

**Public Council Meeting  
Agenda**

Tuesday, July 9, 2019, 6:00 pm  
Tecumseh Town Hall - Council Chambers  
917 Lesperance Road  
Tecumseh, Ontario N8N 1W9

**Pages**

1. **Call to Order**
2. **Roll Call**
3. **Disclosure of Pecuniary Interest**
4. **Introduction and Purpose of Meeting**

A public meeting is being held under Section 12 of the *Development Charges Act, 1997*, as amended. This meeting will provide the public an opportunity to ask questions, provide comments, and make representations on the 2019 Development Charges Background Study, which calculates updated development charges for the Town.
5. **Delegations**
  - a. Daryl Abbs, Watson and Associates Economists Ltd. 2 - 26

Re: Development Charges Study
6. **Communications**
  - a. Notice of Public Meeting dated June 14, 2019 27 - 27

Re: Development Charges
  - b. Ministry of Municipal Affairs and Housing dated June 7, 2019 28 - 29

Re: Development Charges Act
7. **Reports**
8. **Adjournment**



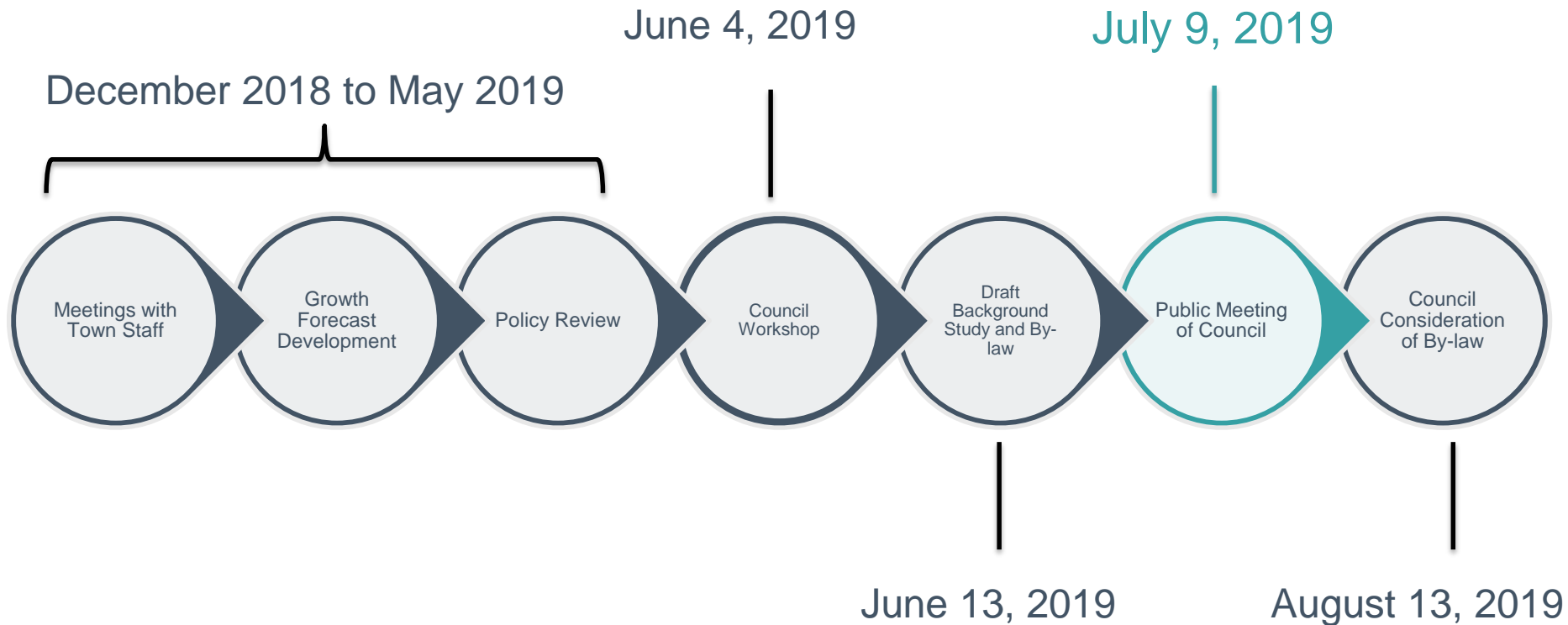
# Town of Tecumseh

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Development Charges  
Public Meeting

July 9, 2019

# Study Process & Timelines



# Public Meeting Purpose



- The public meeting is to provide for a review of the Development Charge (D.C.) proposal and to receive public input on the proposed policies and charges
- The meeting is a mandatory requirement under the Development Charges Act (D.C.A.)
- Prior to Council's consideration of a by-law, a background study must be prepared and available to the public a minimum 60 days prior to the D.C. by-law passage

# Format for Public Meeting



- D.C.A. Public Meeting
  - Opening remarks
  - Presentation of the proposed policies and charges
  - Presentations by the Public
  - Questions from Council
  - Conclude Public Meeting

# Development Charges



## **Purpose:**

- To recover the capital costs associated with residential and non-residential growth within a municipality
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, sewers, watermains, roads, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the Development Charges Act (D.C.A.)

# Limitations on Services



- Some forms of capital and some services can not be included in the D.C.A. For example:
  - Headquarters for the General Administration of the Municipality
  - Arts, Culture, Museums and Entertainment Facilities
  - Tourism Facilities
  - Provision of a Hospital
  - Parkland Acquisition
  - Vehicles & Equipment with an average life of <7 years
  - Waste Management Services (non-waste diversion related)

# Methodology



1. Identify amount, type and location of growth
2. Identify servicing needs to accommodate growth
3. Identify capital costs to provide services to meet the needs
4. Deduct:
  - i. Grants, subsidies and other contributions
  - ii. Benefit to existing development
  - iii. Statutory 10% deduction (soft services)
  - iv. Amounts in excess of 10 year historical service calculation
  - v. D.C. Reserve funds (where applicable)
5. Net costs then allocated between residential and non-residential benefit
6. Net costs divided by growth to calculate the D.C.





# Impact of Bill 73 (Smart Growth for our Communities Act, 2015) on Tecumseh

- Consider impact of “no additional levies” in development process and on Local Service Policy
- Annual reporting requirements to conform to the new required format
- Ensure the background study is available at least 60 days prior to by-law passage
- Need to consider Area Rating as part of the Background Study (but not mandatory to impose)
  - Currently the Town imposes wastewater on an area-specific basis

# Exemptions



## **Mandatory Exemptions**

- For industrial building expansions (may expand by 50% with no DC)
- May add up to 2 apartments for a single as long as size of home doesn't double
- Add one additional unit in medium & high density buildings
- Upper/Lower Tier Governments and School Boards

## **Discretionary Exemptions**

- Reduce in part or whole DC for types of development or classes of development (e.g. industrial or churches)
- May phase-in over time
- Redevelopment credits to recognize what is being replaced on site (not specific in the Act but provided by case law)

# Discretionary Exemptions for the Town of Tecumseh



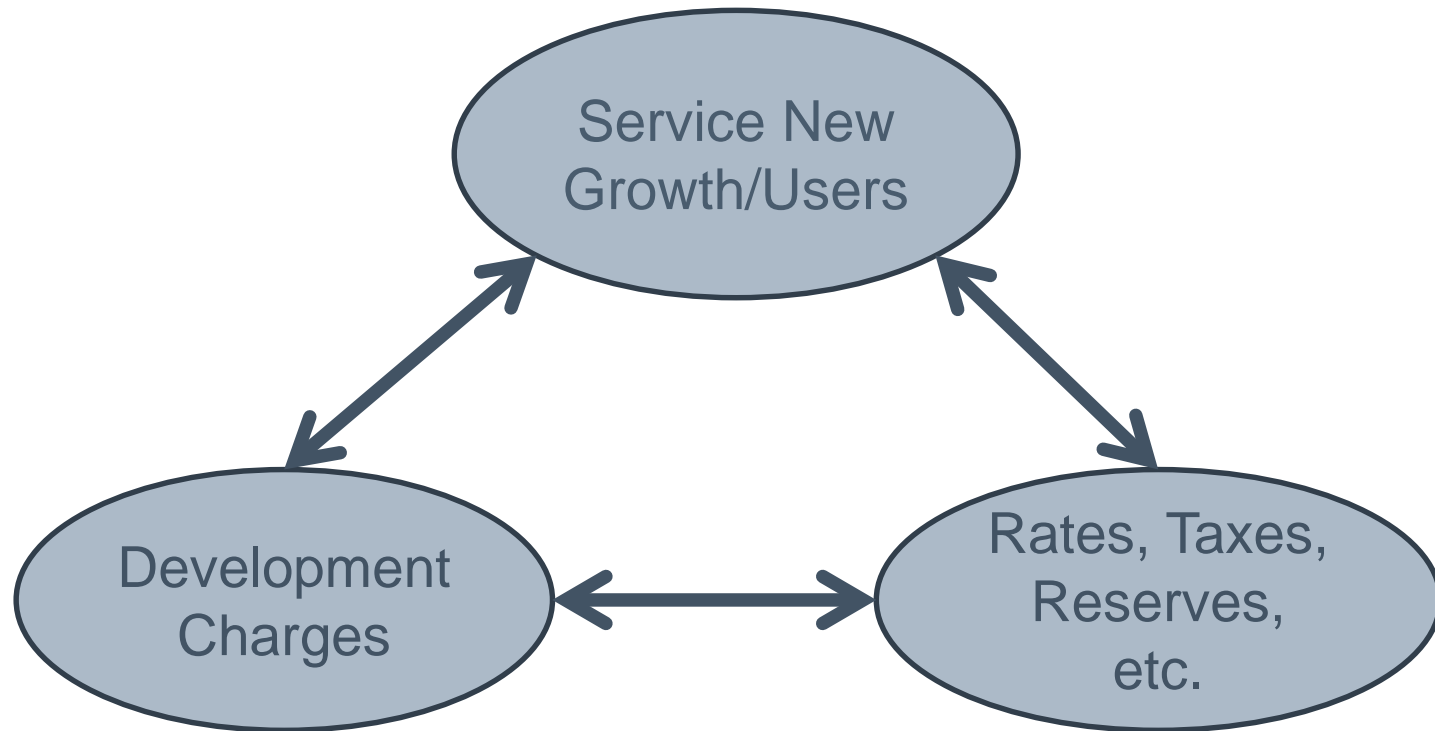
- Non-residential farm buildings constructed for bona fide farm uses

# Local Service Policies



- Subdivision Agreement Conditions - the Act broadens the coverage of such agreements to include “local services related to a plan of subdivision or within the area to which the plan relates”, rather than simply local services within a plan of subdivision, as under the old Act.
- This suggests the need for a D.C. Background study to provide a local service policy
- Further, due to Bill 73, “no additional levies” clause, a Local Service Policy is required to be developed and approved by Council, through the D.C. study process, to clearly define what developers would be required to do as part of their development agreements versus what would be included in the D.C.
- Items to consider are collector & arterial roads, intersection improvements & traffic signals, streetlights & sidewalks, Bike Routes/Bike Lanes/Bike Paths/Multi-Use Trails/Naturalized Walkways, Noise Abatement Measures, Land dedications/easements, Water, Wastewater, Stormwater, and Park requirements.

# Relationship Between Needs to Service Growth vs. Funding



# Growth Forecast Summary



The 2019 Development Charge forecast provides for the following growth:

Measure	10 Year 2019-2028	20 Year 2019-2038	Buildout 2019-Buildout - Water	Urban Buildout 2019-Buildout - Wastewater
(Net) Population Increase	1,728	6,875	24,305	24,980
Residential Unit Increase	1,351	3,500	11,457	11,400
Non-Residential Gross Floor Area Increase (sq.ft.)	802,800	2,541,800	8,564,600	8,564,600

Source: Watson & Associates Economists Ltd. Forecast 2019

Note: buildout population derived from Tecumseh Water and Wastewater Master Plan, 2018 update

# Summary of Services Considered



## **Town-wide:**

- Services Related to a Highway (currently roads and related)
- Fire Protection Services
- Police Services
- Indoor Recreation Services
- Outdoor Recreation Services
- Library Services
- Administration Studies
- Water

## **Urban-area Services**

- Wastewater Services

# Current D.C. Rates – January 1, 2019



Service	Residential					Non-Residential
	Single & Semi Detached	Multiples	Apartments with ≥ 2 Bedrooms	Apartments with < 2 Bedrooms	Special Care/Special Dwellings	per sq.ft.
<b>Town-wide Services</b>						
Roads and Related	2,318	1,438	1,236	937	800	1.09
Fire Protection Services	354	219	187	142	121	0.16
Police Services	144	89	76	59	49	0.07
Outdoor Recreation Services	2,069	1,284	1,102	836	712	0.08
Indoor Recreation Services	2,182	1,355	1,165	883	752	0.08
Library Services	201	125	108	80	70	0.01
Administration Studies	742	460	395	300	256	0.28
Water Services	1,535	953	817	620	528	0.66
<b>Total Town-wide Services</b>	<b>9,545</b>	<b>5,923</b>	<b>5,086</b>	<b>3,857</b>	<b>3,288</b>	<b>2.43</b>
<b>Urban-area Services</b>						
Wastewater Services	4,391	2,727	2,341	1,775	1,514	1.84
<b>Sub-total Urban-area</b>	<b>4,391</b>	<b>2,727</b>	<b>2,341</b>	<b>1,775</b>	<b>1,514</b>	<b>1.84</b>
<b>Grand Total Urban-area</b>	<b>13,936</b>	<b>8,650</b>	<b>7,427</b>	<b>5,632</b>	<b>4,802</b>	<b>4.27</b>



# Calculated D.C. Rates



Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
<b>Municipal Wide Services:</b>						
Services Related to a Highway	5,653	3,604	3,152	2,436	2,036	2.79
Fire Protection Services	294	187	164	127	106	0.14
Police Services	135	86	75	58	49	0.07
Indoor and Outdoor Recreation Services	4,045	2,579	2,256	1,743	1,457	0.29
Library Services	143	91	80	62	52	0.01
Administration Studies - Engineering-related	1,030	657	574	444	371	0.65
Administration Studies - Community Benefit-related	99	63	55	43	36	0.06
Water Services	1,502	958	838	647	541	0.70
<b>Total Municipal Wide Services</b>	<b>12,901</b>	<b>8,225</b>	<b>7,194</b>	<b>5,560</b>	<b>4,648</b>	<b>4.71</b>
<b>Urban Services</b>						
Wastewater Services	4,571	2,914	2,549	1,970	1,646	2.01
<b>Total Urban Services</b>	<b>4,571</b>	<b>2,914</b>	<b>2,549</b>	<b>1,970</b>	<b>1,646</b>	<b>2.01</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>12,901</b>	<b>8,225</b>	<b>7,194</b>	<b>5,560</b>	<b>4,648</b>	<b>4.71</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>17,472</b>	<b>11,139</b>	<b>9,743</b>	<b>7,530</b>	<b>6,294</b>	<b>6.72</b>

# Rate Comparison - Residential



## Residential (Single Detached) Comparison

Service	Current	Calculated
<b>Town-wide Services:</b>		
Services Related to a Highway	2,318	5,653
Fire Protection Services	354	294
Police Services	144	135
Indoor and Outdoor Recreation Services	2,069	4,045
Indoor Recreation Services	2,182	
Library Services	201	143
Administration Studies - Engineering-related	742	1,030
Administration Studies - Community Benefit-related		99
Water Services	1,535	1,502
<b>Total Municipal Wide Services</b>	<b>9,545</b>	<b>12,901</b>
<b>Area Specific Services:</b>		
Wastewater Services	4,391	4,571
<b>Total Area Specific Services</b>	<b>4,391</b>	<b>4,571</b>
<b>Grand Total - Urban Area</b>	<b>13,936</b>	<b>17,472</b>

# Rate Comparison – Non-Residential



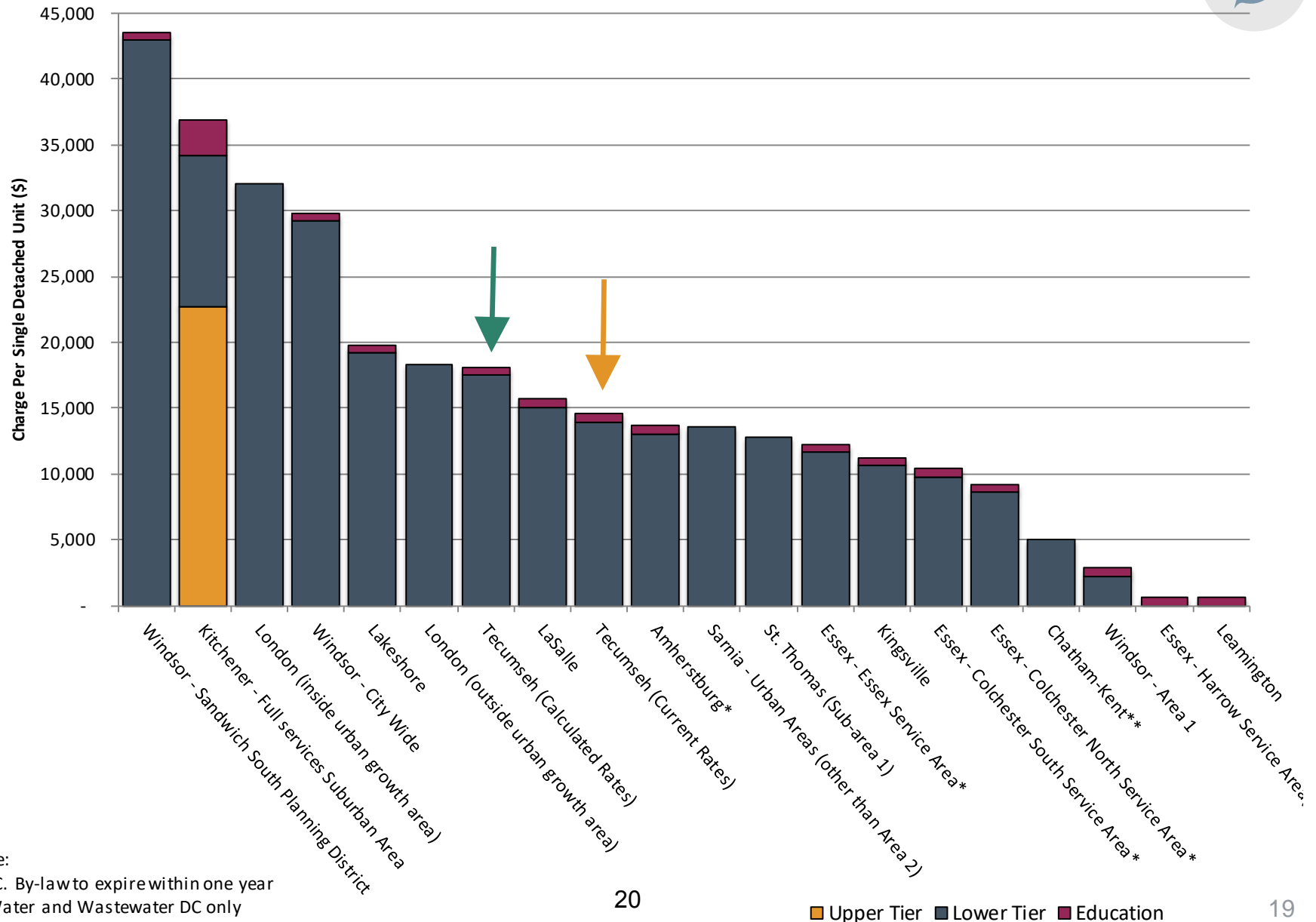
**Non-Residential (per sq.ft.) Comparison**

Service	Current	Calculated
<b>Town-wide Services:</b>		
Services Related to a Highway	1.09	2.79
Fire Protection Services	0.16	0.14
Police Services	0.07	0.07
Indoor and Outdoor Recreation Services	0.08	0.29
Indoor Recreation Services	0.08	
Library Services	0.01	0.01
Administration Studies - Engineering-related	0.28	0.65
Administration Studies - Community Benefit-related		0.06
Water Services	0.66	0.70
<b>Total Municipal Wide Services</b>	<b>2.43</b>	<b>4.71</b>
<b>Area Specific Services:</b>		
Wastewater Services	1.84	2.01
<b>Total Area Specific Services</b>	<b>1.84</b>	<b>2.01</b>
<b>Grand Total - Urban Area</b>	<b>4.27</b>	<b>6.72</b>

# Development Charge Rates for Town of Tecumseh and Select Municipalities

## Residential Per Single Detached Unit

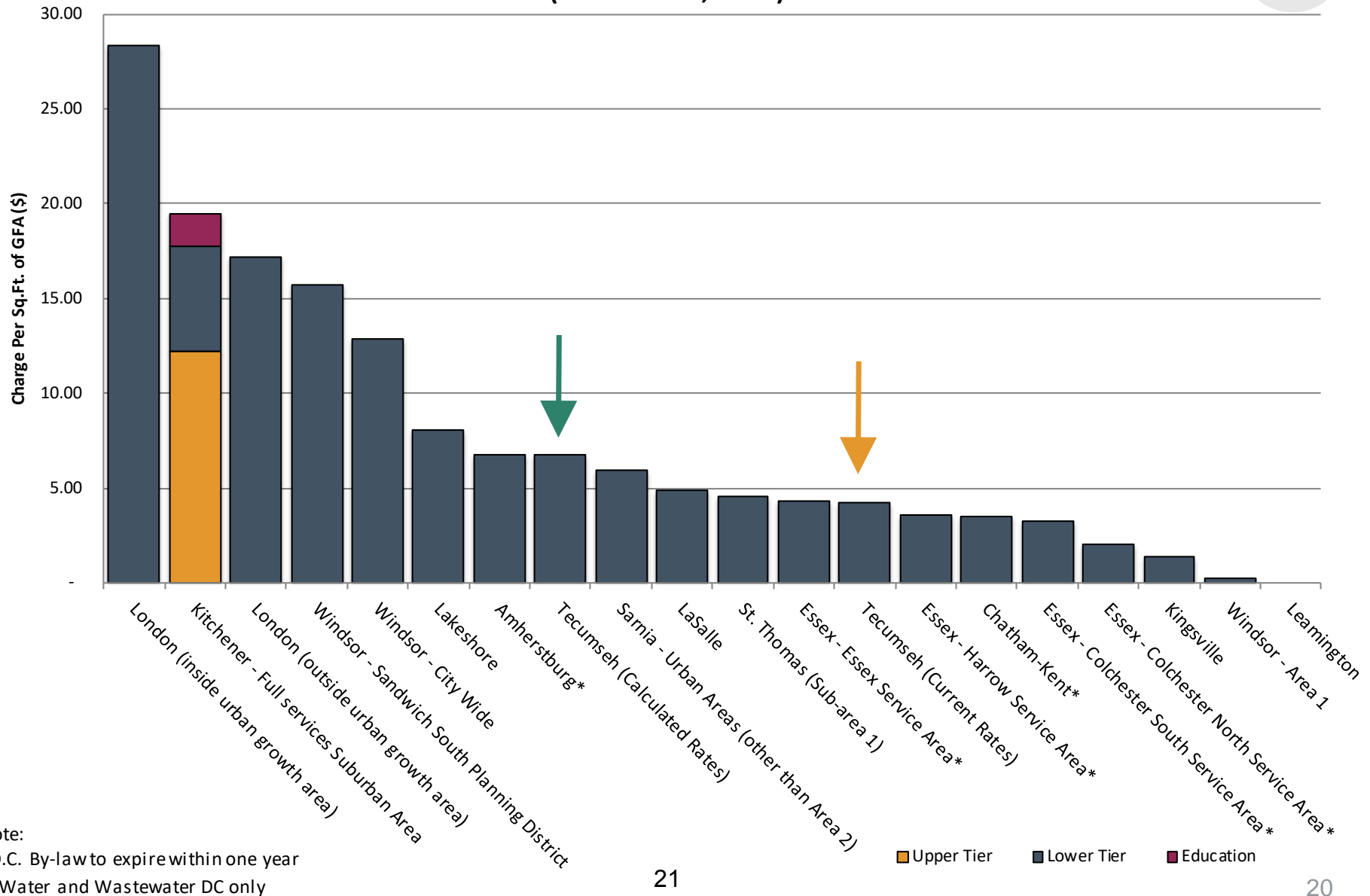
### (As of June 1, 2019)



# Development Charge Rates for Town of Tecumseh and Select Municipalities

## Commercial Per Square Foot of GFA

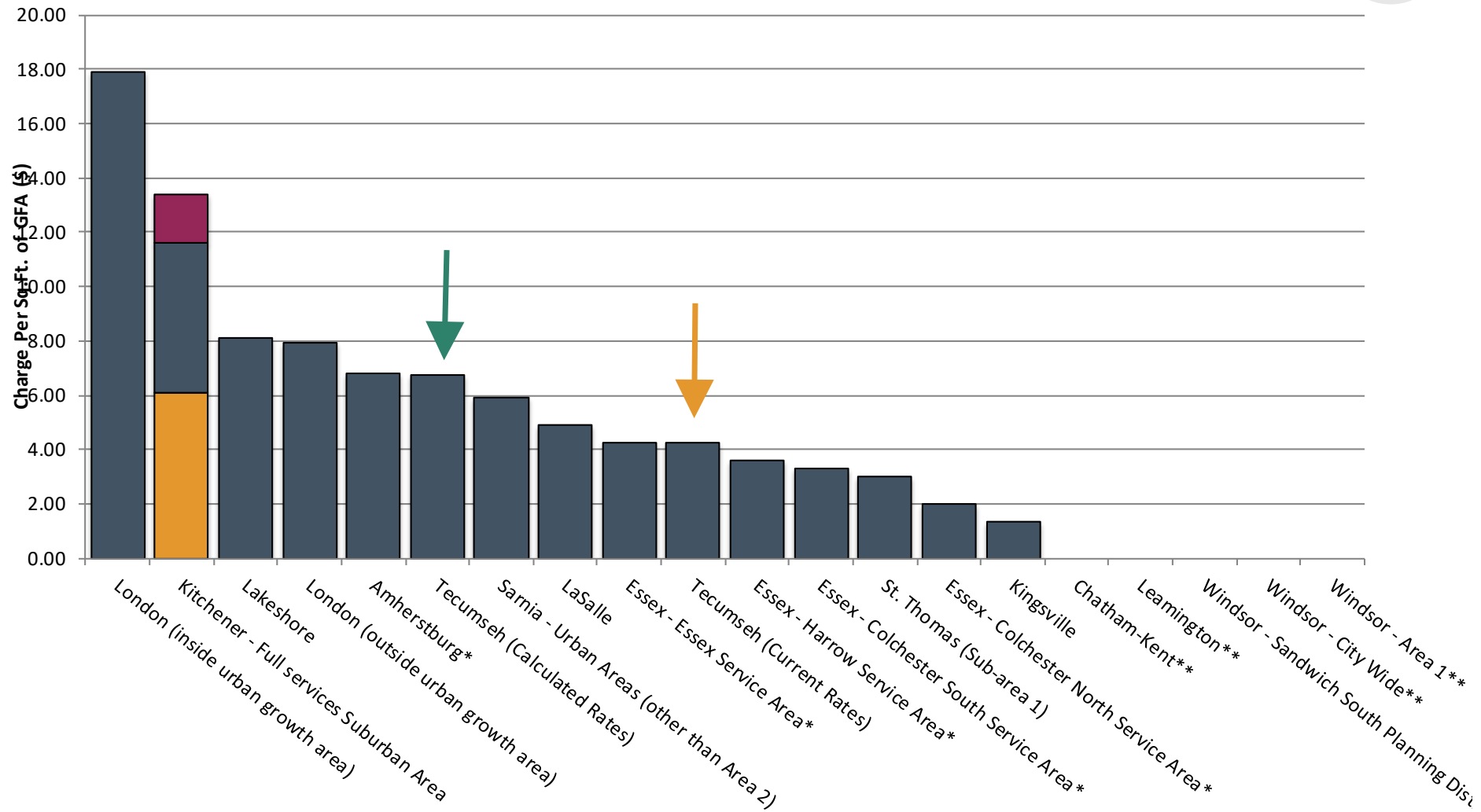
(As of June 1, 2019)



# Development Charge Rates for Town of Tecumseh and Select Municipalities

## Industrial Per Square Foot of GFA

(As of June 1, 2019)



Note:

\*D.C. By-law to expire within one year

\*\*Exempt

Upper Tier Lower Tier Education



# Bill 108: “More Homes, More Choice: Ontario's Housing Supply Action Plan”

**The following provides a brief overview of the proposed changes to the Development Charges Act:**

- Changes to eligible services
  - Soft Services will be removed from the DCA and will be considered as part of a new Community Benefits Charge imposed under the *Planning Act* (i.e. parking, outdoor recreation, indoor recreation, library services, etc.)
- Payment in Installments:
  - For rental housing, as well as non-residential developments - will pay their DC in 6 equal annual installments
  - For non-profit housing - will pay their DC in 21 equal annual installments
- When DC Amount is Determined
  - Currently DCs are calculated at the building permit stage. The proposed change would have DCs calculated on the date of the application for Site Plan or zoning amendment



# Bill 108: “More Homes, More Choice: Ontario's Housing Supply Action Plan”

## **Community Benefit Charge (for soft services – outdoor recreation, indoor recreation, library and soft service admin studies )**

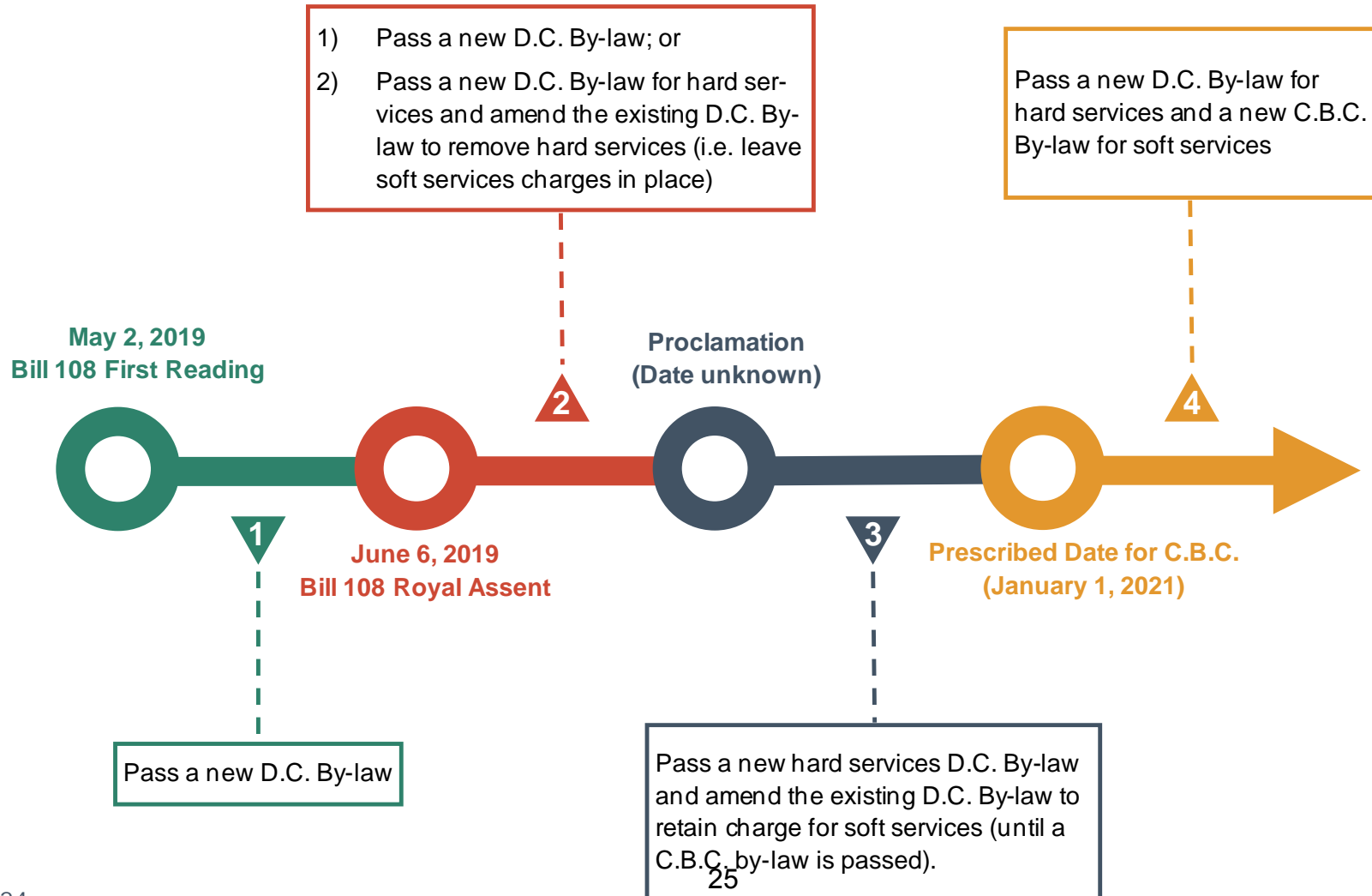
- Municipality may, by by-law, impose community benefits charges against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies
- These services may not include services authorized by the DCA
- The amount of a community benefits charge payable shall not exceed an amount equal to the prescribed percentage of the value of the land as of the valuation date
- The valuation date is the day before building permit issuance
- All money received by the municipality under a community benefits charge by-law shall be paid into a special account
- Transitional provisions are set out regarding the DC reserve funds and DC credits





# Bill 108: “More Homes, More Choice: Ontario's Housing Supply Action Plan”

## Transitional Policies



# Next Steps



**By-law Passage**  
*(August 13, 2019)*

**TOWN OF TECUMSEH**  
**NOTICE OF PUBLIC MEETING**  
**DEVELOPMENT CHARGES**

**TAKE NOTICE** that the Council of the Corporation of the Town of Tecumseh will hold a public meeting **Tuesday, July 9<sup>th</sup> 2019 at 6:00 p.m.** in the Town Municipal Office at 917 Lesperance Road to consider a Background Study and accompanying draft Development Charges By-law in accordance with Section 12 of the *Development Charges Act, 1997*.

The purpose of the public meeting is to present background information to those in attendance and to explain how the maximum allowable charge was calculated. Following the presentation, those in attendance will be invited to ask questions and provide input into the determination of an appropriate development charge. Development charges are currently collected upon the issuance of a building permit for a new residential dwelling, a new commercial, industrial or institutional building or an addition to an existing commercial, industrial or institutional building. The money collected is then placed into municipal reserve accounts to be used in the future toward the provision of municipal services required as a result of the development that paid the development charges and for the projects identified in the Background Study.

**ANY PERSON** may attend the public meeting and/or make written or verbal representation either in support of or in opposition to the proposed development charges by-law

**IN ORDER THAT SUFFICIENT INFORMATION** is made available to the public, copies of the Background Study and draft By-law will be available for review as of June 13<sup>th</sup>, 2019 at the Town Municipal Office at 917 Lesperance Road between 8:30 a.m. and 4:30 p.m. and on the Town's municipal website at [www.tecumseh.ca](http://www.tecumseh.ca).

DATED AT THE TOWN OF  
TECUMSEH THIS 14<sup>TH</sup>  
DAY OF JUNE, 2019.

LAURA MOY, CLERK  
TOWN OF TECUMSEH  
917 LESPERANCE ROAD  
TECUMSEH, ONTARIO  
N8N 1W9

**Ministry of  
Municipal Affairs  
and Housing**

Office of the Minister

777 Bay Street, 17<sup>th</sup> Floor  
Toronto ON M5G 2E5  
Tel.: 416 585-6500

**Ministère des  
Affaires municipales  
et du Logement**

Bureau du ministre

777, rue Bay, 17<sup>e</sup> étage  
Toronto ON M5G 2E5  
Tél. : 416 585-6500



19-3375

June 7, 2019

Dear Head of Council:

On May 2, 2019, I was pleased to release More Homes, More Choice, our government's action plan to tackle Ontario's housing crisis. As you know, this plan is supported by Bill 108, which includes changes to the Planning Act to simplify how municipalities collect funds for community benefits like parks and daycares. Following the introduction of the bill, some municipalities have raised questions about the proposed community benefits authority, and I am pleased to share more information about our government's intent today.

I would like to begin by emphasizing that one of our goals in establishing the new community benefits approach is to maintain municipal revenues. For emphasis, our goal is that municipalities would recover similar revenue from community benefits charges to what they have collected from development charges for discounted services, density bonusing and parkland dedication. While we want to make charges for community benefits more predictable, our intention has never been to reduce the funds available for community benefits and municipalities should not need to choose between parks and other facilities.

We are currently procuring expert advice to ensure that the community benefits framework will achieve these priority objectives. But we also want to hear the important perspectives of the municipal sector. This spring we will start our initial consultation seeking municipal input on the methodology for establishing a formula for a community benefits charge. The formula will be tied to the value of land that is ready for development. Based on the feedback from that consultation, we will again seek your input on a proposed formula before the regulations are finalized.

Municipalities will also have an opportunity to comment on other matters related to community benefits, including the timing of transition to this authority, reporting and types of development that would be exempted from community benefits through regulatory postings this Spring. We will take all feedback into consideration and ensure that there is enough time for municipalities to transition to the new community benefits authority and continue to be able to fund these important benefits.

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As a former mayor and CAO, I understand how important it is that municipalities have the resources and tools available to support and build complete communities. I also firmly believe that local residents in growing communities should have a say in how those resources are used. This does not generally happen in today's section 37 negotiations, and we need to take the politics out of planning. Residents living in growing communities need to have an opportunity to share their thoughts, so we are proposing they would have a role in the development of their municipality's community benefits strategy.

We will be consulting with municipalities on the best way to replace the current system with an approach that puts people and communities first. Our proposed community benefits charge and the methodology that underpins it will maintain the principle of growth paying for growth. Libraries will be built. Parkland will be created. Community centres will be opened. As part of Bill 108, we said we would consult with municipalities on this new approach and that's exactly what we plan to do.

We also intend to post proposed directions for other regulatory changes related to the Development Charges Act and the Planning Act on the Environmental Registry this Spring/Summer. Further, we will also convene a teleconference to share this information with all interested municipalities in the near future. We look forward to your participation and suggestions on those proposed directions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Clark', with a stylized flourish at the end.

Steve Clark  
Minister