



**Subject: 2024 Development Charges Background Study
Addendum**

Department: Corporate Services

Division: Finance

Report #: CPS-2025-009

Meeting Date: 2025-01-27

Recommendations

That report CPS-2025-009, 2024 Development Charges Background Study Addendum, be received; and

That Council approve the Development Charges Addendum No. 2 Report dated November 6, 2024 subject to further annual review during the capital budget process; and

That Council pass an amending development charge by-law to establish development charges for Town wide and area specific services.

Overview

As presented at the December 16th Public Meeting, the Addendum No. 2 to 2024 Development Charges Background Study and amending by-law, must be approved and passed by Council. The by-law, if approved on January 27th, 2025, will be in effect as of January 27th, 2025.

Background

Municipalities in Ontario collect development charges to recover a portion of the growth-related capital costs required to support growing communities. The Development Charges Act (DCA) provides the legislative authority and framework for municipalities to impose development charges upon the development of land and sets out the associated processes, procedures and reporting requirements. The DCA also prescribes how the development charges are to be calculated. The Town prepares a Development Charges Background Study which incorporates these rules to calculate the permissible Development Charge rate under the DC Act. There is an opportunity for public input

and review of the Background Study and draft By-law. Council then approves the By-law to impose and collect development charges.

Analysis/Current Situation

The 2024 Development Charges Background Study was posted publicly August 8, 2024. On September 12, 2024 an Addendum to the 2024 Development Charges Background Study was issued. Council held a public meeting on September 16, 2024 to discuss the draft Development Charge Background Study as prepared by Watson & Associates Economists Ltd. The background study was prepared in support of the proposed new Development Charges by-law which repealed the previous by-law 2019-043. The background study and proposed by-law were approved and passed on October 7th, 2024.

Following the passage of By-law 2024-060, an error in the calculated rates for Services Related to a Highway in both the Town-wide and area-specific DCs was discovered while reviewing questions submitted by the development community related to the 2024 DC Background Study, as amended.

On November 6, 2024, addendum No. 2 to the 2024 Development Charges Background Study was issued. This amendment proposes to revise the Town-wide and area-specific charges for Services Related to a Highway and to amend by-law number 2024-060. This amendment relates to the Hansen Blvd. Bridge project, which has an area-specific share and a Town-wide share. The Town-wide share is related to the oversizing of the bridge and is approximately 11% of the total project with the remaining 89% of the growth-related costs recovered through the area-specific charge. The 2024 DC Background Study incorrectly allocated 53% to Town-wide DCs and 47% to area-specific DCs. As a result, the Town-wide DC was higher than it should have been, and the area-specific DC was lower than it should have been.

Corporate Implications

Should Council pass the amended Development Charges By-law, the development charges will be revised as follows:

Town-wide DC:

Description	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)
Current (2024 D.C.B.S./By-law 2024-060)	\$9,620	\$7,944	\$6,063	\$3,347	\$3,194	\$4.19
Proposed (Addendum #2)	\$9,020	\$7,448	\$5,685	\$3,138	\$2,995	\$3.92
Change (\$)	(\$600)	(\$496)	(\$378)	(\$209)	(\$199)	(\$0.27)

Area-specific DC:

Description	2024 \$ D.C. Cost per Hectare
Current (2024 D.C.B.S./By-law 2024-060)	\$14,803
Proposed (Addendum #2)	\$27,998
Change (\$)	\$13,195

Currently, the Town has not received any Development Charges under by-law 2024-060. Should any be received, refunds or additional charges will be issued as amended.

Conclusion

Staff recommend the approval of the Development Charges Addendum No. 2 Report dated November 6, 2024 subject to further annual review during the capital budget process and that Council pass an amending development charge by-law to establish development charges for Town wide and area specific services.

Strategic Alignment

Strategic Plan

Strategic Goal: Future-Readiness

Objective: SUSTAINABILITY – Secure the financial viability of the municipality

Sustainable Neighbourhood Action Plan

Theme: Corporate and Fiscal

Strategy: Creating and integrating sustainability principles into Town policies, processes and practices

Notice Provisions

The Addendum No. 2 to the 2024 Development Charges Background Study and Draft By-law was posted to the Town's website on November 6th, 2024. Prior to the Public Meeting held on December 16th, Notice of the Public meeting was posted on the Town's website and in the Orangeville Citizen on November 7th.

Respectfully submitted,

Cheryl Braan, CPA, CMA
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Attachment(s): 1. Addendum No. 2 to the 2024 Development Charges Background Study