



Committee Minutes

Development Charges Steering Committee July 19, 2021 – 9:30 a.m.

The Development Charges Steering Committee met via Zoom call on the above date with the following members in attendance:

Present: Councillors John Woodbury, Sue Carleton, Alar Soever, Shirley Keaveney and Warden Selwyn Hicks

Staff Present:

Kim Wingrove, Chief Administrative Officer; Randy Scherzer, Director of Planning and Development; Mary Lou Spicer, Director of Finance; Pat Hoy, Director of Transportation Services; Kevin McNab, Director of Paramedic Services; Anne Marie Shaw, Director of Housing, Barb Fedy, Director of Social Services, Trevor Ireton, Project Planning Engineer, Amanda Brooks, Asset Management Coordinator and Heather Morrison, Clerk.

Consultants: Stefan Krzeczunowicz, Courtney King and Rachel Battaglia of Hemson Consulting

Call to Order

Chair Woodbury called the meeting to order at 9:30 am.

Declaration of Interest

There were none.

Presentation

Development Charges Rate Assumptions and Growth-Related Capital Program

Mr. Scherzer introduced Hemson Consulting; the consultants retained by the County. Through a background study, Hemson will assist with the review of our development charges. Previously, Hemson was involved with the County's Growth Management

Study as well as previous development charges reviews by providing knowledge, guidance, and support.

Mr. Krzeczunowicz noted that today's presentation will provide an update on the Development Charges Study to date. He provided a background of the discussion items for the meeting including the growth forecast, historical service levels and funding envelopes, development charges capital programs and a review of next steps.

The growth forecast includes a county-wide approach to calculating the development charge rates so all development pays the same rate regardless of location. It was noted that all general services are planned for a 10-year period and roads are planned for a 20-year period. Mr. Krzeczunowicz highlighted that the roads projects are based on a dated 2015 Transportation Master Plan and the action items contained therein. It was noted that the growth forecast is a living document and will change and shift as new technology is implemented. The Development Charges Act requires the amount, type and location of services in order to implement a charge. The residential development charge is based on population growth and new housing builds. Currently the County does not apply a non-residential development charge, but it was noted that this charge must be calculated in order to implement the residential rates.

Mr. Krzeczunowicz noted that the County demographic factors are clear stating that in the last five years there has been a double cohort seeking to purchase homes in Grey County. Over 60 population is active in housing market and that millennial population is looking to get into the housing market. Housing affordability is driving people to look further afield, and these people are prepared to commute. He also noted the impacts related to COVID-19 noting permanent settlement in areas outside of the Greater Golden Horseshoe. There has been a boom in population growth between 2016-2021. He also stated that there continues to be an aging population and Grey County is not immune to this factor.

Warden Hicks joined the meeting.

Questions around the growth rate projections then arose. Randy Scherzer noted that staff have shared all current and pending subdivision/condominium applications to assist in developing the growth rate projections.

Warden Hicks left the meeting.

Mr. Krzeczunowicz noted it is better to err on the side of caution related to development charge rates and it would be more prudent to overcollect than undercollect.

The employment forecast was reviewed noting that it is driven by population growth and there is an assumption that there will continue to be a positive population and

employment growth in Grey County. Mr. Krzeczunowicz noted an expected total home growth of approximately 5,100 units over 10 years including seasonal residences and 9,700 units over a 20-year period. Employment rates indicate 3,400 new jobs over next 10 years and 6,800 jobs over next 20 years, most related to population growth with most falling into the service sector.

Mr. Krzeczunowicz stated that development charge forecasts for 2021 are much higher than they were in 2016. A higher growth forecast typically reduces the charges by distributing those costs across more projects.

Mr. Krzeczunowicz noted that there will be a shift in allocation of service benefits from 98% to residential and 2% non-residential in 2016 to 78% residential and 22% to non-residential charge in 2021 for general services and from 85% to 77% for roads. It was noted that the development of rural employment, online economy, continued development of industrial lands, and large tourist sector, are factors in moving people to the area.

Mr. Krzeczunowicz then provided an overview of the 10-year historical service levels. He noted that a maximum allowable charge is based on the average service level provided in the past 10 years. The quality and quantity of the services must be considered when implementing development charge rates. He outlined the services where development charges can be assigned historically and noted that these relate to changes in the services including more housing units, addition of a land ambulance base, etc.

The development-related capital program was then outlined. Mr. Krzeczunowicz stated that development charges cannot include grants, subsidies or contributions, benefit to existing or replacement elements, or have a post-period benefit. He also stated that the key data source for the development charges is the 2022-2031 capital budget and forecast.

Mr. Krzeczunowicz then outlined what is considered growth related development. He noted that this includes new facilities or expansions, less replacement costs and qualitative improvements, prior investments, roads based on costs to maintain roadway in a state of good repair and associated master plans and similar studies.

Mr. Krzeczunowicz stated that the development charge review process addresses how to calculate the development charge rates as well as a discussion with Council as to what rates council wants to impose, policy related matters, potential exemptions, incentives, etc.

Each component of the capital program was reviewed with the Committee including land ambulance, social housing, children's services, with a potential of expansion of

services related to an increase in employment needs, parks services (County trails), public health unit, long-term care, noting the future redevelopment projects for Grey Gables and Rockwood Terrace. Discussion occurred on the costs associated with long-term care projects as this is a new area for potential development charge rates. Mr. Krzeczunowicz continued with an overview of the final component regarding development related studies for capital programs.

There was a specific review of the roads capital program as it is the major component of the development charges accounting for the largest portion of the development charge rates for Grey County. The roads are broken down into six categories: major road projects, upgrade of road classification, platform widening, intersection improvements, culverts and studies. A comparison in the shift in categories was presented noting that Grey County has reserve funds on hand to fund many of these projects. Each category was then reviewed with the Committee. Discussion occurred on the costs necessary to acquire property related to road widening and turning lanes.

Warden Hicks rejoined the meeting.

Mr. Krzeczunowicz then outlined key decision points for consideration including approving the development-related capital program, holding a public meeting and implementation options for development charge rates. He provided the development charges study timeline noting that the by-laws need to be passed by December 2021 as the current by-laws expire in January 2022.

DCSC04-21 Moved by: Councillor Carleton Seconded by: Councillor Keaveney

THAT the presentation of Hemson Consulting Ltd. regarding the Development Charges Background Study 2021 be received; and

THAT staff instruct Hemson Consulting Ltd. to prepare a draft Development Charges Background Study and draft Development Charges By-law on the basis of the growth forecasts and growth-related capital programs; and

THAT staff hold a Public Meeting to receive comments on the draft Development Charges Background Study and Draft Development Charges By-law.

Carried

Next Steps

These were covered in the final slide related to the timelines presented.

Other Business

There was none.

Next Meeting Date

September 2021.

On motion by Councillor Carleton and Councillor Keaveney, the meeting adjourned at 11:23am

Councillor Woodbury, Chair