



The Corporation of the Town of LaSalle

To: Mayor and Members of Council
Prepared by: Dale Langlois, Director of Finance / Treasurer
Department: Finance
Date of Report: November 23, 2020
Report Number: FIN-28-2020
Subject: Approval of Development Charges (2021-2025)

Recommendation

That the report of the Director of Finance dated November 23, 2020 (FIN-28-2020) regarding approval of development charges (2021-2025) BE RECEIVED; and that

Council APPROVE and ADOPT the Development Charges Background report dated October 7, 2020 and addendum dated November 18, 2020; and that

Council APPROVE and ADOPT the Development Charge Bylaw with an effective date of January 1, 2021 expiring on December 31, 2025.

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.

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 Development Charge Background Report.

Service	Residential					Non Residential
	Single & Semi Detached	Other Multiples	Apartments – 2 Bedrooms+	Apartments – 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

Addendum to the October 7, 2020 Development Charges Background Study

On November 18th an addendum to the October 7th Development Charges Background study was released (see attached). It is important to note that the refinements pertain to the local service policy and do not impact the calculated development charges.

The refinements to the local services policy have been made to acknowledge the potential for future cost sharing arrangements between landowners. This may include providing for area-specific by-laws in order to recover the potential added costs to one landowner from others for upsizing of facilities, added land costs or other incremental costs to provide servicing of other areas.

Results of Public Meeting:

On October 29th, a public meeting was held to solicit input from the development community and Council regarding the proposed background report and proposed development charge. The meeting was advertised in accordance with the regulation and did receive some media attention, however no concerns were received prior to or subsequent to the meeting.

Significant Changes in the Proposed Bylaw (from the Current Bylaw)

The following are the significant changes from the current bylaw to the proposed bylaw (other than the proposed rate increase):

- The term of the bylaw is from January 1, 2021 to December 31, 2025. The current bylaw and rates will be in place until December 31, 2020.

- The Council approved non-residential and apartment exemptions will continue to be in place until June 30, 2022.
- Non-residential development charge calculation will be based on all service classes. The current non-residential development charge calculation is based on water and wastewater service classes.
- There is a new area specific development charge related to wastewater trunk infrastructure for the Reaume Sanitary Service Area.

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
Addendum to October 7 th report released	November 18, 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

Consultations

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

Financial Implications

Refer to body of report.

Prepared By:



Director of Finance/Treasurer



Director, Development and Strategic Initiatives



Director, Public Works

Dale Langlois, CPA, CA

Larry Silani, MCIP, RRP

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-28-2020 Approval of Development Charges (2021-2025).docx
Attachments:	- 2020 DC Addendum Report.pdf - Draft By-law.docx
Final Approval Date:	Nov 30, 2020

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



Chief Administrative Officer

Joe Milicia