

Development Charges Steering Committee

June 9, 2016 – 1:00 p.m.

The Development Charges Steering Committee met on the above date at the County Administration Building with the following members in attendance:

Present: Councillors Dwight Burley, Paul McQueen, Kevin Eccles and Warden Alan Barfoot; Kim Wingrove, Chief Administrative Officer; Randy Scherzer, Director of Planning and Development; Kevin Weppler, Director of Finance; Pat Hoy, Engineering Manager; Mike Muir, Director of Paramedic Services; Doug Johnstone, Financial Analyst and Monica Scribner, Recording Secretary were also in attendance.

Regrets: Councillor John Bell and Anne Marie Shaw, Director of Housing

Call to Order

Kevin Eccles called the meeting to order.

Adoption of the Agenda

DSC04-16 Moved by: Councillor Burley

Seconded by: Warden Barfoot

THAT the Development Charges Committee agenda dated June 9, 2016 be adopted as presented.

Carried

Declaration of Pecuniary Interest

There was none.

Business Arising from the Minutes

Minutes of the Development Charges Steering Committee dated February 18, 2016 are for information only as they were adopted by Planning and Community Development Committee on March 15, 2016.

Presentation by Hemson Consulting Ltd.

Stefan Krzeczunowicz and Carolyn Brown of Hemson Consulting Ltd. presented a PowerPoint presentation regarding the update of the Development Charges Background Study and By-law for the County of Grey.

They presented a quick overview of the development charges, a review of the draft capital projects, stating that the project is about half-way through the process.

The growth projections were discussed. Growth forecasts were calculated based on the approved Growth Management Study (GMS) update which was approved by Planning Committee in December 2015 and by Council in January 2016. The growth forecast has much less growth than what was identified in the previous development charges background study.

The Consultants recommend that the current structure for calculating the charge change. The development charges are currently based on the premise that need for services is based on the number of households. It's an uncommon way of imposing the charges. In Ontario it is usually a population driven calculation. By basing the charge on the size of the unit, a smaller unit gets a smaller charge.

Recommendation to change the current structure to a population based for a few reasons:

- 1) The OMB has ruled the house based rule is not appropriate
- 2) It's a fairly unusual approach where the need for roads is based on roads, distance of home, seasonal vs population base. In the past was lumped together so in order to do this we will have to calculate how much of the population is seasonal therefore putting pressure on the roads. There has been research in the GMS identifying this information.

The public and some chief building officials have indicated that the current charge which is based on the unit size is causing some confusion. County staff have received a number of calls to clarify the unit size charge. The consultants are recommending that rather than basing the charge by unit size it be calculated based on the type of unit (e.g. single detached, semi-detached, row/townhouse, apartment, etc.).

There was a discussion regarding whether development charges could be deferred or a grant-in-lieu provided for developers constructing affordable housing units. The possibility of a grant-in-lieu or deferral of development charges can be discussed during the policy review.

It was mentioned that seasonal homes often become permanent households over time. The population based approach will include the projected seasonal population using the GMS information.

The residential and non-residential forecasts show a snapshot of the growth projections anticipated. The projected growth is approximately 45% of what was in the last study. If the capital costs stay the same and based on the decrease in growth projections, the rate could be double that of the current rates.

In terms of employment growth, the County has seen an increase in on-farm diversified uses over the past few years. Majority of the on-farm diversified uses have been built by Mennonites. The County has some information that captures the number of on-farm diversified uses that have been approved over the past 10 years and this information can be used to ensure that the employment that these uses are generating are captured as part of the employment projections. It was mentioned that these uses can cause impacts to roads, including County roads and therefore the continued growth of the on-farm diversified uses may require future capital road upgrades.

With historical service levels, some are per capita based while others are a blend of population and employment levels.

The maximum allowable funding envelope shows how much the County could spend to keep the historic service levels.

The draft capital programs have been compiled in consultation with County staff. Capital costs have been adjusted in accordance with the Development Charges Act which includes: making deductions for capital grants and subsidies; determining the extent that the projects will benefit existing residents; applying a 10% legislated discount for eligible 'soft services'; determining the available development charges reserve funds to fund the projects and determining if there is a post period benefit share.

Capital Programs:

The Land Ambulance program is eligible for recovery. A new Chatsworth paramedic station is anticipated which is considered development that serves the County as a whole. The future paramedic station at Cobble Beach has been recommended to be removed from the draft capital project which can be revisited as part of the next development charges update.

Public works:

Is still under review and includes an additional sand and storage facility in Dundalk to accommodate projected future growth in this area.

Provincial Offences (POA):

\$12 million budgeted for the expansion of the Administration building with 13% of that being the POA share which hits the budget cap so some costs have been moved to the post period benefit.

Employment Resources:

Recommend that this be kept in the background study with provision for expanded itinerant space in Dundalk.

Trails:

A better inventory has been developed since the previous development charges background study. A negative reserve balance has been calculated based on historic level of spending and therefore is only recovering a small portion back. This can be investigated further as there is room within the cap for further trail improvements if required to support future growth.

Health Unit:

The County has been making contributions of \$79,000 in past years which will be reduced to \$53,000, until its repayment is complete, resulting in recovery of the negative reserve fund balance.

General Government:

Includes ten development related studies in the capital program from several different departments.

Social Housing:

Currently there are 888 social housing units. The County does not have any current plans to add more units but understands there are programs for different types of assistance in lieu of providing more units. Although not building physical infrastructure, if council supported to increase the amount of rent supplement units, it would help a number of people on the long waitlists. Providing a grant-in-lieu for the construction of affordable housing units would be a separate issue which can be discussed as part of the policy discussions. It is recommended that Social Housing be kept in the background study.

LTC:

There is a funding envelope but no expansions planned. There may be a future rebuild but this rebuild would be replacing existing beds as opposed to adding new beds. Depending on demand or growth in that demographic, if there were redevelopment,

there may be a need to conduct a Long-Term Care study on the expansion or development to justify the need and understand the impact on the community. Therefore it was recommended to continue to include a LTC Study as part of the draft capital program.

Children Services:

Consultants feel there is no increased demand for childcare services anticipated over the next ten years and there is no need for a charge for this service.

Roads & Related:

Staff and the consultants have looked at the current six capital categories in detail and it was suggested that the existing categories be utilized for the updated capital program.

Details of the major roads projects were discussed. Some of the projects are to be shared with Simcoe County and Bruce County. \$41 million of the \$69 million draft capital budget is represented by the Category 1 transportation projects. The costs for these projects have been updated. It was recommended that the Grey Road 1 project from 10th Street to 14th Street be removed from the Category 1 project list as it is unlikely that the land can be acquired in order to construct 4 lanes on this section of road. The Steering Committee recommended that the Grey Road 40 project be removed from the Category 1 projects for the time being and be reviewed again as part of the next development charges updates.

In regards to paved shoulders for bike lanes, normal maintenance of a road is not an eligible development charge. Since that would be a different mode of transportation and not development, it would need to be part of an active transportation plan.

A discussion occurred regarding development charge for wind turbines. The County currently levies a charge for wind turbines. Based on recent OMB decisions, careful consideration must be taken when determining increased need for municipal servicing. Additional information will need to be included as part of the background study to address this matter.

An overview of the current by-law exemptions was presented and discussed. These can be discussed in further detail as part of the policy review.

Next steps will be to present the draft capital program on June 23rd for Council's consideration. The draft background study and draft by-law will be released by August 3rd. A Stakeholder Information Session will be held in August and a Public Meeting will be held in September. Following the Public Meeting, the background study and by-laws will be finalized and presented to Council on October 4th. It was noted that the current by-law expires on January 3, 2017.

Next Meeting Date

The next meeting will be scheduled at the call of the Chair.

Adjournment

On motion by Councillor Burley, the meeting adjourned at 3:30 p.m.

Kevin Eccles, Chair