



## Committee of the Whole

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**Meeting Date:** April 28, 2015

**Submitted by:** Chris Traini, County Engineer  
& Durk Vanderwerff, Manager of Planning

**Subject:** County Development Charges Discussion

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### **BACKGROUND:**

County staff were directed to bring a report to Committee of the Whole discussing options with regards to County level development charges. As background, development charges are fees for new development used to fund the increased capital cost of infrastructure and services related to new growth. Development charges do not cover operations or the capital costs of repairs and upgrades of existing development. Development charges can be applied to an entire municipality or part of a municipality.

### **ANALYSIS:**

This issue was last examined by County Council in 2005 in a report presented by Steve Evans. Many of the details provided in that report still apply to development charges today, and a copy of that report is attached.

The Development Charges Act and the County Official Plan both allow for the application of a development charge at the County level. No additional regulatory measure would be required in order to pass a development charge by-law.

There is no simple way to determine what a County level development charge would cost. In accordance with the Development Charges Act, a background study would need to be completed in order to determine the costs. The study must include a forecast of the amount, type and location of new development and must state how the development charges will be calculated. The fees are to reflect the cost of the average services provided over the previous 10 years. It is estimated that a consultant would charge around \$50,000 for a study of this scope.

Currently it is assumed that a County level development charge would mainly be for road related improvements. Property owners not directly fronting on County roads are normally required to make improvements to intersections in close proximity to their development. The improvements are intended to provide safe and efficient access to their development and for the existing road users, however these developers often complain as they are responsible for 100 percent of the cost of these improvements.

Middlesex County has no alternative means to collect funds to complete these improvements, and not building turning lanes or other intersection upgrades will result in a less safe and less efficient County road network. It would be unfair to burden the tax base to pay for these capital improvements when they would mainly be of benefit to the property currently being developed.

It is important to note that the use of development charges would not negate the requirement for developers to undertake road improvements, such as turning lanes where a new road is constructed, directly related to their development.

Although it is likely that upwards of 90 percent of any County development charge would be applied to road related activities, other County services could be included. Examples would include land ambulance, library services, and social services (social housing, child care services, etc.). These charges could also be used to fund any growth related studies.

**RECOMMENDATION:**

For discussion

Attachment



**CORPORATE SERVICES COMMITTEE**

For meeting to be held on: <b>April 19, 2005</b>	Submitted by: <b>Steve Evans, Director of Planning &amp; Economic Development</b>	For: <b>Information</b>	Agenda Item # <b>B.6 COR</b>
Subject: <b>DEVELOPMENT CHARGES</b>			

**BACKGROUND**

The Development Charges Act S.O. 1997 gave local Councils the authority to pass by-laws to impose charges on new development to pay for increased capital costs required because of increased needs for services arising from development in the area to which the by-law applies. The County of Middlesex considered passing a Development Charges By-Law shortly after the Act was proclaimed but decided against it due to the fact that the only perceived charge that could be claimed on new development would be for County Roads.

Historically the County has required individual developments to provide certain roads-related facilities on its behalf such as road widening, intersection improvements, turning lanes, etc. However, these improvements were generally required from development that had frontage on County Roads and was not applied to all new development.

**ANALYSIS**

Since the Development Charges Act came into effect the County of Middlesex has taken over responsibilities for a number of new services including: ambulance, social housing, child care, and the Provincial Offences Act. The County is also making a large investment in the replacement of its Nursing Home (Strathmere Lodge). These additional services have placed a larger financial burden on the County which has resulted in levy increases to keep pace.

There is no question that new development in Middlesex is increasing the load on County services. More traffic is using our roadways, more families are using childcare facilities, libraries are used at an increasing rate, the ambulance service is stretched to the limit and there is a constant need for more social housing. These additional responsibilities have prompted other Counties such as Oxford, Norfolk and Wellington to pass Development Charges By-Laws.

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**SUBJECT: DEVELOPMENT CHARGES**

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In Middlesex County all local municipalities with the exception of, North Middlesex, Southwest Middlesex and the Village of Newbury have Development Charges By-Laws. Thames Centre, Middlesex Centre and Strathroy-Caradoc have recently updated their Development Charges By-laws to reflect increased costs. In addition the London District Catholic School Board imposes a standard development charge on all new residential units across the County. (The attached table shows the charges allocated by each local municipality and the Counties of Norfolk, Oxford and Wellington)

Before the County can pass a Development Charges By-Law a background study is required which must include estimates on the amount, type and location of development; calculations on the increase in need for the services attributable to the anticipated development; and an examination of the long term capital and operating costs for infrastructure required for the service. There are a number of consultants that have expertise in preparing such studies. C.N. Watson and Associates has prepared a number of studies in this area, including a recent study for the Township of Middlesex Centre. Based on information obtained from the Counties of Oxford and Wellington and the Township of Middlesex Centre the estimated costs for such study would be in the range of \$25,000 to \$50,000.

There is no doubt that new development comes at a cost to municipalities. If such costs are not offset through development charges, existing property taxpayers will be subsidizing such costs through higher taxes. Development charges place the burden of new costs, as a result of an increased need for services, on the development that has created that need. Development charges have been proven to be a fair and equitable way for new development to pay for increased capital costs that otherwise would not have been required.

Attachment

MUNICIPALITY	<u>Residential</u>	<u>Non-Residential</u>		
	Single & Semi-Detached	Commercial & Institutional	Agricultural	Industrial
<b>ADELAIDE METCALFE</b>	<i>No Dev. Charges</i>	-	-	-
<b>LUCAN BIDDULPH</b>				
Lucan	\$5,500.00	N/A	N/A	N/A
Granton	\$4,500.00	N/A	N/A	N/A
Rural	\$906.00	N/A	N/A	N/A
<b>MIDDLESEX CENTRE</b>				
Ilderton	\$10,457.00	\$30.56/ s.m.	\$0.56/s.m.	\$12.22/ s.m.
Komoka	\$8,469.00	\$21.07/ s.m.	\$0.56/s.m.	\$8.43/ s.m.
Kilworth	\$9,007.00	\$23.85/ s.m.	\$0.56/s.m.	\$9.54/ s.m.
Remainder of Municipality	\$3,743.00	\$10.03/ s.m.	\$0.56/s.m.	\$4.01/ s.m.
<b>NORTH MIDDLESEX</b>	<i>No Dev. Charges</i>	-	-	-
<b>SOUTHWEST MIDDLESEX</b>	<i>No Dev. Charges</i>	-	-	-
<b>STRATHROY-CARADOC</b>				
Township	\$4,083.00	\$15.80/ s.m.	N/A	\$12.50/ s.m.
Strathroy	\$6,758.00	\$25.39/ s.m.	N/A	\$16.57/ s.m.
<b>THAMES CENTRE</b>				
Urban	\$8,781.00	\$51.32/ s.m.	N/A	\$55.63 / s.m.
Rural	\$6,980.00	\$37.34/ s.m.	N/A	\$33.03/ s.m.
Urban - Dorchester (sewer)	\$17,150.72	\$51.32/s.m. + \$8,369.72	N/A	\$55.63/s.m. + \$8,369.72
<b>NEWBURY</b>	<i>No Dev. Charges</i>	-	-	-
<b><u>OTHER COUNTIES - County-wide Services*</u></b>				
<b>Norfolk</b>	\$793.99	\$2.62 m2		
<b>Oxford</b>	\$1,517.00	\$6.32 m2		
<b>Wellington</b>	\$1,229.00	N/A		

\* County-wide services include: General Government, Library, Land Ambulance, Roads & Related, Long-Term Care  
Norfolk County-wide services also includes Public Works and Fire