



# Committee Minutes

## Development Charges Steering Committee September 13, 2021 – 10:00 a.m.

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

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

Regrets: Councillor John Woodbury

Staff Present:

Kim Wingrove, Chief Administrative Officer; Randy Scherzer, Deputy CAO; Mary Lou Spicer, Director of Finance; Kevin McNab, Director of Paramedic Services; Trevor Ireton, Project Planning Engineer, Amanda Brooks, Asset Management Coordinator, Calvin Robinson, Financial Analyst, Michael Letourneau, Director of Legal Services-County Solicitor, Steve Furness, Economic Development Manager, Linda Swanston, Manager, Climate Change Initiatives and Heather Morrison, Clerk.

Consultants: Stefan Krzeczunowicz and Rachel Battaglia of Hemson Consulting

### Call to Order

Vice Chair Soever called the meeting to order at 10:00 am.

### Declaration of Interest

There were none.

### Presentation

#### *Development Charges Background Study and By-law Update*

Mr. Scherzer introduced Hemson Consulting; the consultants retained by the County to complete the Development Charges Background Study and draft by-laws and provided an overview of the presentation.

Mr. Krzeczunowicz reviewed the agenda for today's meeting. He spoke to the adjustments made to the Development Charges Capital Program. He then highlighted the long-term care capital projects. It was noted that the gross cost of the Rockwood Terrace redevelopment project is \$56.7 million, of which only \$3.1 million may be included in the development charges. He noted that if there is a change in the decision to redevelop Grey Gables, including that project could be accomplished through some scoped changes to the development charge by-laws rather than completing a fulsome review. Mr. Krzeczunowicz noted that no development charges would be collected until such time as the project moved forward. Discussion occurred relative to what is permitted to be included in the development charges by-law and the maximum limit of \$5.5 million. Randy Scherzer noted that there are a total of 60 new housing units being proposed in the Development Charges Capital Program with 30 of the units being proposed in Durham which can be part of the potential campus of care model associated with Rockwood Terrace.

Mr. Krzeczunowicz then highlighted the capital projects within the roads and related projects. This captures projects related to the widening of the highway, intersection improvements and studies related to road projects and enhancements. He noted that total development charge eligible costs are \$89.06 million. Discussion occurred to projects included within this category specifically related to the 2016 Transportation Master Plan. Mr. Krzeczunowicz noted that charges are imposed on a service not a project. Randy Scherzer stated that although there is a 10-year capital plan, these projects may shift over the years especially beyond the 10-year period, but Council does have the ability to update the development charges at least every 5 years to reflect any updates in the timing of projects.

Mr. Krzeczunowicz then spoke to general services capital program which includes items such as land ambulance, social housing and public health. The total development charge is \$8.7 million for general services.

The maximum permissible development charge rates for residential were then reviewed noting that single detached and semi-detached home charge would be \$8,405, the row homes and other multiple home charge would be \$5,803, and the apartment charge would be \$4,833. He then noted that the maximum permissible development charge rate for non-residential would be \$105.20 per square metre.

Mr. Krzeczunowicz then outlined the current versus calculated residential and non-residential charge per service for the Committee and noted the difference between the current and calculated charges for each service. Discussion occurred on the charges per residence and whether property size was considered. Mr. Krzeczunowicz noted that the development charges are based on people in the house rather than the assessed value of a home.

Mr. Krzeczunowicz provided a comparison between other upper tier counties relative to the residential development charges in each area noting that Grey County's calculated rate would be in line with other counties in the province. Discussion occurred on the non-residential development charge comparison noting that while Grey does not currently levy a DC for non-residential development, Grey County's calculated charge is the highest of the comparators. Mr. Krzeczunowicz noted that there is discretion by Council to charge up to the maximum permissible.

Mr. Krzeczunowicz spoke to the statutory and discretionary exemptions permitted under the Development Charges Act. Statutory exemptions include items such as boards of education, municipalities, secondary units, and industrial expansions, while discretionary items include hospitals, churches, agricultural uses, and commercial and industrial uses. He noted that other exemptions were introduced in 2020 including purpose built rental housing (conditionally exempt), non-profit housing, additional dwelling units, redevelopment credits for conversions from non-residential to residential builds and approved Community Improvement Plan projects (conditionally exempt).

The other provisions within the Development Charges Act were then reviewed including the annual indexing on January 1 based on the non-residential construction price index, credits for redevelopment if the redevelopment occurs within five years, local services not funded through development charges, and a provision for early or late timing of payment under a development charges agreement.

Mr. Krzeczunowicz spoke to changes as of January 1, 2020 including when development charges are established noting it is when the site plan or rezoning was applied for. For rental housing, institution and non-profit, payment is made in annual installments over five or 20 years depending on the type of housing.

Mr. Krzeczunowicz outlined key considerations for Council including providing direction to proceed with drafting the Development Charges By-laws, whether to hold a further public meeting following the one scheduled October 28, 2021 and the implementation options related to a phased-in approach and exemptions. A timeline for the finalization of the Development Charges Study was then provided noting the need to pass the by-laws in December 2021.

Discussion occurred on population in relation to unit type and residents per unit as well as seasonal versus permanent residents. Mr. Krzeczunowicz noted that the true changes that have taken place as a result of COVID-19 will be available once the 2021 census information has been released which will be in time for the next Development Charges review.

*DCSC05-21* Moved by: Councillor Keaveney

Seconded by: Councillor Carleton

**THAT the presentation of Hemson Consulting Ltd. regarding the Development Charges Background Study and By-Law Update 2021 be received; and**

**THAT staff instruct Hemson Consulting Ltd. to prepare the draft Development Charges By-laws on the basis of the updates to the growth-related capital programs; and**

**THAT staff hold a Public Meeting on October 28, 2021 to receive comments on the Development Charges Background Study and Draft Development Charges By-law.**

Carried

## Next Steps

The next steps were covered in the final slide related to the timelines presented. Mr. Scherzer noted that the draft by-laws will be brought back to the Committee for review. Discussion occurred on the timelines should another public meeting be required.

## Other Business

There was none.

## Next Meeting Date

To be determined

On motion by Warden Hicks and Councillor Carleton, the meeting adjourned at 11:17am.

Councillor Soever, Vice Chair