



The Corporation of the Town of Tecumseh

Planning & Building Services

To: Mayor and Members of Council

From: Brian Hillman, Director Planning & Building Services

Date to Council: August 13, 2019

Report Number: PBS-2019-26

Subject: 2019 Development Charges Study and By-law 2019-63
Results of Public Meeting and Final Recommendation
Our File: C01 DC2019

Recommendations

It is recommended, subject to giving due consideration to the public input received at the July 9, 2019 statutory public meeting:

That it be deemed that no further public meeting be required with respect to the 2019 Development Charges Study and By-law;

And that the 2019 Development Charges Background Study, dated June 13, 2019, as amended (if applicable), as prepared by Watson & Associates Economists Ltd, **be received and approved;**

And further that the capital projects included in the capital project listing set out in Chapter 5 of the 2019 Development Charges Background Study, dated June 13, 2019, as amended (if applicable), subject to annual review during the capital budget process, **be approved;**

And furthermore that the development charge approach to calculating wastewater charges on an urban-area basis and all other charges on a uniform Town-wide basis, **be continued;**

And further moreover that whenever appropriate, **request that** grants, subsidies and other contributions be clearly designated, by the donor as being to the benefit of existing development or new development, as applicable;

And further moreover that the assumptions contained in the 2019 Development Charges Background Study, dated June 13, 2019 as amended (if applicable), as an “anticipation” with respect to capital grants, subsidies and other contributions, **be adopted**;

And further moreover that the Local Service Policy, set out in Appendix E of of the 2019 Development Charges Background Study, dated June 13, 2019, as amended by PBS-2019-26, which has the effect of incorporating the requirements of Bill 73 and other legislative changes, **be received and approved**;

And further moreover that Development Charges By-law 2014-68, **be repealed**;

And further moreover that Development Charges By-law 2019-63, Option ____, “ A By-law for the imposition of development charges”, to be effective September 1, 2019 for the five (5) year period ending August 31, 2024, **be approved**;

And further moreover that should Council choose Option B - Phased-in Development Charge increase, the Development Charges revenue shortfall **be funded** from the Infrastructure Reserve.

Executive Summary

This report summarizes the process undertaken by the Town and its consultants, Watson & Associates Economists Ltd., to develop a new Development Charges By-law for residential and non-residential development in the urban and rural areas of the municipality. It also provides a summary of issues raised through the related stakeholder consultation process as well as an Administrative response to each of those issues. The recommendation includes two options for Council’s consideration: Option A – adoption of the Development Charges By-law with no phase-in of the charge; and Option B – adoption of the Development Charges By-law with a phased-in reduced charge for Year 1 of the five-year By-law.

Background

Development Charges

The purpose of development charges is to pay for growth-related capital costs that will be incurred by the Town as a result of new development. Development charges are to be established by by-law in accordance with the *Development Charges Act, 1997* (“the Act”). The Act requires the preparation of a background study that identifies anticipated future growth Town-wide and describes the services/infrastructure projects for which the Town will incur growth-related capital costs.

Existing Town of Tecumseh Development Charges By-law

The Town passed By-law 2014-68 on August 12, 2014 for the purpose of establishing and collecting a development charge in accordance with the provisions of the Act. A Background Study, as prepared by Administration with support by Watson & Associates Economists Ltd, was adopted by Council and it identified the maximum amount that could be charged within the by-law for residential and non-residential development.

The current Development Charges By-law will expire in accordance with the Act on August 31, 2019. The Town retained the services of Watson & Associates Economists Ltd to prepare a new Background Study and a new Development Charges By-law for Council's consideration. Although the project was co-managed by Planning Services and Financial Services, Senior Administration from all Town Departments have been involved in this process. A public meeting of Council was held on July 9, 2019 in accordance with the requirements of the Act to attain public comments and input on the Background Study and proposed new Development Charges By-law.

2019 Development Charges Background Study

The 2019 Development Charges Background Study identifies the maximum allowable charge, for both residential and non-residential growth, based on future identified needs for capital infrastructure that are to be provided on both a municipal-wide and urban area specific basis for services related to:

1. Municipal-Wide
 - Roads and Public Works
 - Fire Protection
 - Police
 - Administration
 - Water
2. Urban Area Specific
 - Waste Water
3. Urban Area Specific – Community Benefit-Related
 - Indoor and Outdoor Recreation Services
 - Libraries
 - Administration

The 2019 Background Study justifies the proposed charges as set out in the proposed Development Charges By-law. The following table provides a comparison of the existing and proposed development charges for both single detached dwellings and non-residential development.

Development Type	Existing Charge	Proposed Charge
Single Detached Dwelling (Urban Area)	\$13,936	\$17,472
Single Detached Dwelling (Rural Area)	\$9,545	\$12,901
Non-Residential (Urban Area)	\$4.27/sq. ft.	\$6.72/sq. ft.
Non-Residential (Rural Area)	\$2.43/sq. ft.	\$4.71/sq. ft.

Public Consultation Process

As noted above, on July 9, 2019, Council held a public meeting in accordance with the Act to attain public comments and input on the Background Study and proposed new Development Charges By-law. The public meeting was attended by Town Administration and staff from Watson & Associates Economists Ltd. Mr. Jeff Sylvestre, representing James Sylvestre Developments Ltd., also attended and provided verbal comments with regard to the Background Study. Subsequent to the Public Meeting, James Sylvestre Developments Ltd. provided a formal written submission on July 19, 2019 which summarized the verbal comments provided at the Public Meeting and also introduced new comments/questions related to the Background Study (see Attachment 1).

The purpose of this Report is to provide comments on the issues raised at the July 9, 2019 public meeting and in the subsequent written correspondence and recommend a course of action with respect to the proposed 2019 Development Charges Background Study and By-law.

Comments

Response to Issues Identified Through the Public Consultation Process

The following responses were developed jointly by Watson & Associates Economists Ltd. and Administration. The issues raised in the July 19, 2019 James Sylvestre Developments Ltd. correspondence are provided first, followed by our collective response.

Issue 1

“As noted in the DC report, the DC bylaw remains in effect for a 5-year period which has to account for variations in both expenditures and new growth.

A post-meeting question we would like to pose is to inquire if the historical analysis has been done to confirm that the approach being proposed rings true over the previous 5-years. Simply put - how representative are the projected values for Total Gross Expenditures and Net Costs to be recovered from Development Charges over the life of the previous DC By-law and has this analysis been used to inform the % increase in the Development Charges being recommended.”

Administrative Response 1

Over the past five years, the actual costs for projects have generally been higher than estimates provided in the last DC study. The actual costs of the projects may differ from the budgeted amounts as a result of actual tender prices, economy, etc.

The largest share of the overall DC increase is with respect to Services Related to a Highway. This increase can specifically be explained by the following factors:

- The capital costs identified in the 2014 DC background study were based on the 2009 capital costs and indexed to 2014-dollar values.
- In 2017, Dillon Consulting Ltd. was retained and completed a Transportation Master Plan which identified a new growth-related capital program and used more up-to-date benchmarking costs (i.e. materials, labour, tenders etc.).
- With this new Transportation Master Plan, a number of new projects were added to the capital program as there are more roads anticipated to be upgraded from a rural to an urban cross-section due to the anticipated growth.
- This new capital listing reflects the most up-to-date information provided in the Transportation Master Plan.

Issue 2

“The Essex Region Conservation Authority has responded to the global impacts of our changing natural environment. This has resulted in relatively overnight amendments to the approach to storm water management and severely increased newly imposed restrictions. These unanticipated impacts are being felt not only by municipal governments but are also being addressed at great additional cost by Developers who are at various stages of development proposals.

It is our request that not only the magnitude but also the timing of the DC increase take into consideration this unexpected expense by evaluating opportunities for a reduction and/or staged approach to the Development charges.”

Administrative Response 2

It is noted by Administration that the recent “Windsor/Essex Region Stormwater Management Standards Manual” completed by the Essex Region Conservation Authority, and adopted by the Town on June 25, 2019, was a four-year study which was a collaboration amongst all municipalities in Essex County and Windsor. The results of the study provide technical stormwater standards to ensure stormwater infrastructure is designed using the best available science, with consideration for local conditions, and to ensure consistent stormwater management practices are implemented throughout the Windsor/Essex Region to satisfy municipal stormwater obligations. All municipalities are utilizing the updated stormwater standards.

With respect to reductions in the DC quantum, Council may, at its discretion, provide for discounts, exemptions, or phase-ins of the DC amounts. One option Council may consider is to impose 50% of the increase at by-law passage (Year 1) and the remaining increase may come into effect after one year (Years 2-5). We would note that any discount, exemption, or phase-in implemented would have to be funded from other sources (i.e. taxes or water and wastewater rates). Should Council consider this phase-in option, we would suggest, for accounting purposes, using only the “Services Related to a Highway” component to implement the phase-in as this component represents approximately 95 percent of the overall increase to the development charge.

The following table represents the phased-in development charge in the event that Council determines it wants to utilize this approach.

Development Type	Existing Charge	Phased-in Charge (Year 1)	Final Charge (Years 2-5)
Single Detached Dwelling (Urban Area)	\$13,936	\$15,805	\$17,472
Single Detached Dwelling (Rural Area)	\$9,545	\$11,234	\$12,901
Non-Residential (Urban Area)	\$4.27/sq. ft.	\$5.87/sq. ft.	\$6.72/sq. ft.
Non-Residential (Rural Area)	\$2.43/sq. ft.	\$3.86/sq. ft.	\$4.71/sq. ft.

Issue 3

“The Reduction for Benefit to Existing Development is explained at a high level on p 4-10 of the Development Charges Background Study document. On this basis, we had anticipated a greater Benefit to Existing Development for new facilities within existing/fully built-out areas of our Town. I've included a GoogleMaps image of the example provided during the public meeting for ease of reference. The surrounding area appears to be fully built-out.

As an example, when referring to the tables of Infrastructure Costs Included in the Development Charges Calculation, the following information is presented:

- i. p5-12. Active Transportation/ Project No. 1- Manning-St Gregory's to Riverside (Bike Lanes) A Gross Capital Cost Estimate of \$331,300 has a 10% deduction for Benefit to Existing Development.
- ii. p5-11 Roads, Sidewalks and Streetlighting -This same road segment appears again as Project No. 1 with a deduction of 84% for Benefit to Existing Development.
- iii. p5-3 Indoor and Outdoor Recreation Services/Project No. 5 - Lakewood Park Master Plan Improvements A Gross Capital Cost Estimate of \$2,150,000 has 0% deduction for Benefit to Existing Development.

We appreciate the offer to investigate this allocation in advance of the meeting scheduled to adopt the bylaw. We further request that if an alternate approach to identifying the reduction for benefit to existing development is subsequently recommended, that this be considered for application across the full list of projects contained within the tables of the report.”

Administrative Response 3

With respect to **items i) and ii)** of the concern raised above:

The Development Charges Act requires the consideration of the amount, type, and location of growth within the municipality and then to consider the servicing needs to accommodate that growth. With respect to “Services Related to a Highway”, the overall impact of this growth has been considered by the Tecumseh Transportation Master Plan (TTMP).

The TTMP has considered the growth in traffic arising from residential and non-residential growth within the municipality and has layered that traffic onto the existing transportation system. The increased traffic is then considered in light of the capacity of the existing system, and additional lanes of roads or the addition of other transportation modes are then identified to accommodate this increased traffic. Active transportation (i.e. multi-use trails, bike paths, and trails) are part of the transportation modes to accommodate this traffic increase.

The need for services related to a highway is assessed in detail within the 2017 TTMP. The purpose of the master plan is as follows:

“The TTMP provides an integrated and diverse transportation system for all residents and businesses that is safe, convenient, affordable and sustainable, and that facilitates the efficient movement of people and goods within the Town and to adjoining areas. The transportation system supports the goals and values of the Town, maintaining the rural and small-Town character, protecting the environment and natural heritage, and promoting sustainable economic growth.

The TTMP was developed around four core themes:

- Improve the integration of the existing transportation networks
- Provide networks to encourage and facilitate transportation by Active Modes
- Provide infrastructure to serve demands at preferred Performance Targets
- Provide transportation systems that serve all citizens”

As noted in 8.1.3 of the TTMP:

“The active transportation network will be improved in order to address the principles and goals of the TTMP and encourage sustainable transportation for all users. Accordingly, the role of active modes will be elevated, particularly for local trips within urban areas, which are well-suited towards active transportation. Central to this is the adoption of a complete streets framework and philosophy in the planning and design of streets.”

As per 10.2.2 of the TTMP:

“Trips by active modes are generally short, with many less than 2 km in length. Such trips are often thwarted by missing links within neighbourhoods and/or barriers that are difficult to cross. The connectivity of the active network impacts transit ridership, as active trips are critical connections to transit service. The Town should consider a program to pro-actively identify these missing links and prioritize their construction.

Significant new development is expected within the Town during the planning horizon. Active mode links will be required as a part of these new developments. The Town will review the proposed development plans to ensure that facilities are provided within neighbourhoods, that connections are made to transit service, and that connections are made to link the community to adjacent neighbourhoods and roads.”

As per the TTMP, active transportation has been introduced to reduce the need for additional lanes of roads. The cost per kilometer of active transportation paths/lanes is considerably cheaper than the cost of roadways. However, the active transportation lanes and paths must be part of an interconnected system. Hence, in some cases, the segment of the path/lane may pass existing developed areas.

As the active transportation system is adding capacity to the overall system, a high growth percentage was provided for all active transportation projects.

With respect to **item iii)** of the concern raised above:

Lakewood Park is considered a larger Community/Regional park for the municipality and as such, services the entire municipality. As a result of growth in the municipality, a number of new amenity items have been identified to be constructed in Lakewood park. As per staff report no. PRS-2018-23, the new amenities have been identified as a new pavilion and patio, new electronic sign, and a splash pad. Given Lakewood Park is a higher-order park that services the entire municipality and that the new amenities are expanding the services provided to accommodate growth, no benefit to existing development deduction was applied.

Issue 4

"Appendix E: Local Service Policy outlines infrastructure that is included as a development charge project vs those that are the funded through a development agreement. Our root concern with this Appendix is its inappropriate use as a tool for the reallocation of direct developer responsibility. We are proposing that Appendix E be replaced with a document that matches existing practices. The amendments being proposed merit the transparency afforded by direct public engagement. An example opportunity may be during the process to adopt the upcoming Draft Development Manual which we understand to be currently in progress.

A more detailed/section-by-section outline of our immediate concerns is appended to this letter.

- i. Of separate concern and as communicated at the public meeting, under the Parkland Development Section of Appendix E, bullet 3 states:

"Runoff from the development property shall not drain into the park unless approved by the Director of Public Works and Environment Services."

This statement limits the flexibility of engineering designs in addressing the new and challenging stormwater management criteria.

As the recipients of the Wege Small Cities Sustainability Best Practices Award from the Great Lakes and St Lawrence Cities Initiative (media article attached) for incorporating a major stormwater protection resource hidden within Lakewood Park, it is counterintuitive to now layout policies within the DC Study that deter future designs which would demonstrate the same successful environmental stewardship and sustainability practices.

Furthermore, we would like to confirm at this time that this statement does not restrict or prohibit future developments from including the MRSPA from benefiting from a similar type of design.”

Administrative Response 4

Lands that are poised for development are subject to address the Quantity and Quality of their stormwater runoff in accordance with the applicable engineering standards and design criteria, which include:

- Stormwater Management Planning and Design Manual, Ministry of the Environment, March 2003;
- Windsor/Essex Region Stormwater Management Standards Manual, December 2018;
- Storm Drainage Master Plans; and
- Municipal Class Environmental Assessments

Administration believes that the statement:

“runoff from the development property shall not drain into the park unless approved by the Director of Public Works and Environmental Services”

provides additional flexibility on a case-by-case scenario for how stormwater is addressed in accordance with these standards, while ensuring the intended use of the park is not adversely impacted.

Issue 5

“Bill 108 - It is our understanding that since the Town of Tecumseh DC by-law will be passed after May 02, 2019, it will be affected by the proposed changes. Of particular interest is the Payment in Installments over Five Years as described on p1-6 in the Development Charges Background Study document. This is viewed as a tremendous benefit for developers with the Town of Tecumseh to be able to immediately leverage the use of 6 annual installments for the payment of development charges.”

Administrative Response 5

The statement is acknowledged. We would note that the provisions in Bill 108 with respect to payments in installments do not come into effect until the date of proclamation. There has been no specific date released by the Province, however, we might assume proclamation to be sometime this fall.

Issue 6

“The previous DC Report Appendix for Local Service Policy contained the following essential statement that is no longer included:

“Note: for any and all of the above the Town may facilitate cost sharing agreements.”

We question the removal of this statement and are requesting its reinsertion.”

Administrative Response 6

While not including this statement in the Local Service Policy does not prohibit the Town from utilizing cost-sharing agreements, it is recognized that this statement will be added back into a revised Local Service Policy document (see Attachment 2).

Issue 7

“We would like clarification regarding Section A. Services Related to a Highway 6) b). The full clause is copied below for ease of reference:

b) Sidewalks, multi-use trails, cycle tracks, and bike lanes, inclusive of all required infrastructure, located within or linking to non-arterial road corridors internal to development: direct developer responsibility under s.59 of DCA (as a local service).

The language in clause a) is clear for arterials, County roads and provincial highways and similarly clear for non-arterials external to the development in clause c).

Please provide clarification for Clause b).”

Administrative Response 7

Clause b) establishes that the works noted that are internal to the development are a direct developer responsibility and that any links to non-arterial road corridors (internal or external to the development) are a direct developer responsibility.

Issue 8

“Section B. Stormwater Management contains new and amended clauses that create points requiring further discussion.

- i. Clause 1) allocates responsibility for the design and construction of stormwater management facilities that fulfill the municipal objective for larger, regional facilities to the "developing landowners".

By their description - a larger, regional facility is likely to cross multiple landowners. Municipalities that take a leadership role for the design and construction responsibility are more likely to create an environment of progress for development and avoid stagnation. While it is agreed that cost sharing across benefiting developing landowners is appropriate, allocating the responsibility for design and construction to developers is likely to result in immense red tape and delay.

- ii. Previous versions of the Local Service Policy committed to invoking "best efforts clauses" for oversizing. Clause 2) states the municipality "...may facilitate cost recovery from other benefiting developments/landowners..."

This clause in conjunction with the requirement for a regional facility gives rise to equity concerns and reservations regarding the Developer's role in front-ending regional municipal infrastructure.

We would like to request to maintain status quo on this item and defer these important discussions to the Draft Development Manual and/or individual Subdivision Agreements."

Administrative Response 8

With respect to item i), the policy does not preclude the Town from being engaged in the design and construction of the stormwater management facility in the event that the owners are unable to do so. In fact, in the Manning Road Secondary Planning Area the selection of the preferred location and design of the stormwater management facility was lead by the municipality through a Municipal Class EA process but has not resulted in development proceeding to date.

As it relates to c) ii) the Town would refer to their new policy that establishes stormwater management facilities oversized for external development:

"the municipality may facilitate cost recovery from other benefiting developments/landowners through various means available by way of legislation".

Issue 9

"We would like to draw particular attention to Section C. Parkland Development 2)
Parkland

- a) Parkland Development for parks internal to development.
 - i. The Planning Act Section 51.1(1) provides guidelines for the upset limits for rate of parkland conveyed or dedicated that may be imposed by the approval authority. These vary between 2% and 5% of the land included in the plan and are the current approach to Parkland requirements within Development Agreements.

Items 1-9 outline new base conditions to be imposed on the Developer within a development agreement that greatly exceed the current standard for the region and obligate the Developer to maintain a fully graded, grassed and (when deemed appropriate by the Municipality) fenced park facility "until construction commences"

It is unclear what the liability to the Developer is in a pseudo-completed greenspace that has not yet been assumed by the Municipality.

It is our most sincere request to have these conditions removed from this document. More appropriate opportunities exist to negotiate these terms such as within the Development Manual currently being drafted, within an individual Subdivision Agreement, or as part of the future adoption of a Communities Benefits Charge when the legislation receives royal assent.

This is consistent with neighbouring communities, keeps development within the Town of Tecumseh regionally competitive and preserves the separation between private and public operation of public spaces."

Administrative Response 9

The Town is seeking a municipal-wide standard that is not easily achieved if negotiated at the time of each development proceeding (as requested). Necessary adjustments will be made to a new by-law when the Community Benefits Charge legislation takes effect.

Issue 10

"We would like to draw particular attention to Section C. Parkland Development 2)
Parkland

- a) Parkland Development for parks internal to development.
 - ii. [reiterated from letter] Of separate concern and as communicated at the public meeting, bullet 3. under this same section states "Runoff from the development property shall not drain into the park unless approved by the Director of Public Works and Environment Services." This statement limits the flexibility of engineering designs

in addressing the new and challenging stormwater management criteria.

As the recipients of the Wege Small Cities Sustainability Best Practices Award from the Great Lakes and St Lawrence Cities Initiative (media article attached) for incorporating a major stormwater protection resource hidden within Lakewood Park, it is counterintuitive to now layout policies within the DC Study that deter future designs which would demonstrate the same successful environmental stewardship and sustainability practices.

Furthermore, we would like to confirm at this time that this statement does not restrict or prohibit future developments from including the MRSPA from benefiting from a similar type of design.”

Administrative Response 10

Lands that are poised for development are subject to address the Quantity and Quality of their stormwater runoff in accordance with the applicable engineering standards and design criteria, which include:

- Stormwater Management Planning and Design Manual, Ministry of the Environment, March 2003;
- Windsor/Essex Region Stormwater Management Standards Manual, December 2018;
- Storm Drainage Master Plans; and
- Municipal Class Environmental Assessments

Administration believes that the statement of “runoff from the development property shall not drain into the park unless approved by the Director of Public Works and Environmental Services” provides additional flexibility on a case-by-case scenario for how stormwater is addressed in accordance with these standards, while ensuring the intended use of the park is not adversely impacted.

Issue 11

“Section E Water and Sanitary Sewers 2) Sanitary Sewer

- i. Clause b) marginal costs for sewers exceeding 375mm and/or 5m depth were previously covered by DC's. The current proposal has removed the limits of 5m depth or greater. This is more appropriately considered on an individual basis since the reason necessitating the increased depth can vary and may include servicing requirements for surrounding lands. An adjustment is recommended to preserve this flexibility.

- ii. Clause e) addresses Pumping Stations by differentiating between those within or external to the Water and Wastewater Master Plan.

In previous versions minor pump stations were a direct developer responsibility vs major pumping stations were covered by DCs.

It is agreeable that a pump station that serves multiple developments owned by the same developing landowner would be the direct developer responsibility however when the pump station is serving lands for more than one developing land owner-coordinating involvement by the municipality is typically crucial to the process.”

Administrative Response 11

With respect to sub-item i) Administration has reviewed this comment and is agreeable to reintroducing the wording “375mm and/or 5m depth”. As such, this will be reflected in the updated Local Service Policy document (see Attachment 2) to be presented to Council at the time of by-law approval.

With respect to sub-item ii), this issue will be addressed by adding in the following clause to the Local Service Policy:

“Note: for any and all of the above, the Town may facilitate cost-sharing agreements.”

Summary and Recommendations

Based on Council’s due consideration of the comments received from the public at the July 9, 2019 Public Meeting and subsequent written comments, along with the Administrative response to these comments, as noted in PBS-2019-26, it is recommended that no further public meeting is required. This Report outlined two approaches for Council’s consideration:

- Option A - No Phase-in of Development Charges
- Option B - Phased-in Charge (Reduced Charge for Year 1)

These options are outlined in the table below for all residential and non-residential development for both the urban and rural areas.

Development Type	Existing Charge	Option A No Phase-in of Charge	Option B Phased-in Charge (Year 1)	Option B Final Charge (Years 2-5)
Single Detached and Semi Detached Dwelling (Urban Area)	\$13,936	\$17,472	\$15,805	\$17,472
Single Detached and Semi Detached Dwelling (Rural Area)	\$9,545	\$12,901	\$11,234	\$12,901
Other Multiples (Urban Area)	\$8,650	\$11,139	\$10,056	\$11,139
Other Multiple (Rural Area)	\$5,923	\$8,225	\$7,142	\$8,225
Apartments 2+ Bedrooms (Urban Area)	\$7,427	\$9,743	\$8,785	\$9,743
Apartments 2+ Bedrooms (Rural Area)	\$5,086	\$7,194	\$6,236	\$7,194
Apartments Bachelor and 1 Bedroom (Urban Area)	\$5,632	\$7,530	\$6,781	\$7,530
Apartments Bachelor and 1 Bedroom (Rural Area)	\$3,857	\$5,560	\$4,810	\$5,560
Special Care/Special Dwelling Units (Urban Area)	\$4,802	\$6,294	\$5,676	\$6,294
Special Care/Special Dwelling Units (Rural Area)	\$3,288	\$4,648	\$4,030	\$4,648

Development Type	Existing Charge	Option A No Phase-in of Charge	Option B Phased-in Charge (Year 1)	Option B Final Charge (Years 2-5)
Non-Residential (Urban Area)	\$4.27/sq. ft.	\$6.72/sq. ft.	\$5.87/sq. ft.	\$6.72/sq. ft.
Non-Residential (Rural Area)	\$2.43/sq. ft.	\$4.71/sq. ft.	\$3.86/sq. ft.	\$4.71/sq. ft.

The 2019 Development Charges Background Study and 2019 Development Charges By-law No. 2019-63, Option A or B, are recommended for approval in accordance with the above-noted comments and as more specifically detailed in the initial “Recommendation” section of this Report.

Consultations

Financial Services
 Public Works & Environmental Services
 Watson and Associates Economists Ltd.

Financial Implications

Development Charges are important to the Town’s long term plan for growth and development. Setting development charge rates at lower than calculated rates will result in the general tax base having to compensate for the revenue shortfall.

For illustrative purposes, the following tables compare DC revenue that would be generated by Options A and B with the following assumptions:

- 60,000 sq. ft. non-residential
- 10 urban single home permits issued
- 4 rural single home permits issued

Note: Assumptions based on 2018 activity

Proposed Development Charges

Type	Option A No Phase-In	Option B Phased-In Charge Year 1
Non-Residential	\$6.72	\$5.87
Single - Urban	\$12,901	\$11,234
Single - Rural	\$17,472	\$15,805

Development Charge Revenue

Type	Option A No Phase-In	Option B Phased-In Charge Year 1
Non-Residential	\$403,200	\$352,200
Single - Urban	\$51,604	\$44,936
Single - Rural	\$174,720	\$158,050
Total	\$629,524	\$555,186

Option B Phased-In Charge Year 1 generates approximately \$75,000 less than Option A. This revenue shortfall would be funded from the general tax base.

Actual results will be dependent on actual development activity, which can vary greatly year-to-year.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
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- Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
- Ensure that Tecumseh’s current and future growth is built upon the principles of sustainability and strategic decision-making.
- Integrate the principles of health and wellness into all of Tecumseh’s plans and priorities.
- Steward the Town’s “continuous improvement” approach to municipal service delivery to residents and businesses.
- 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 Planning & Building Services

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Public Works & Environmental Services

Reviewed by:

Phil Bartnik, P.Eng.
Director Public Works & Environmental Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	James Sylvestre Developments Ltd., July 19, 2019 Correspondence
2	Revised Appendix E – Local Service Policy