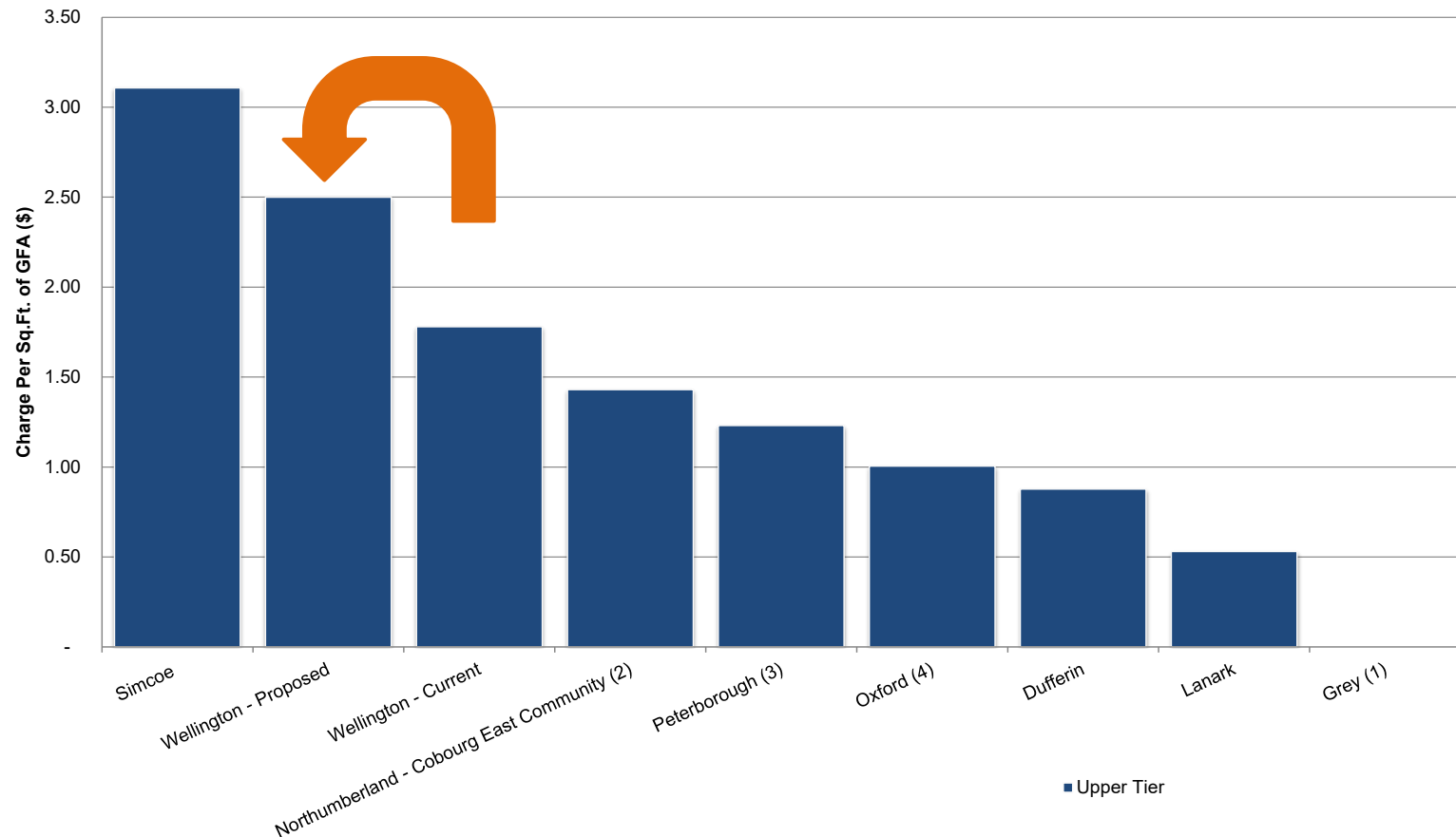
Development Charge Rates for Counties of Ontario Residential Per Single Detached Unit (As of May 1, 2022)





Rate Survey – Commercial (per sq.ft.) As of May 1, 2022

Development Charge Rates for Counties of Ontario Commercial Per Square Foot of GFA (As of May 1, 2022)



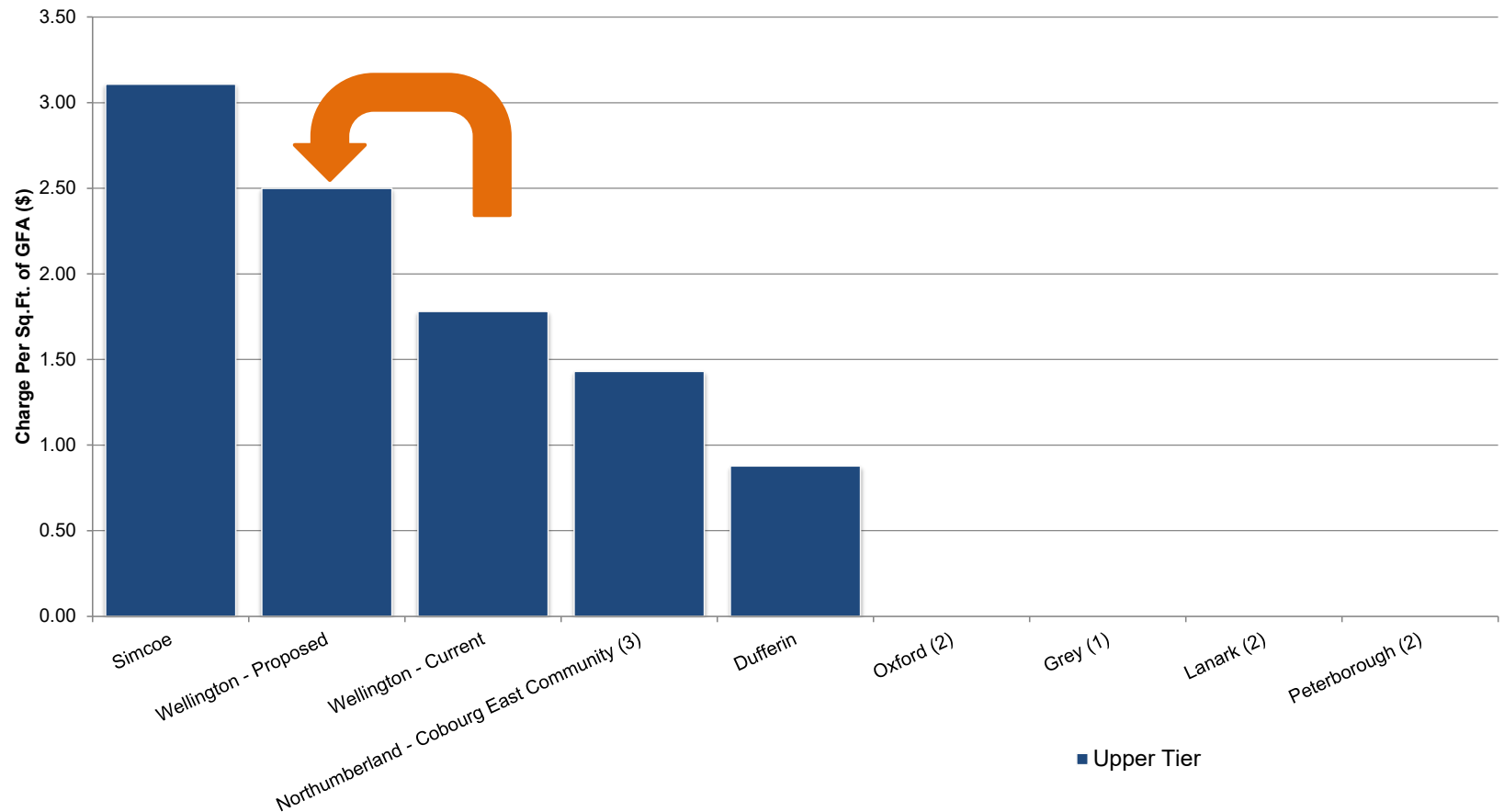
Notes:

- (1) Grey County - Non-residential D.C.s are exempt
- (2) Northumberland County - D.C.s not imposed with respect to development less than 4,000 sq.ft. of GFA
- (3) Peterborough County - First 250 sq.m is exempt
- (4) Oxford is net of water/wastewater charge



Rate Survey – Industrial (per sq.ft.) As of May 1, 2022

Development Charge Rates for Counties of Ontario Industrial Per Square Foot of GFA (As of May 1, 2022)



Notes:

(1) Grey County - Non-residential D.C.s are exempt

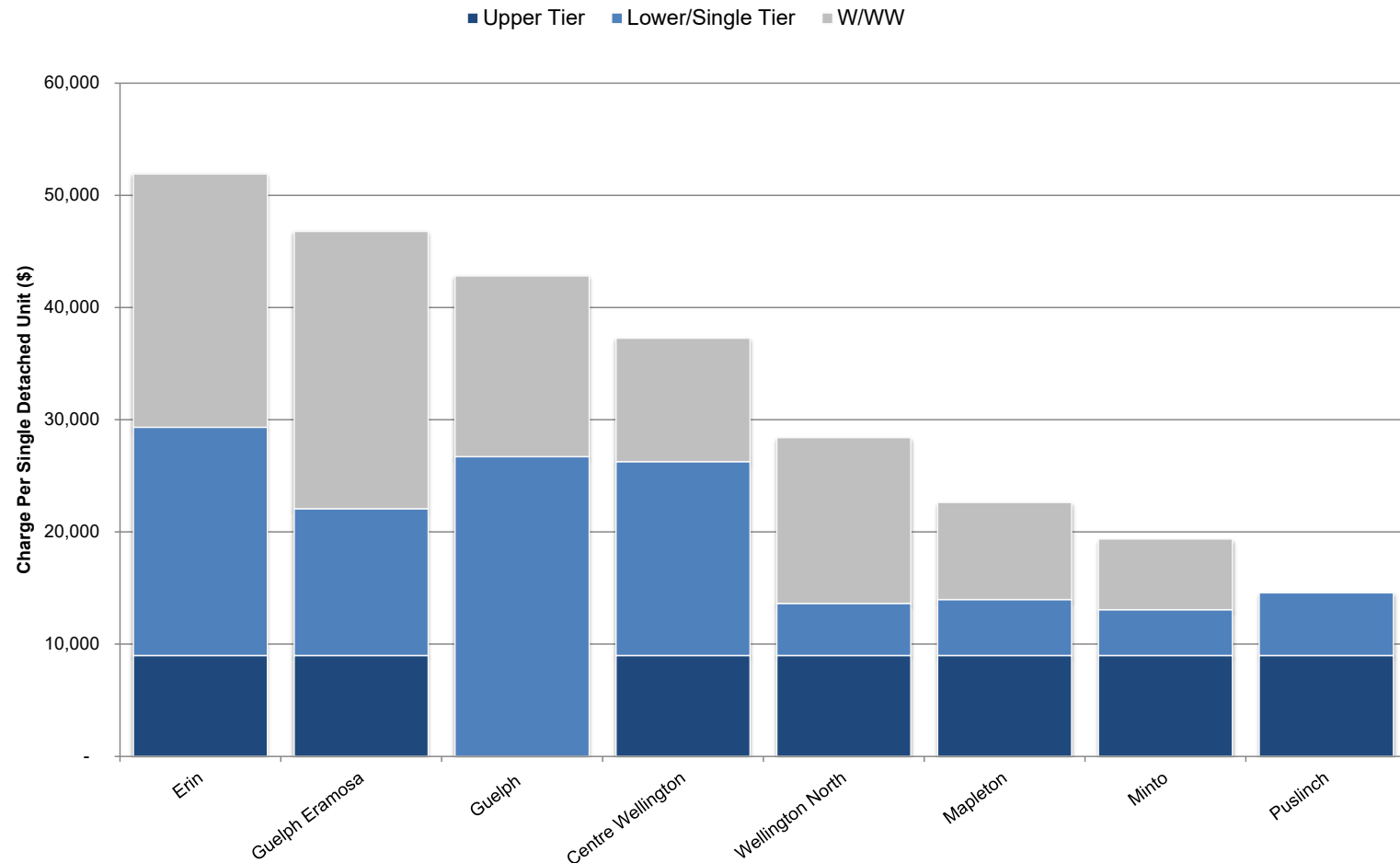
(2) Industrial D.C.s are exempt

(3) Northumberland County - D.C.s not imposed with respect to development less than 4,000 sq.ft. of GFA

Rate Survey – Wellington County Municipalities (With Calculated County D.C.)



Development Charge Rates for Wellington County Municipalities Residential Per Single Detached Unit (As of May 1, 2022)



Note: Guelph is a separated City

Next Steps



- Council Consideration of By-law (May 26, 2022)

Questions



Questions



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, May 17, 2022
Subject: Development Charge Study Public Meeting and By-Law Recommendations

Background:

The *Development Charges Act* permits municipalities to recover certain growth-related capital costs from development as it occurs. The County's Development Charge (DC) By-Law 5523-17 came into effect on May 25, 2017 and was amended with By-Law 5590-18 on October 24, 2018. This By-Law will expire June 1, 2022.

The County's new Development Charges (DC) Background Study and proposed Development Charge By-Law were released to the public for review on March 25, 2022 and in accordance with legislation, a notice of the public meeting of Council was placed in a local newspaper on April 21, 2022. The public meeting is being held on May 17, 2022 and its purpose is to present the study to the public and to solicit public input. The County's development charge consulting firm, Watson and Associates will be on hand to make the presentation. The meeting is also being held to answer any questions regarding the study's purpose, methodology, and the proposed modifications to the County's development charges.

The current and proposed development charges are as follows:

County-wide Development Charges					
	Single and Semi-Detached Residential (per unit)		Non-residential (per sf)		
	Current	Proposed	Current	Proposed	
Services Related to a Highway	\$ 3,599	\$ 6,176	\$ 1.39	\$ 2.07	
Police Services	\$ 166	\$ 137	\$ 0.07	\$ 0.05	
Library Services	\$ 1,206	\$ 1,569	\$ 0.04	\$ 0.12	
Growth Studies	\$ 127	\$ 170	\$ 0.04	\$ 0.06	
Long-term Care Services	\$ 110	\$ 70	\$ 0.01	\$ 0.01	
Child Care and Early Years Services	\$ 28	\$ 6	\$ -	\$ -	
Public Health Services	\$ 155	\$ 289	\$ 0.04	\$ 0.04	
Provincial Offences Act	\$ 118	\$ 200	\$ 0.01	\$ 0.07	
Ambulance Services	\$ 69	\$ 144	\$ 0.01	\$ 0.02	
Waste Diversion Services	\$ 444	\$ 223	\$ 0.16	\$ 0.06	
Social Services	\$ 146	\$ -	\$ 0.01	\$ -	
TOTAL	\$ 6,168	\$ 8,984	\$ 1.78	\$ 2.50	
	change \$	\$ 2,816	change \$	\$ 0.72	

Next Steps:

Subsequent to the public meeting, Council will consider any responses received prior to, at, or immediately following the public meeting. If necessary, any refinements to the Development Charge Background Study and DC By-Law will be made.

On May 26, 2022, Council will adopt the Development Charge Background Study including approval of the forecast of anticipated development, the underlying capital forecast and the calculations. Council will then pass the Development Charge By-Law.

Once the Development Charge Background Study is adopted and the Development Charge By-Law is passed, a public notice will be issued advising of the DC By-law passage and ability to appeal the By-Law for 40 days subsequent to the date of passage. If the By-law is not appealed, the County will prepare a pamphlet summarizing the County of Wellington's policy with respect to development charges.

Recommendation:

That the Development Charges Background Study dated March 25, 2022 be received and considered by County Council for adoption on May 26, 2022 including approval of the forecast of anticipated development, the underlying capital forecast and the calculations; and

That staff be directed to prepare the necessary County Development Charge By-Law.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ken DeHart', with a stylized flourish extending to the right.

Ken DeHart, CPA, CGA
County Treasurer