



The Corporation of the Town of LaSalle

To: Mayor and Members of Council

Prepared by: Dale Langlois, Director of Finance / Treasurer
Larry Silani, Director of Development and Strategic Initiatives
Peter Marra, Director of Public Works

Department: Finance

Date of Report: October 19, 2020

Report Number: FIN-25-2020

Subject: Development Charges Background Study

Recommendation

That the report of the Director of Finance, Director of Development and Strategic Initiatives, and Director of Public Works, dated October 19, 2020 (FIN-24-2020) regarding Development Charges Background Study BE RECEIVED for information.

Report

Background

As Council may be aware, the 2015 Bylaw regarding the Development Charges (DC) for the Town of LaSalle is set to expire in December 2020. As was planned and identified as part of the 2020 Business Plan, the background report was to be completed in the Fall 2020 time period with the objective of holding the required public meetings and the ultimate adoption of the new bylaw at a Council meeting in December.

Purpose of Development Charges

The purpose of Development Charges (DC) is to assess growth related infrastructure projects & expenditures to new development. This ensures that “Growth pays for Growth” and that existing residential and non-residential properties and ratepayers are not encumbered with the costs associated with infrastructure development and expansion. This is a founding financial fiscal policy of the municipality and has provided the financial success that the Town of LaSalle is known for.

The DC Background Report, is required by the *Development Charges Act* and provides the details on the projected residential (population & dwelling units) and non-residential (area & square footage) growth over the study period, infrastructure required to service this growth, any associated benefits to existing development, any statutory deductions and any post study period benefits. These factors are all utilized in the determination and calculation of the Development Charge.

Calculation of Development Charges

As Council may be aware, Development Charges are determined by calculating the cost related to growth related capital projects and assessing these costs to growth in the population over a specific period of time. For some service areas, generally 'soft services' the time period is 10 years (parks and recreation, transit services, library services, and growth studies). While for other assets with 20-year capital costs, the period is over 20 years (public works - fleet and facilities, fire protection services, and police services). For 'hard services' or traditional engineered infrastructure, the time period is over the build-out period at which point the Town population reaches approximately 60,000 residents (roads, water services, and wastewater services).

The legislation also provides for limitations in the amount to be charged to new development through various methods including limiting the future cost per capita to the historic costs per capita levels. In addition, for each project an assessment is required to determine how much, if any, of the project benefits existing residents. These costs cannot be included in the Development Charge calculation and become the responsibility of the existing tax base.

As a result of these limitations and bearing in mind the intent and requirements of the legislation, in considering the level of development charges, any changes or reductions in development charges will transfer the responsibility of the associated costs to existing development which is tax rate supported.

This is in contrary to the existing accepted fiscal policy adopted as part of the annual Town budget, which states:

New Development: *'Growth should pay for Growth' - Existing residents and ratepayers should not be burdened with the costs associated with growth, except to the extent that a higher level of service is attained or a new service is provided. Growth related infrastructure is funded mainly through development charges collected in accordance with the Development Charges Act.*

Area Specific Development Charge

As part of the 2020 development charge background study, a wastewater area-specific development charge has been calculated for the Reaume Sanitary Service Area, which is located South of Normandy Street, West of Disputed Road, North of Bouffard Road, and East of Malden Road. This area-specific DC is required to construct a trunk wastewater main and sanitary pumping station to service development within this area which is estimated to cost approximately \$3.5 million. These works are required specifically to allow development of this growth area of 222 acres of net developable area.

It is important to note that there may be additional future area specific development charges for other parts of the Town's greenfield area which could trigger an amendment to this DC bylaw in the future when this area of Town is ready to be developed. The vacant future development area located between Disputed Road and Malden Road is one such area that will require a new area specific development charge to pay for new storm drainage infrastructure that is needed for this area to develop for a variety of urban land uses. Work is currently underway as part of a Master Drainage Study for this area to identify a preferred infrastructure solution. Once that work is complete, additional information will be provided to affected landowners and developers with respect to how an area specific development charge will be used in that area to finance the necessary growth-related storm drainage improvements.

Timelines as identified in the Development Charges Background Report

Key Milestone	Date
Data collection, staff review, engineering work, D.C. calculations and work policy	March 2020 to September 2020
Background study and proposed by-law available to public	October 7, 2020
Public meeting advertisement placed in newspaper(s)	Windsor Star (October 6, 2020)
Public meeting of Council	October 29, 2020
Council considers adoption of background study and passage of by-law	December 8, 2020
Newspaper notice given of bylaw passage	By 20 days after passage
Last day for by-law appeal	40 days after passage
Town makes pamphlet available (where by-law not appealed)	By 60 days after in force date

It is important to note that a report to Council will be prepared for the December 8th Council meeting with recommendations to finalize the DC calculations and adopt the DC bylaw.

Consultations

Watson & Associates Economists Ltd. prepared the attached development charges background study. They have ensured that all legislative requirements, which have been identified in the report, are met.

Financial Implications

Proposed Development Charges Recommended in the Background Report

The following table is a summary of the recommended Development Charges as proposed in the Background Report. Detailed information on the calculation of the development charge can be found in the attached Development Charge Background Report.

Service	Residential					Non Residential
	Single & Semi Detached	Other Multi-ples	Apart-ments – 2 Bedrooms+	Apart-ments – 1 Bedroom	Special Care	Per sq. ft.
Services Related to a Highway	6,239	3,882	3,384	2,615	2,186	3.71
Public Works (Facilities and Fleet)	443	276	240	186	155	0.27
Fire Protection Services	859	535	466	360	301	0.51
Policing Services	100	62	54	42	35	0.06
Parks and Recreation Services	7,339	4,567	3,980	3,076	2,571	1.07
Transit Services	104	65	56	44	36	0.05
Library Services	-	-	-	-	-	-
Growth Studies	182	113	99	76	64	0.10
Water Services	2,158	1,343	1,170	904	756	1.28
Subtotal Town-wide Services	17,424	10,843	9,449	7,303	6,104	7.06
Urban Area Services						
Wastewater Services	2,132	1,327	1,156	894	747	1.18
Sub-total Urban Area Services	2,132	1,327	1,156	894	747	1.18
Area-Specific Services						
Wastewater – Reaume Sanitary Service Area	2,252	1,396	1,216	946	768	-
Sub-total Area Specific Services	2,252	1,396	1,216	946	768	-
Grand Total – Town-wide	17,424	10,843	9,449	7,303	6,104	7.06
Grand Total – Urban Area	19,556	12,170	10,605	8,197	6,851	8.24
Grand Total – Reaume Sanitary Service Area	21,808	13,566	11,821	9,143	7,639	8.24

Attached as Figure 1, is a map which depicts the limits of the Town's urban area boundary. Figure 2 depicts the location of the lands that are affected by the Reaume Sanitary Sewer Area Specific Development Charge.

Current Development Charges:

The current Town DCs are as follows.

Service	Residential				Non Residential
	Single & Semi Detached	Other Multiples	Apartments	Special Care	Per sq. ft.
Public Works: Facilities & Equipment	328	212	178	110	-
Fire Protection Services	531	344	289	178	-
Police Services	304	197	165	102	-
Recreation & Culture	3,118	2,019	1,695	1,046	-
Transportation Network	6,167	3,994	3,352	2,069	-
Library Services	221	143	120	74	-
Administration	235	152	127	79	-
Water Services	1,031	668	561	346	0.69
Subtotal Town-wide Services	11,935	7,729	6,487	4,004	0.69
Wastewater Services	3,625	2,348	1,971	1,216	4.36
Sub-total Urban Area Services	3,625	2,348	1,971	1,216	4.36
Grand Total – Town-wide	11,935	7,729	6,487	4,004	0.69
Grand Total – Urban Area	15,560	10,077	8,458	5,220	5.05

Development Charges in the Windsor Essex Region

The following summarizes the Development Charges that can be found in the Windsor Essex region and Chatham-Kent.

Municipality	Single & Semi Detached Dwelling	Commercial – per sq. ft.	Industrial – per sq. ft.
Windsor – Sandwich South Planning District	\$44,196	\$16.15	-
Windsor – City Wide	\$30,053	\$13.25	-
Lakeshore (calculated)	\$26,189	\$9.90	\$9.90
Lakeshore (current)	\$19,804	\$8.34	\$8.35
LaSalle (calculated)	\$19,556	\$8.24	\$8.24
Tecumseh	\$18,286	\$7.03	\$7.03
Amherstburg	\$16,242	\$8.52	\$8.52
LaSalle (current)	\$15,560	\$5.05	-

Kingsville	\$12,162	\$1.76	\$1.76
Essex – Ward 1 (Essex Service Area)	\$11,446	-	-
Essex – Ward 2 (Harrow Service Area)	\$10,579	-	-
Essex – Ward 3 (Colchester South)	\$10,162	-	-
Essex – Ward 4 (Colchester North)	\$8,967	-	-
Chatham Kent (W&WW only)	\$5,207	\$3.64	-

Prepared By:

If you have any questions or concerns regarding this report, please do not hesitate to contact one of the authors.

Yours truly,



Director of Finance/Treasurer

Dale Langlois, CPA, CA



Director, Development and Strategic Initiatives

Larry Silani, MCIP, RRP



Director, Public Works

Peter Marra, P. Eng.

Link to Strategic Goals

	Enhancing organizational excellence
Yes	Sustain strong public services and infrastructure
	Strengthen the community's engagement with the Town
	Grow and diversify the local economy
Yes	Build on our high-quality of life

Communications

	Not applicable
Yes	Website
Yes	Social Media
	News Release
Yes	Local Newspaper
	Bids & Tenders
Yes	Notification pursuant to the Planning Act

Notifications

Name	Address	Email

Report Approval Details

Document Title:	FIN-25-2020 Development Charges Background Study.docx
Attachments:	<ul style="list-style-type: none">- Figure 1.pdf- Figure 2.pdf- Development Charges Background Study.pdf
Final Approval Date:	Oct 21, 2020

This report and all of its attachments were approved and signed as outlined below:



Chief Administrative Officer

Joe Milicia