

Meeting date: December 16, 2019
Department: Building / Planning & Waste Services
Prepared by: Matthew Stephenson
Reviewed by: Fred Tranquilli, Acting CAO
SUBJECT: **Development Charges – Council Information Session on Draft Results**

RECOMMENDATION: That Council accept this report as information on the 2019 development Charges Bylaw update.

BACKGROUND: The Strathroy-Caradoc Development Charges study was completed by Hemson Consulting in 2010 and again in 2015. These studies must be completed every five years including the current study being completed for passage in 2020. Development charges are fees imposed on development to finance development-related capital costs. As a municipality grows, new infrastructure and facilities are required to maintain service levels (e.g. engineering services, public works, etc.). The principle behind a development charge is that “growth pays for growth” so that financial burden of servicing development is not borne by existing taxpayers. The 2015 Development Charges Study did not contemplate the current growth trends within the Municipality and therefore did not provide funding options to service that growth. Updating the study will allow for a more accurate and fulsome examination of the existing growth and will permit the Municipality to more precisely plan for the future without imposing undue financial burdens on existing ratepayers

COMMENTS: The Development Charges Steering Committee and Management Team have worked with the consultants and have reviewed the Development Charges Study Report being presented by Hemson Consulting at this meeting.

This is an opportunity for council to consider the projects and rates including any adjustments that you may wish to be considered.

A public meeting has been scheduled for January 20, 2020 at full council where the consultants will again present the report and recommendations will be considered.

The draft recommendations by staff are based on the planning and financing of future growth projects while also considering the market comparators.

CONSULTATION: We provide some early considerations and will include council input and direction which will be presented at the public meeting in January 2020.

1. That the residential rate for a single family/semi-detached unit be changed to the calculated amounts in the study as follows:
 - Strathroy Service Area - \$22,837.00 (currently \$12,205.00)
 - Mount Brydges Service Area - \$17,198.00 (currently \$17,641.00)
 - Mount Brydges ASDC 2018 (Road Upgrades Parkhouse, Rougham, Falconbridge) - \$9,116.00 (currently \$9,116.00)
 - **Mount Brydges Total** - \$26,314.00 (currently \$26,757.00)
 - Mount Brydges Service Area #1 – \$26,314.00 (currently \$27,902.00)
 - Mount Brydges Service Area #2 - \$26,314.00 (currently \$28,997.00)
 - Rural Area - \$7,009.00 (currently \$5,909.00)

2. That commercial and institutional rates be changed to the calculated amounts in the study as follows:
 - Strathroy Service Area - \$108.21 per m2 (currently \$57.98 per m2)
 - Mount Brydges Service Area - \$193.53 per m2 (currently \$148.15 per m2)
 - Rural Area - \$19.96 per m2 (currently \$148.15 per m2)

3. That the industrial rate be changed to the calculated amounts in the study as follows:
 - Strathroy Service Area - \$108.05 per m2 (currently \$32.71 per m2)
 - Mount Brydges Service Area - \$154.02 per m2 (\$32.71 per m2)
 - Rural Area - \$19.75 m2 (\$8.13 per m2)

4. That the phasing in of the new rate or freezing the current rate of Industrial fees be considered subject to the discussion and input of council.

5. That the implementation of the residential increase for the Strathroy Service Area not be phased in subject to the discussion and input of Council

FINANCIAL IMPLICATIONS:

Financial implications subject to council's direction.

ATTACHMENTS