



**Meeting Date:** July 10, 2024

**Prepared By:** Tiffany Farrell, Director of Corporate Services

**Report No:** CPS-41-2024

**Subject:** Final Development Charge Study 2024

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**Recommendation:**

THAT Report CPS-41-2024, re: Final Development Charge Study 2024 be received;

AND THAT whenever appropriate, request that grants, subsidies and other contributions be clearly designated by the donor as being to the benefit of existing development or new development, as applicable;

AND THAT the assumptions contained within the Development Charge (D.C.) Background Study dated May 8, 2024, as amended as an 'anticipation' with respect to capital grants, subsidies, and other contributions be adopted;

AND THAT the D.C. approach to calculate the charges on a uniform-wide basis for all services, except for water and wastewater services which will be imposed in the urban serviced areas be adopted;

AND THAT the capital project listing set out in Chapter 5 of the D.C. Background Study dated May 8, 2024, as amended, subject to further annual review during the capital budget process be approved;

AND THAT the D.C. Background Study dated May 8, 2024, as amended be approved;

AND FURTHER THAT By-law 2024-064 be adopted.

**Purpose:**

To provide council with the final D.C. Study and By-Law for approval.

**Background:**

Development charges are fees levied by municipalities to help cover the costs associated with infrastructure and services required due to new development/growth. These charges typically fund the construction or expansion of infrastructure like roads, sewers, water systems, parks, and community facilities. The purpose of D.C.s is to

ensure that new development contribute their fair share toward the necessary infrastructure improvements to support growth.

Middlesex Centre hired Watson & Associates Economists Ltd (Watson) in December 2023 to complete the 2024 D.C. Background Study and associated by-law(s) as per Report, CPS-56-2023.

Watson & Associates has previously completed the municipality's 2009, 2010, 2014 and 2019 DC background studies as well as the 2017 and 2021 D.C. by-law amendments. Middlesex Centre has chosen to continue to work with one consulting company with respect to the D.C. background studies, by-laws, and by-law amendments as they bring consistency, have a vast knowledge of Middlesex Centre's assets and growth, and are well-respected in their field. Watson & Associations has also completed the municipality's growth studies in the past.

Middlesex Centre's current development charge By-law expires July 17, 2024; therefore, a new By-law will need to be approved before this date.

### Project Timeline

Municipal staff and Watson & Associates have been diligently working on the information required to complete the study and by-law(s) since January 2024. Staff have held multiple meetings with Watson & Associates and provided all documentation required.

The draft information was presented by Watson & Associates in Council on March 20, 2024, and to the Development community on March 27, 2024, based on the work completed to date. It is important to note that the information used to complete the draft findings is based on the municipality's master plans, budgets, growth forecasts, prior D.C. studies, and other supporting information.

On May 1, 2024, staff received direction from Council on Development Charge calculation methodology, exemptions and exclusions to be included in the 2024 D.C. Study.

Staff worked with Watson and Associates on finalizing the Final report (D.C. Background Study and D.C. Bylaw) and it was posted to the Municipal website on May 8, 2024.

The public meeting was held on May 22, 2024. At this meeting Council and the public had an opportunity to ask questions and provide comments.

On July 3, 2024, a council report was presented with respect to the addendum of the municipality's D.C. Background Study. As Bill 185, Cutting Red Tape to Build More Homes Act, 2024 had not been enacted at the time of writing the D.C. Background Study. As such, the changes proposed were not reflected in the D.C. calculations or draft by-laws that were posted on the municipal website on May 8, 2024. However, section 7.3.9 of the posted D.C. Background Study detailed how the D.C. calculations

and draft by-laws would be amended should Bill 185 come into force before Council approves the draft D.C. by-laws. On June 6, 2024, Bill 185 received Royal Assent and came into force. Consequently, an Addendum to the D.C. Background Study was initiated to incorporate Bill 185 changes. This addendum was posted online on June 21, 2024. Additionally, staff advertised the addendum in the local newspaper in the June 26, 2024, publication.

### **Analysis:**

Staff are looking for approval of the 2024 D.C. Background Study and By-Law, as amended. The 2024 D.C. Background Study is available on the municipal website and the By-Law is included in the council agenda as By-Law 2024-064.

In order to comply with the prescribed public process, the following dates have been followed to have the updated background study and by-laws in effect before July 17, 2024:

- Draft Development Charge Background Study (including by-laws) release – May 8, 2024;
- Public Meeting notice issued and start of advertising and promotion – April 3, 2024 (*The notice was first posted on the website April 3, 2024, and in the paper April 10, 2024. It was updated on the website on April 19 and in the paper April 24, 2024, with new release dates for the DC background study and proposed DC by-law*).
- Public Meeting – May 22, 2024;
- Adoption of Development Charge Background Study and by-laws – July 10, 2024.

### **Financial Implications:**

As presented in the D.C. Background Study.

Approval of the recommendations contained within this report will have no financial impact beyond what has been approved in the current year's budget.

Funding for exemptions, and the amount of the exemptions is unknown at this time, and an estimated amount will be presented to Council in the annual budget, with the actuals being presented in the annual Treasurer's Statement.

## **Strategic Plan:**

This matter aligns with following strategic priorities:

- Responsive Municipal Government

This report responds to the legislative requirement under the Development Charges Act and additionally it responds directly to Objective 5.3– Foster a culture of innovation, continuous improvement, and cost-effective services by sharing information and gathering input, by continuing our timely and effective communication to the public.

- Sustainable Infrastructure and Services - Objective 4.3 – Continue with our asset management plan and apply a financial sustainability lens to all municipal assets and infrastructure.

By communicating our approach to capital projects and communicating clearly with the public on capital spending priorities in terms of costs, benefits, funding sources and timing.

- Sustainable Infrastructure and Services - Objective 4.2 – Expand existing services in accordance with the pace of new development and apply a financial sustainability lens to all municipal services and programs.

By analyzing and projecting the operating cost impacts of new residential development.

## **Attachments:**

N/A