

Development Charges Public Meeting Minutes

September 6, 2016

Grey County Council met at 10:12 AM at the County Administration Building to hold a Public Meeting regarding updating the County's Development Charges By-law.

Warden Barfoot called the Public Meeting to order.

Warden Barfoot introduced Mr. Craig Binning and Ms. Carolyn Brown from Hemson Consulting Limited.

Mrs. Vokes stated that this is a statutory public meeting being held under the Development Charges Act. It is required before the passage of a development charges by-law. In accordance with the Act, the Public Meeting was advertised in the following papers on August 11, 2016:

- Owen Sound Sun Times
- Hanover Post
- Grey Bruce This Week

The Public Meeting Notice was also posted on the County website at www.grey.ca.

The associated development charges background study and draft by-law was made available to the public on August 3, 2016 at the County Administration Building in the County Clerk's office and on the County website.

Mrs. Vokes read correspondence received from the following:

- From Mr. John Bailey, 462316 Concession 24, Georgian Bluffs. Mr. Bailey suggests that the development charges should be levied on the number of square metres of land in the proposed development as this would penalize sprawl and reward compact development. He notes that the rampant sprawl in Grey County today is neither sustainable nor scalable. He notes that if one person builds a nice house in the country they get a nice house in the country but if 100,000 people build a nice house in the country they get sprawl.
- From Darcy Chapman, Treasurer and Director of Financial Services and Infrastructure Management for the Municipality of Meaford asking why social housing was not included in the proposed capital program and if area ratings

should be considered by lower-tier structure or four areas such as Owen Sound, Grey West, Grey East and Grey South to capture the housing needs by reflecting different charges in different areas of the County and to be based on need for additional housing.

- From Mr. Glenn Walker, Economic Development Officer, Township of Southgate, Mr. Walker notes that the DC Background Study does not contain a competitive analysis of non-residential development charges and he believes it is necessary to know how competitive our development charges are before they are approved. He suggests that the consultant be requested to analyze the proposed Grey County development charge (DC) to see how they compare to DC's in surrounding Counties and within the GTA. He notes that the competitive analysis should reveal that other municipalities have separated their non-residential DC's into subgroups such as industrial, retail, office and other non-residential development which has allowed those municipalities to waive or reduce DC's for industrial or office development to encourage economic development in their municipalities.
- From Andrew Pascuzzo, DC Slade Consulting – asking clarification questions about the DC By-law including questions about the calculated rates.
- From Lindsay Ayers, Blue Mountain Resorts (BMR). BMR notes that that the current exemption of non-residential development from the payment of DC's has been very much supported and appreciated by BMR as it supports the County's long-term vision of Grey County being 'Open for Business'. BMR notes that they have undergone significant growth and development in recent years and is currently in the planning stages for other future development projects. They note that the increased costs to obtain approvals has increased significantly as a result of additional studies being required, increased planning and engineering fees, application fees and development charges. They note that these increased costs coupled with rising construction costs are proving to be increasingly challenging for businesses to grow in today's economic climate. Should Council decide to discontinue exempting non-residential development from paying DC's, BMR strongly opposes the 177% increase. They note that should Council decide to impose the non-residential rate, that the combined non-residential rate imposed by the Town of The Blue Mountains and the County's calculated rate would be quite significant and would add additional financial burden to any potential project BMR is looking to advance. Given the impact that development charges can have on a project budget, BMR strongly encourages County Council to continue the exemption of non-residential development from the payment of DC's or at the very least reconsider the proposed 177% non-residential DC rate increase (please note that the 177% increase referenced is referring to the previous calculated rate which will be revised based on the new calculated rate

which is approximately a 16% increase – this will be further explained by Hemson as part of their presentation).

BMR notes that in 2014 the Town of The Blue Mountains with the assistance of Hemson completed its DC Background Study and proposed a new Draft DC By-law. The Draft By-laws for the Town contained identical language to the language in the County's draft DC By-laws as it relates to redevelopment being Section 20 of the draft By-laws. BMR along with other residents and businesses raised concerns regarding the redevelopment clauses in the draft by-laws and how it was being interpreted under the current Town by-law. Essentially, any buildings or structures were not eligible for a DC credit unless the property owner could produce proof that 'similar fees' were paid. BMR submitted that the interpretation of the 'Rules for the Redevelopment of Land' fundamentally discouraged the reinvestment and redevelopment of existing, older buildings and structures and that the proof of payment issue was further exacerbated by the fact that many of these 'similar fees' were in place decades earlier so records could be difficult to locate and that many of these fees were not typically applied to non-residential properties. As a result of the concerns raised, the Town revised the draft DC by-law removing reference to the requirement for previous payment of DC's or similar fees. BMR strongly encourages Grey County to consider including language similar to Town of The Blue Mountains By-law 2014-51, ultimately providing greater clarification regarding the Rules for Redevelopment going forward.

No further correspondence was received.

Mr. Binning and Ms. Brown presented a PowerPoint presentation. Ms. Brown explained that development charges cover capital costs only. She indicated that development charges pay for new infrastructure and facilities to maintain service levels. She explained the study and the development forecast summary. Ms. Brown outlined the 10-year historical service levels for the services provided and explained how the development charge rates are distributed across these services.

It was also noted that the County currently calculates development charges based on the size of the residence and provided a comparison of how development charges are currently calculated and how it is recommended they be charged based on a new model. Ms. Brown noted that the proposed changes to this would allow development charges to move to a unit type approach which would include single and semidetached homes, row homes and other multiple residences and apartments. Wind turbines would also be subject to development charges.

Ms. Brown then provided a list of non-residential buildings that might be considered as exempt from the development charges by-law. These include health units, government

buildings, hospitals, churches and schools. Currently no non-residential buildings are required to pay development charges with the exception of wind turbines.

The following members of the public wished to speak:

Stuart Doyle with Barry's Construction provided some concerns related to the background study. Mr. Doyle questioned the inclusion of a capital program and distribution of the cost and how it has been determined and allocated to the development charges. He stated that Category 2 projects-road segment projects add a significant cost to the levy in order to accommodate increased traffic from development. He stated it is difficult to justify having these added into Development Charges. He noted that the upgrade from a two lane rural road to a two lane urban road does not mean an increase in traffic but rather an upgrade in the road itself (curbs, sidewalks etc.). Mr. Doyle questioned the provided growth statistics in Keady and Neustadt. Category 1 projects were hard to determine what they are and why they were included. He noted that this is a good opportunity to review the statistics contained in the background package based on the numbers coming from the growth management study. He also stated that there are a lot of jobs supported by the construction industry.

Andrew Pazcusso from DC Slade Consulting stated that there is a need to look at how much developments are costing developers. He stated that currently developers are looking at over \$40,000 per residential unit in Thornbury when combined with the Town of The Blue Mountains development charge. He urged council to reconsider its option to charge based on per unit rather than unit size. He requested clarification on why two by-laws are required to pass development charges.

Randy Scherzer, Director of Planning and Development explained that two by-laws are required so that if there was a change for the road portion, this by-law could be updated without opening up both by-laws.

Warden Barfoot then opened up question from Grey County Council. Comments received were in regards to:

- Question regarding the Transportation Master Plan and if it had already been implemented by transferring the recommended roads to the local municipality what would the impact be on the development charges. Why the difference in road related development charges between the neighbouring counties of Dufferin and Wellington?
- Concerned with the notion that one size fits all based on the recommended change from collecting a charge based on unit type versus unit size. Grey County wants to attract and keep young families and this change to unit type versus unit size does not support that initiative.
- Mr. Binning provided further insight into the proposed rate structure indicating

that it is the most common structure across Ontario and has been supported by the Ontario Municipal Board.

- Question regarding non-residential development charge rates and rationale for these.
- Affordable housing should be considered moving forward. Recommended that semi-detached be added to the rows and townhouses unit type category if the charge is going to be applied based on unit type.
- Clarification regarding non-residential not being in the current by-law but is an option for bringing forward for council's consideration. Question regarding the projected seasonal growth figures and indicating that the projections are too low. This figure needs to be reviewed with staff.
- Question regarding whether Council has an appetite to look at non-residential? Members generally indicated no.
- The definition for farm buildings needs to be clarified. Understanding that what is not charged by the County can be charged by the lower tier municipalities. In relation to growth forecasts – question the importance of the projections and do we have the best projections that we can?
- Question regarding the rate increase due to less growth. Balance of what is working and what needs to be changed? Review of calculation based on growth. Could look at a phased in approach to rate increase. Regarding wind turbines, the current charge should be kept.
- For the development charges exemption of Section 3 of the Assessment Act- does non-profit housing fall under this section? Are they exempt? The County has an affordable housing fund for this aspect. It is currently not an exemption from development charges but a grant in lieu.
- Social Housing costs should be considered in the development charges.
- Development charges are not the incentive for builders to build affordable housing. Needs to be promoted in other ways for the development of affordable housing.
- It takes time for developers to plan for these developments and that some are considering smaller units based on the current rate structure.

There were no further questions. Warden Barfoot thanked everyone in attendance.

On motion by Councillor Ardiel, the Public Meeting adjourned at 11:37.

Alan Barfoot, Warden

Sharon Vokes, County Clerk