



Staff Report

Finance and IT Services

Report To: Sustainability Committee
Meeting Date: October 9, 2019
Report Number: FAF.19.192
Subject: Development Charge Policies Other Initiatives
Prepared by: Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

A. Recommendations

THAT the Sustainability Committee receive Staff Report FAF.19.192, entitled “Development Charge Policies Other Initiatives”;

AND THAT the Sustainability Committee create a Sub-Committee of 1st name, 2nd name, and 3rd name to work with staff to write a policy around Development Charge credits or exemptions for Attainable Housing Development.

B. Overview

During the legislated required update of the Town’s Development Charge Background Study and By-law, Council directed staff to work with the Sustainability Committee to create a policy around offering Development Charge credits or full exemptions for various sustainability initiatives.

C. Background

The Town collects Development Charges to help fund capital works that are required to service the additional growth for both residential and non-residential developments. The Town collects four types of Development Charges; Roads, Water, Wastewater, and Soft Development Charges which include Parking/By-law, Police, Fire, Library etc.

The Town’s Development Charge By-law has some general exemptions built in, these include agricultural builds, fire sprinkler systems in residential units, and smaller commercial re-purposing. The Town; however, outside of the by-law, is allowed to have policies that offer additional credits or exemptions.

It should be noted that in addition to Town Development Charges, the County of Grey also levies charges; however, the school boards do not.

D. Analysis

Keeping policy items out of the Development Charges By-law gives the Town more flexibility to change, add, or remove items without having to go through a 6 to 9 month process. Below are some items for consideration when drafting the policy for the Sub-Committee:

- 1) Green Roof
- 2) Grey-water Recycling
- 3) Wastewater Pre-Treatment
- 4) Rainwater capture and re-use
- 5) Tree canopy preservation

If a development (or single build) meets the criteria for one (or more of these items) they can be offered a credit against their development charges. The Policy can be written in a manner that multiple pieces can be applied for and granted up to a certain amount. For example, 50% of Development Charges could be credited if a commercial facility installs a green roof, rainwater capture and re-use, and preserves the existing tree canopy.

The policy (or policies) can be limited to only non-residential or they can include all builds in the Town that are subject to Development Charges. The Town has flexibility when it comes to offering the various incentives.

Similar to the Attainable Housing Policy the credit can be on the Water, Wastewater, Roads or Soft Development Charges as levied by the Town. When offering a Development Charge credit, the policy item should align with the charge. For example Grey-Water Recycling reduces the pressure on the wastewater collection system and therefore that charge should be the one credited. Other policy items are a bit harder to align, such as a Green Roof, in that situation a general credit on all Development Charges could be offered.

Attachment #1 is the Town's current Development Charge pamphlet and outlines all Development Charges for the Town. The items listed above are for illustration purposes; working with the Sub-Committee and later the full Committee a detailed policy would be drafted to include those items mentioned above.

Staff would suggest the following work plan to achieve the creation of this policy:

- Kick-off report to the full Committee establishing the Sub-Committee;
- Sub-Committee meeting to review other Ontario municipal policies, training on Development Charges (if required);
- Sub-Committee meeting with a draft policy (would hold as many of these meetings as required);
- Third-party review of draft policy to ensure compliance with any pertaining regulations/legislation;
- Endorsement by the Sustainability Committee;
- Endorsed Policy present to Committee of the Whole;
- Public Information Centre and Public Meeting;

- Final report to the Committee of the Whole; and
- Final approval of the policy by Council.

Once the policy is approved a developer (or builder) would get the credit as long as they meet the established criteria, there would be no future approvals necessary.

E. The Blue Mountains Strategic Plan

The Blue Mountains Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence

Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

N/A

G. Financial Impact

Any credit given to a developer or builder must then be repaid by the Town. The Town must make this payment as the Development Charge Act does not allow one development being forced to pay for another development.

As an example staff have built a costing for a 5000 m2 commercial building that installs a green roof (10% on all Soft Development Charges), a Grey-Water Recycling system (15% on Thornbury West Wastewater Collection), and a Rainwater Capture and Re-Use system (15% on Thornbury West Water Distribution and the Water Plant Charge).0

- Soft - \$123,100 total charge \$12,310 credit
- Thornbury West Wastewater Collection - \$295,550 total charge \$44,332.50 credit
- Thornbury West Water - \$389,250 total charge \$58,387.50 credit
- Total Credit Offered - \$115,030

Under this example the Town would need to fund \$115,030 to the appropriate Development Charge reserve fund. This is a significant amount of funding that would need to be raised either through taxation, or water/wastewater user-fees or other revenue streams. Council may have to consider limiting the number of credits for each year by the amount of funding available.

H. In consultation with

Shawn Everitt, CAO

Ruth Prince, Director of Finance and IT Services

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets at finance@thebluemountains.ca.

J. Attached

1. Town of The Blue Mountains Development Charges Pamphlet

Respectfully Submitted,

Sam Dinsmore
Deputy Treasurer/Manager of Accounting and Budgets

Ruth Prince
Director of Finance and IT Services

For more information, please contact:
Sam Dinsmore
finance@thebluemountains.ca
519-599-3131 extension 274



Development Charges

By-law #2019-17

The Corporation of the Town of The Blue Mountains

Town Wide Development Charges

This pamphlet was created on April 25, 2019 for By-law No. 2019-17 in accordance with Ontario Regulation 82/98. It is for information purposes only. For further details, please consult the By-law.

Note: This pamphlet deals only with Town Wide Development Charges. Additional Development Charges for the County of Grey and School Boards may be applicable.

Statement of the Treasurer

As required under the *Act*, the Treasurer will provide a report to Council each year outlining the opening and closing balances of the Development Charge Reserve Funds and transactions relating to the Reserve Fund along with other information required by Regulation. This statement will be available at the Town Office for review by the public.

Rules for Determining Development Charges

Development Charges apply based on Service Area without regard to the services used by an individual development. Charges apply for development which requires the issuing of a Building Permit or approval under the *Planning Act* or *Condominium Act*. Some forms of institutional enlargement, and temporary structures are exempt from Development Charges. Further rules are detailed in the By-law, *Act* and *Regulations*.

Additional Information

If you require further information, please contact:

Town of The Blue Mountains
32 Mill Street, P.O. Box 310
Thornbury, ON N0H 2P0

519-599-3131 or toll free 888-258-6867
finance@thebluemountains.ca

General purpose for which Development Charges are imposed

The Development Charges Act, 1997 (the "Act") authorizes municipalities to pass By-laws to impose development charges against land in order to pay for the increased capital costs required due to increased needs for services arising from the development, including the re-development of land within the municipality.

List of Services to which Development Charges relate

The following are services to which the Development Charges By-law relates:

- General Government
- Fire
- Police
- Public Works
- Wastewater
- Roads and Related
- Water Works
- Parks and Recreation
- Library
- Parking and By-Law
- Solid Waste

Lands subject to Development Charges

The development of all lands within the Town of The Blue Mountains is subject to the terms of this By-law. Development Charges are levied according to the service area in which the development is located. The Town Wide Soft Service Charges are applied to all development in the Town. The Road and Related Charges are charged to either the Castle Glen Service Area or to the Town-Wide area. Additional charges by service area are applicable for lands receiving municipal water and wastewater services. The amounts of the charges vary by service area.

Residential Development Charges

Development Charges are levied on a fully calculated residential rate that varies by built form type and the associated differences in demand that is placed on Town Services. The recovery of engineered infrastructure for Roads and Related, Water Distribution, Sewage Treatment and Sewage Collection is calculated on a Service Area Specific basis.

Definitions

Apartment means any dwelling unit within a building containing more than three dwelling units where the units are connected by an interior corridor.

Hotel Unit means one or more habitable rooms used, designed or intended to be used as a sleeping accommodation unit by one or more persons, and may be used by the travelling or vacationing public or for recreational purposes, but not containing its own culinary facilities and for the purposes of the by-law is defined as another multiple dwelling unit.

Non-Residential means land, buildings or structures or portions thereof used, designed or intended to be used for a purpose other than for residential use.

Other Multiple mean residential buildings not including single detached dwellings, semi-detached dwellings or apartment dwellings and shall include a hotel unit and motel unit.

Semi-Detached Dwellings mean a residential building divided vertically into dwelling units each of which has a separate entrance and access at grade.

Single Detached Dwellings mean residential buildings, each of which contain a single dwelling unit, that are not attached to other buildings.

Town Wide Uniform Charges (Excluding Castle Glen)

Soft Services	Single & Semi-Detached	Rows and Other Multiples/ Hotels	Apartment	Non-Res/m ²
General Government	384	307	230	3.10
Public Library	1,193	954	716	0
Fire Services	416	332	249	3.35
Police Department	126	101	76	1.01
Parks and Recreation	2,787	2,230	1,672	0
Public Works	1,004	803	602	8.11
Parking and By-Law	925	740	555	7.47
Solid Waste	195	156	117	1.58
Sub Total:	7,030	5,623	4,217	24.62
Hard Services				
Roads and Related	10,405	8,324	6,243	41.52
Total:	17,435	13,947	10,460	66.14

Castle Glen Uniform Charges:

Soft Services	Single & Semi-Detached	Rows and Other Multiples/ Hotels	Apartment	Non-Res/m ²
General Government	384	307	230	3.10
Public Library	1,193	954	716	0
Fire Services	416	332	249	3.35
Police Department	126	101	76	1.01
Parks and Recreation	2,787	2,230	1,672	0
Public Works	1,004	803	602	8.11
Parking and By-Law	925	740	555	7.47
Solid Waste	195	156	117	1.58
Sub Total:	7,030	5,623	4,217	24.62
Hard Services				
Roads and Related	12,416	9,933	7,449	62.23
Total:	19,446	15,556	11,666	86.85

Charges by Service Area – Water:

Service Area	Single & Semi-Detached	Rows and Other Multiples/ Hotels	Apartment
Craigleith	\$ 6,094	\$ 4,876	\$ 3,657
Camperdown	\$ 2,982	\$ 2,820	\$ 2,657
Castle Glen	\$ 9,438	\$ 7,551	\$ 5,664
Swiss Meadows	\$ 0	\$ 0	\$ 0
Lora Bay Service Area #1	\$ 9,937	\$ 7,951	\$ 5,963
Lora Bay Service Area #2	\$ 4,209	\$ 3,368	\$ 2,526
Lora Bay Service Area #3	\$ 4,209	\$ 3,368	\$ 2,526
Clarksburg	\$ 10,477	\$ 8,383	\$ 6,287
Osler	\$ 21,297	\$ 17,038	\$ 12,779
Thornbury – East	\$ 3,314	\$ 2,652	\$ 1,989
Thornbury – West	\$ 17,004	\$ 13,605	\$ 10,203

Charges by Service Area – Wastewater:

Service Area	Single & Semi-Detached	Rows and Other Multiples/ Hotels	Apartment
Craigleith	\$ 4,513	\$ 3,610	\$ 2,708
Camperdown	\$ 15,567	\$ 13,976	\$ 12,386
Castle Glen	\$ 7,615	\$ 6,092	\$ 4,569
Swiss Meadows	\$ 0	\$ 0	\$ 0
Lora Bay Service Area #1	\$ 17,085	\$ 13,668	\$ 10,251
Lora Bay Service Area #2	\$ 10,270	\$ 8,216	\$ 6,162
Lora Bay Service Area #3	\$ 9,876	\$ 7,901	\$ 5,926
Clarksburg	\$ 18,273	\$ 14,618	\$ 10,964
Osler	\$ 21,975	\$ 17,580	\$ 13,185
Thornbury – East	\$ 8,951	\$ 7,161	\$ 5,371
Thornbury – West	\$ 17,083	\$ 13,666	\$ 10,250

Total Development Charges by Service Area:

Service Area	Single & Semi-Detached	Rows and Other Multiples/ Hotels	Apartment
Craigleith	\$ 28,042	\$ 22,433	\$ 16,825
Camperdown	\$ 35,984	\$ 30,743	\$ 25,503
Castle Glen	\$ 36,499	\$ 29,199	\$ 21,899
Swiss Meadows	\$ 17,435	\$ 13,947	\$ 10,460
Lora Bay Service Area #1	\$ 44,457	\$ 35,566	\$ 26,674
Lora Bay Service Area #2	\$ 31,914	\$ 25,531	\$ 19,148
Lora Bay Service Area #3	\$ 31,520	\$ 25,216	\$ 18,912
Clarksburg	\$ 46,185	\$ 36,948	\$ 27,711
Osler	\$ 60,707	\$ 48,565	\$ 36,424
Thornbury – East	\$ 29,700	\$ 23,760	\$ 17,820
Thornbury – West	\$ 51,522	\$ 41,218	\$ 30,913

Non-Residential Development Charges

Non-residential Development Charges are levied on a “per square metre of gross floor area” basis. Gross floor area is defined in the By-law. The amount of Development Charges varies by the service area. In addition to the Water and Sewer charge / m², each Non-residential development is subject to the Town Wide Uniform Charge of \$66.14 / m² as noted on Page 3.

Service Area	Water / m ²	Wastewater / m ²	Total Charge / m ² ¹
Craigleith	\$ 24.48	\$ 19.90	\$ 110.52
Camperdown	\$ 20.91	\$ 100.23	\$ 187.28
Castle Glen	\$ 48.65	\$ 29.18	\$ 164.68
Swiss Meadows	\$ 0.00	\$ 0.00	\$ 66.14
Lora Bay Service Area #1	\$ 44.80	\$ 82.54	\$ 193.48
Lora Bay Service Area #2	\$ 17.54	\$ 88.80	\$ 172.48
Lora Bay Service Area #3	\$ 17.54	\$ 62.89	\$ 146.57
Clarksburg	\$ 93.69	\$ 153.05	\$ 312.88
Osler	\$ 199.16	\$ 192.40	\$ 457.70
Thornbury – East	\$ 14.62	\$ 48.57	\$ 129.33
Thornbury – West	\$ 77.85	\$ 89.21	\$ 233.20

Non-Statutory Exemption

The following situations where development charges are exempt for new builds:

- Accessory apartments;
- Non-residential development that is smaller than 232 square meters in gross floor area;
- If a sprinkler system is provided in the residential or non-residential buildings where sprinklers are not required to comply with the Ontario Building Code the Fire Services portion of the development charge is exempt.

Non-Statutory Partial Exemption

The following situations where development charges are partially exempt for new builds:

- Single-detached dwellings that are less than 115 square metres in gross floor area (excluding total area of basement) pay the “Other Multiples/Hotel” rate.
- Semi-detached dwellings that are less than 115 square metres in gross floor area (excluding total area of the basement) shall pay the “Other Multiples/Hotel” rate.

¹ Includes \$66.14/m² for Town Wide Development Charges, \$86.85/m² for Castle Glen