



REPORT

Treasury Department

TO: Mayor and Members of Council

FROM: Carly Somers, Deputy Treasurer

DATE: May 6, 2024

REPORT: TR-10/24 **FILE NO.** Development Charges

SUBJECT: 2024 Development Charges Background Study and By-law

BACKGROUND:

The purpose of this report is to provide Council with the proposed passage of the Development Charges By-laws as prepared by Hemson Consulting Ltd. in consultation with Township staff, presented in Attachments 1 & 2.

Development Charges (DC) are the primary way for Ontario municipalities to raise funds for required services and infrastructure improvements resulting from growth. The charges are intended to help pay for the cost of capital infrastructure required to provide municipal services to new development, such as roads, stormwater management, parks, community facilities and fire and protective services.

The legislative authority for municipalities to levy development charges is contained within the Development Charges Act, 1997. The *Development Charges Act* requires that municipalities review their Development Charges By-law every five (5) years. Note, on November, 28, 2022, Royal Assent was given to Bill 23, the *More Homes Built Faster Act, 2022* which allows for DC by-laws to expire every 10 years, instead of every five years (By-laws can still be updated any time). The Township's Development Charges By-law, 2019-076 currently in effect was adopted by the Township of Uxbridge on May 13, 2019¹.

¹ In 2022, an amending by-law 2022-093 was passed for Development-Related Studies, Library Services, By-law Enforcement (including Animal Control), and Parks & Recreation.

Development in the Township of Uxbridge is subject to development charges imposed by the Township of Uxbridge as well as the Region of Durham and the applicable school boards.

The development charge rates currently in effect for the Township are detailed by service category in Table 1. These rates do not include development charges for the Region of Durham or applicable school boards.

Table 1 – Current Development Charge Rates in Effect

Service Category ⁽¹⁾	Residential Dwellings (\$/Unit)				Non-Residential Charge (\$/m ² GFA)
	Singles & Semis	Rows & Other Multiples (\$/unit)	Singles & Semis	Special Care Needs (\$/unit)	
Development-Related Studies	\$185	\$141	\$93	\$64	\$1.42
Library Services	\$875	\$670	\$438	\$301	\$0.00
By-Law Enforcement	\$58	\$45	\$30	\$20	\$0.00
Parks & Recreation	\$8,271	\$6,332	\$4,136	\$2,844	\$0.00
Total Amended per By-law 2022-093	\$9,389	\$7,188	\$4,697	\$3,229	\$1.42
Fire & Rescue	\$1,047	\$801	\$524	\$359	\$6.93
Public Works	\$154	\$118	\$76	\$53	\$1.08
Township Engineering ⁽³⁾	\$9,678	\$7,410	\$4,838	\$3,326	\$67.09
Total per By-law 2019-076	\$10,879	\$8,329	\$5,438	\$3,738	\$75.10
TOTAL CHARGE	\$20,268	\$15,517	\$10,135	\$6,967	\$76.52

(1) The rates presented in Table 1 for each service category are reflective of annual indexing since By-Law passage as well as applicable phase in per Bill 23 for Development-Related Studies, Library Services, By-Law Enforcement and Parks & Recreation Services.

(2) Township Engineering includes Roads & Related and Stormwater Infrastructure.

On February 12, 2024, Council was presented with the Development Charges information session which included the draft Development Charges rates. Since that time, staff have worked closely with Hemson Consulting Ltd. to refine and finalize the Development Charges Background Study, released March 7, 2024.

DISCUSSION:

The analysis required for the DC Background Study as presented in Attachment 1, included the formulation of growth forecasts related to population, housing and employment, and the associated forecast of the capital infrastructure costs needed to service the proposed growth while maintaining the Township’s historical service levels to its residents and businesses.

The calculated and proposed development charge rates for the Township are detailed by service category below.

Table 2 –Development Charge Rates Effective May 6, 2024

Service Category	Residential Dwellings (\$/Unit)				Non-Residential Charge (\$/m ² GFA)
	Singles & Semis	Rows & Other Multiples	Apartments	Special Care Needs	
Development-Related Studies ⁽¹⁾	\$45	\$37	\$24	\$16	\$0.42
Library Services	\$1,465	\$1,188	\$776	\$534	\$0.00
By-Law Enforcement	\$88	\$71	\$47	\$32	\$0.00
Parks & Recreation	\$13,594	\$11,028	\$7,202	\$4,951	\$0.00
Fire Services	\$1,520	\$1,233	\$805	\$554	\$14.05
Services Related to a Highway					
- Public Works & Fleet	\$2,026	\$1,644	\$1,073	\$738	\$18.72
- Roads & Related	\$9,880	\$8,015	\$5,235	\$3,599	\$91.31
Storm Water Drainage & Control Services	\$3,228	\$2,619	\$1,710	\$1,176	\$29.83
TOTAL CHARGE	\$31,846	\$25,835	\$16,872	\$11,600	\$154.33

(1) Development-Related Studies are presented here for information purposes. Subject to legislative changes, the Township may not charge for Development-Related Studies as at May 6, 2024 unless the Act is amended. It is anticipated that the Township add Development-Related Studies into the rate immediately upon amendment to the Act

The increase in the development charge rates is attributed to the capital program for various park projects and recreation projects including enhanced active transportation and trails services, library expansion, and primarily a new indoor pool along with enhanced engineering related programs including roads and stormwater infrastructure.

Once the By-Laws presented in Attachments 1 & 2 are adopted by Council, the DC rates presented above are subject to the provisions of the Development Charges Act, 1997. The rates will be indexed annually in accordance with the Statistics Canada Quarterly, Construction Price Statistics and updated on the Township website at www.uxbridge.ca and in the Development Charges Pamphlet available at Town Hall (51 Toronto St. S., Uxbridge).

It is proposed that the rates presented above be adopted through two By-Laws, for General Services (Development-Related Studies, Fire, Library, By-Law Enforcement and Parks & Recreation services) and for Engineered Services (Services Related to a Highway and Storm Water Drainage and Control Services). This will allow for greatest protection and flexibility under the new ten-year review period.

Lastly, the Township DC By-laws have been prepared in accordance with the DCA requirements and, in Schedule A (Designation of Services), includes the ability to add Development-Related Studies back into the rate immediately upon amendment to the Act. This portion of the rate will not be levied until the DCA is formally amended to reflect the re-inclusion of studies as an eligible capital cost. In addition, at the time of writing this report, the DC rates are subject to a five-year phase in in accordance with the Act. This “phase in” is also under review and will be removed immediately upon amendment to the Act. The proposed amendments, “Changes to the Development Charges Act, 1997 to Enhance Municipalities’ Ability to Invest in Housing-Enabling

Infrastructure” are currently posted for comment under ERO number 019-8371 by the Ministry of Municipal Affairs and Housing.

Public Consultation and Notice Requirements

The Township of Uxbridge held a public meeting on March 25, 2024 in accordance with Section 12 of the Act. At that meeting, staff from Hemson Consulting Ltd. presented a slide show that provided an overview of the DC Background Study, and the proposed Development Charges By-law, which would establish development charges to be levied upon new development in the Township of Uxbridge. The Public Meeting also provided an opportunity for the public to ask questions, provide comments, and provide input regarding the Background Study and By-law.

The required notice for the Public Meeting was advertised by the Township on the Township’s website at www.uxbridge.ca and in the local newspaper, Uxbridge Cosmos, on each of the following dates:

- February 29, 2024
- March 7, 2024
- March 14, 2024
- March 21, 2024

At the Public Meeting, Council heard all persons who applied to be heard and received written submissions whether in objection to, or in support of, the development charges proposed, of which there were none.

The timeline established for the Development Charges Background Study and By-law is summarized below:

- February 12, 2024 – Council Meeting – Council Information Session
- March 7, 2024 – Release of the Development Charges Background Study
- March 7, 2024 – Proposed Development Charges By-Law
- March 25, 2024 – Statutory Public Meeting – Council Meeting
- May 6, 2024 – Proposed Passage of the Development Charges By-Law

FINANCIAL IMPLICATIONS:

There are no direct financial or budgetary implications associated with the recommendations contained in this report.

The adoption of the proposed Development Charges By-laws will enable the Township to collect development charges from developers and builders to mitigate the cost of growth-related capital programs and the related burden to the Township’s property tax base.

ALIGNMENT TO STRATEGIC PRIORITIES:

- 1.2 Excel at operational efficiency and effectiveness
- 1.4 Demonstrate fiscal responsibility and continue to offer value for money
- 2.1 Grow the economy and maximize opportunities to realize competitive advantage
- 2.3 Address Infrastructure Deficit
- 5.5 Enhance community livability

RECOMMENDATION

THAT Report TR-10/24, 2024 Development Charges Background Study and By-law be received for information;

THAT Council express its intent that growth-related costs identified in the Development Charges Background Study as post-period benefit shall be paid for subsequently by development charges or other similar charges.

THAT Council state that it has given notice in accordance with Section 12 of the Development Charges Act, 1997, of its intention to pass a by-law under Section 2 of the Act.

THAT Council approve the Development Charges Background Study dated March 7, 2024, and the rate tables attached to this report as Attachment 1.

THAT Council state that it held a Public Meeting to consider the enactment of the Development Charges By-law in accordance with Section 12 of the Development Charges Act, 1997.

THAT Council state that it heard all persons who applied to be heard and received written submissions whether in objection to, or in support of, the Development Charges proposed at the Public Meeting.

AND THAT Council has determined that no further public meetings are required under Section 12(3) of the Development Charges Act, 1997.

Respectfully Submitted by:

Carly Somers, CPA
Deputy Treasurer