



REPORT N° INF2019-007

Date	16/09/2019
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Subject	Development Charge (DC) Update
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1) NATURE/GOAL :

The purpose of this report is to provide members of Council with an update on the 2020 Development Charge Study.

2) DIRECTIVE/PREVIOUS POLICY :

On June 17, 2019 staff gave a slide presentation to members of Council with respect to several issues relating to the current Development Charges study update. At the conclusion of the meeting, copies of the draft capital works program and associated residential and non-residential development charge rates were distributed to Council members.

At that time, staff confirmed that the draft capital program and development charge rates would be submitted to development stakeholders for review and comment.

3) DEPARTMENT'S RECOMMENDATION :

Whereas, the City has initiated and completed Master Servicing Studies to determine capital needs based on forecasted growth projections within the municipality;

And Whereas, it is the City's intention to publish the draft Development Charge Background Study on the City's website on September 18, 2019;

And Whereas, the City must have an approved Development Charge By-Law update by no later than February 5, 2020;

And Whereas, staff has consulted with the development community with respect to the draft capital works program and associated residential/non-residential development charges;

Be It Resolved That Council receive Report INF2019-007, as information.

4) BACKGROUND :

At the June 17 Council meeting, staff provided members of Council with a detailed overview of the 2020 Development Charge Study update that is currently underway by the City. Since development charge by-laws are required to be updated at a minimum every five years, it is important to note that Council must approve an updated by-law by no later than February 5, 2020.

The determination of growth related infrastructure requirements has a direct correlation with projected growth forecasts that are approved by Council. Council approved the projected growth rates for 2019-2044 on August 21, 2017. Subsequently, Master Servicing Studies were initiated and completed to determine growth related needs, costs and timing of construction for transportation, sewer and water servicing works. The findings of these studies, in turn, provided the necessary information to calculate draft residential and non-residential development charge rates for the 2019-2028 time period.

5) Discussion:

An important aspect of the development charge update process is ensuring that the appropriate stakeholders are fully aware of the progress of the study update and, particularly, have an opportunity to provide input into the draft capital works and associated development charges.

Development Community Consultations

Consultation with affected development stakeholders is a critical component of the development charge update process in order to ensure that they are kept current on the progress of the update studies and, in particular, are given an opportunity to provide input into the draft capital programs and associated development charges.

The details of the consultation process are summarized as follows:

1.0 Local Servicing Standards:

Currently, the City does not have any service level standards that clearly delineate the financial roles and responsibilities of the developer/builder and the City.

In the Spring of this year, staff developed a set of Local Service Guidelines based on a review of industry best practices. The objective of the guidelines is to provide assistance to the development community, as well as City staff, to ensure that there is a clear

understanding as to which types of infrastructure are eligible for DC funding and those which are the responsibility of the developer/builder.

Upon finalization of the draft local service standards, staff circulated the guidelines to the development community for review and comment. The developers designated a staff member from EQ Homes to act as the development community's representative who in turn retained the services of a consultant to review the local service guidelines.

Formal comments were received on April 2, 2019. The following summarizes some of the more relevant observations:

- "... the City's existing local service guidelines are contained within the DC by-law and are not sufficiently detailed...". It goes on to state that "the new guidelines provide much more clarity to the city's approach".
- compared to several existing subdivision agreements, "the City's draft local service guidelines are much more liberal in allowing some of the identified works to be eligible for DC funding"
- the development community's response requested further consideration re: DC eligibility for sidewalks connecting developments to public spaces, mixed-use trails, storm water drainage works that "benefit users beyond those just within the subject development"
- there was a request that the City should prepare a schedule or map showing the classification of the existing road network
- there was a request to review the old local service guidelines to determine if previously ineligible servicing costs would now be eligible under the new guidelines.

Staff has reviewed the comments received from the development community and has made adjustments as deemed appropriate. The revised Local Servicing Standards will be an annex to the new DC Background Study .

2.0 Development Related Capital Programs

On July 19, 2019, staff sent out a communiqué to the development community requesting that it provide feedback on the draft development related capital programs and the calculated development charges by August 23, 2019.

The City received approximately five written responses. For purposes of clarity, there was a request from several firms to provide maps showing the proposed capital programs by service category. As well, one firm, representing the River Lands of Rockland Inc./Clarence Crossing Subdivision, requested the inclusion of additional servicing projects for roadworks, water and sanitary sewers in support of the proposed development.

It is interesting to note that there were no comments received with respect to the quantum of the development charge rates nor reducing any of the projects contained in the capital works project summary.

Staff reviewed the requests and has made adjustments that are consistent with the Local Servicing Standards referenced above.

Attachment 1 provides the amended capital works program to support growth for the 2019-2028 period. The draft development charge rates for both residential and non-residential developments are shown in Attachment 2.

Attachment 3 provides a DC comparison chart with respect to development charge rates in other municipalities.

Development Charge By-law Update Timelines:

Attachment 4 summarizes the key milestone dates associated with the passage of an updated Development Charge By-law. This attachment highlights specific dates of each event and relevant comments.

As mentioned earlier in this report, Council approval of an updated Development Charge By-Law must be obtained by no later than February 5, 2020. Attachment 4 provides a timeline that contemplates passage of a new by-law by the November 18, 2019. The December 2, 2019 date represents a secondary date (if necessary) to pass the new Development Charge by-law.

Following Council's consideration of this report, the Development Charge Background Study will be published on the City's website. This must be done 60 days before the anticipated by-law passage on November 18, 2019. The mandatory public meeting will be advertised in a newspaper of general circulation on October 1, 2019 and the actual public meeting will take place on October 21, 2019.

6) CONSULTATION:

As detailed in the Discussion section of this report, extensive consultation with the City's development stakeholders has taken place in relation to servicing standards, growth related capital programs and the draft DC rates.

7) RECOMMENDATIONS OR COMMENTS FROM COMMITTEE/ OTHER DEPARTMENTS :

N/A

8) FINANCIAL IMPACT (expenses/material/etc.) :

Approval of a new Development Charge By-law will identify growth related capital infrastructure requirements and the respective financial responsibilities of the development stakeholders and the City of Clarence-Rockland. The City must ensure that annual budget approvals are secured for the City's portion of approved development charge capital works.

9) LEGAL IMPLICATIONS :

There is a provincial requirement for every municipality to update its Development Charge By-law at a minimum of once every five years. The City's current Development Charge By-Law was formally approved by Council on February 5, 2015. Therefore, a new development charge by-law must be approved by no later than February 5, 2020.

10) RISK MANAGEMENT:

The Development Charge Background Study is a critical document in terms of identifying infrastructure needs to support projected capital growth requirements. The development charge program will enable the municipality to assess and implement operational needs in support of growth related infrastructure once assumed by the municipality.

11) STRATEGIC IMPLICATIONS:

The Development Charge Update Process supports the Growth Management Strategic Priority identified in the Environmental pillar of Council's approved Strategic Plan.

12) SUPPORTING DOCUMENTS:

Attachment 1: Draft 10-Year Development Charge Capital Program

Attachment 2: Draft Residential and Non-residential Development Charge Rates

Attachment 3: DC Comparison Chart with other Municipalities

Attachment 4: Development Charge Milestones