



The Corporation of the Town of Tecumseh

Development Services

To: Mayor and Members of Council

From: Brian Hillman, Director Development Services

Date to Council: June 28, 2022

Report Number: DS-2022-28

Subject: Development Charges Update Study
June 28, 2022 Public Meeting
OUR FILE: C01 DC2022

Recommendations

It is recommended:

That report DS-2022-28, entitled “Development Charges Update Study, June 28, 2022 Public Meeting”, **be received.**

Background

The Town has retained Watson & Associates Economists Ltd. (“Watson & Associates”) to assist in the preparation of an update to the Town’s Development Charges By-law (DC By-law) in accordance with the *Development Charges Act, 1997* (“*the Act*”). As part of this process and in working with Town Administration, Watson has prepared the [Development Charges Update Study](#) (DC Update Study), which has been available for public review since May 25, 2022.

This update is required in order to bring the current DC By-law into conformity with changes to *the Act* that occurred as a result of Bill 108 (*More Homes, More Choice Act, 2019*), Bill 138 (*Plan to Build Ontario Act, 2019*), Bill 197 (*COVID-19 Economic Recovery Act, 2020*), and Bill 213 (*Better for People, Smarter for Business Act, 2020*).

The Town imposes development charges to recover capital costs arising from the increase in need for services related to growth. The DC By-law currently includes a municipal-wide charge for the following services:

- Services related to a highway;
- Fire protection services;
- Police services;
- Indoor and outdoor recreation services;
- Library services;
- Administration studies; and
- Water services.

In addition to the above services, the Town also recovers wastewater costs in the Town's urban-serviced areas. The basis for the current DC By-law is documented in the Town of Tecumseh Development Charges Background Study dated June 13, 2019, which provided the supporting documentation for By-law 2019-63. The current DC By-law came into effect September 1, 2019.

Development charges ("DCs") are currently collected upon the issuance of a building permit for a new residential dwelling, a new commercial, industrial or institutional building or an addition to an existing commercial, industrial or institutional building. The money collected is then placed into municipal DC reserve fund accounts to be used in the future toward the provision of municipal services required as a result of the development that paid the DCs and for the projects identified in the DC Background Study.

The purpose of this Report is to summarize the nature of the revisions proposed to the DC Background Study and DC By-law as a result of the legislative changes, as documented in the DC Update Study. Prior to adoption of the DC Update Study or amending DC By-law, a public meeting is required in accordance with the requirements of *the Act*.

Comments

DC Update Study

Watson & Associates have prepared a Power Point presentation (see Attachment 1) for the June 28, 2022 Public Meeting which provides the following information:

- purpose of the Public Meeting and the reasons for preparing the DC Update Study;
- description of proposed policies and charges;
- DC study process and timelines;
- review of current DCs and the proposed new DCs; and
- next steps in preparation of updated DC By-law.

A summary of the changes proposed by the DC Update Study are as follows:

- The legislation has removed the mandatory deduction for all services that remain eligible in the development charge (“DC”) for the Town. The 10% deduction may be removed for the following eligible services:
 - Indoor and Outdoor Recreation Services (parks and recreation);
 - Library Services; and
 - Administration Studies (Growth Studies);
- Updates to include additional capital projects related to fire protection services and administration studies (growth studies), as well as costing updates for certain projects related to fire protection services, parks and recreation services, and administration studies (growth studies);
- An additional change brought forth through Bill-197 related to establishing classes of services. A class of service may be composed of any number or combination of services and may include parts or portions of each DC-eligible service. As a result of these changes to the Act, this update report provides for administration studies (growth studies) as a class of services;
- The regulations have provided for the following additional mandatory DC exemptions to be added to the DC By-law:
 - Additional dwelling unit in new residential buildings (subject to various limitations outlined in the regulations); and
 - Development of land intended for use by a university that receives operating funds from the Government;
- Further changes related to the timing of payments for rental housing, institutional development, and non-profit development were proclaimed through Bill 108.

Additionally, the DC for all developments occurring within two years of a Site Plan or Zoning By-law Amendment planning approval shall be determined based on the DC in effect on the day of Site Plan or Zoning By-law Amendment approval.

June 28, 2022 Public Meeting

The purpose of the Public Meeting is to provide an opportunity to hear public comment on the DC Update Study. Pending the outcome of the Public Meeting and after review of all comments received through the public consultation process, a final DC Update Study and amending DC By-law will be brought forward for Council's consideration by way of a future report. The future report will include specific recommendations in accordance with *the Act*.

Consultations

Financial Services
Watson & Associates Economists Ltd.

Financial Implications

None at this time.

Link to Strategic Priorities

| Applicable | 2019-22 Strategic Priorities |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers. |
| <input checked="" type="checkbox"/> | Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making. |
| <input type="checkbox"/> | Integrate the principles of health and wellness into all of Tecumseh's plans and priorities. |
| <input checked="" type="checkbox"/> | Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses. |
| <input checked="" type="checkbox"/> | Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals. |

Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Brian Hillman, MA, MCIP, RPP
Director Development Services

Reviewed by:

Zora Visekruna, MBA
Deputy Treasurer & Manager Financial Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

| Attachment Number | Attachment Name |
|--------------------------|--|
| 1 | Power Point Presentation, Town of Tecumseh, 2022 Development Charges Update Study, Public Meeting, June 28, 2022 |