



Staff Report

Finance

Report To: COW_Finance_Admin_Fire_Community_Services
Meeting Date: March 18, 2024
Report Number: FAF.24.020
Title: 2024 Development Charges Public Comments
Prepared by: Sam Dinsmore, Acting Director Finance / Treasurer

A. Recommendations

THAT Council receive Staff Report FAF.24.020, entitled “2024 Development Charges Public Comments” for information purposes.

B. Overview

This report outlines the comments from the Public Meeting for the 2024 Development Charges, which was held on March 12th, 2024, at 9:30 a.m., as well as Staff’s response to these comments.

C. Background

Staff brought forward staff report [FAF.24.007](#) at the January 16th, 2024 Committee of the Whole meeting accompanied by Hemson Consulting to kick-off the public consultation period of the project by presenting the draft 2024 Development Charges rates. On March 12th, 2024, the Town held a Public Meeting to provide the public with the opportunity to review and comment on the 2024 Development Charges.

The timeline, as presented to Council, is to bring forward a By-law to adopt the 2024 Development Charges rates on April 2nd, 2024, for Council’s consideration.

The Town received sixteen written comments up to 12:00pm March 8, 2024 in advance of the Public Meeting (Attachment 1), six after the deadline prior to the Public Meeting (Attachment 2) and five verbal comments at the Public Meeting. Below is a summary of the comments received from the public.

D. Analysis

The majority of comments received outline similar concerns staff felt it appropriate to make general comments that can be applied to all comments received with specific questions being answered if applicable by comment.

Phase-In: As per legislation the Town is mandated to phase-in new development charges, starting at 80% of the fully calculated rates in year one, increasing by 5% annually, with full charges not coming into effect until year five; this phase-in helps to soften the increase to the charges.

At Council's direction greater phase-in percentages can be used to soften the increase however it should be noted that if the Town offers phase-in of more than 80% than that funding must come from other sources, specifically taxation or user-fees. It is a requirement within the Development Charges Act that costs cannot be shifted from one development to another which is what would happen if the Town didn't fully collect the calculated DCs.

Rise in Construction Cost: The Town's current by-law was passed in 2019 with the majority of the costs being from 2018. Since that time there has been a significant cost increase for almost all building materials which has impact the Town's operating and capital budgets and development charges. For the first time staff brought in a third party engineering firm to review and update costs for the linear works included in the background study. This practice ensures that the costs included in the background study reflect the costs to do the capital works.

Community Improvement Plan: The Town has a community improvement plan specifically for development charge exemptions and reductions when building attainable housing units within the Town. Currently the Town is working with one developer on potentially executing an agreement for attainable units with DC exemptions and reductions. Within a given year, there are multiple intake windows available for those interested in pursuing grants under the program. However, the maximum available to an applicant is \$250,000. If these limits are to be adjusted, an amendment to the Plan would need to occur.

Apartment Reductions: The Town is legislated to provide discounts on apartments based on the number of bedrooms; 25% reduction for three-bedrooms, 20% for two-bedrooms and 15% for one-bedroom. These reductions will be calculated at time of DC collection.

Statutory Payment Plans: Included in the Development Charges Act are payment plans for rental developments which mandates the Town to offer a six payment (five-year) plan starting with the first payment being due at occupancy and annually after that for five years.

Charges applied: When levying development charges only the services available to the property are charged. A good example of this is Clarksburg and Osler water and wastewater service. The Town calculates the development charge for those service areas but does not levy the charge if the property cannot connect to the Town's water or wastewater systems.

Deferral of By-law Passage: The Town's current by-law expires on April 23, 2024, if the Town doesn't have a new by-law in place by that date the Town will not be able to collect Development Charges. There is another Council meeting before the expire date on April 15, 2024, that Council could defer passing this by-law until that date. At Council's direction, the calculated DC rates can be effective following expiry of the current DC by-law on April 24, 2024 but maintain the date of anticipated passage as contemplated.

The following written comments were received by the public prior to the 12:00pm March 8, 2024 deadline:

Rob Sampson

Rob Sampson submitted questions on the Development Charges at the Industry Consultation that was held virtually on February 6, 2024.

1. If higher density is needed to help solve the affordability issue, why then is there not consideration given for a number of residential tiers with more favourable DC rates for higher densities? The current recommendation is the same as it has been for a number of years – one DC rate for single and semis.
2. What consideration will the Town give to the ever increasing soft costs as part of the overall infrastructure costs? What will the Town do to reduce these costs and therefore better manage overall infrastructure build costs and DC charges?

Staff Response

1. The Town's rate structure does provide lower DCs for higher density with Townhouse/Rows and Apartments both carrying lower rates than the Single/Semi category. The Town doesn't differentiate between single and semis because the occupancy (persons per unit) are the same as per the Statistics Canada data that is used by the background study. There is no data that supports splitting these charges. The Town's rate structure is a similar one used throughout Ontario and does conform to the Development Charges Act.
2. The Town includes costs that are consistent with eligible costs as per the Act. A third party engineering firm was retained to build the capital programs specifically for roads, water, and wastewater to use those costs that were reflective of current market values.

Andrew von Teichman

Andrew von Teichman submitted comments on the Development Charges. Mr. von Teichman was appalled to read the summary shared by the Town of the Blue Mountains dated January 29th, 2024. The proposed DOUBLING of fees on apartments is completely disconnected to the driving issues facing our municipality, region and province. We are currently facing a dramatic shortage of rental units, and in particular ones that are accessible and affordable for residents who fuel our local business with their labour.

Complaining without suggestions is unreasonable, so at very least, he suggests a more thorough review and proposal that looks at a graduated escalation in fees over a 10 year period, vs an overnight doubling of fees.

Kristen Loft

Kristine Loft of Loft Planning provided comments on behalf of Pinnacle Building Group, Rhemm Properties Ltd, Primont (Peak Meadows) Inc. on the Development Charges Background Study and By-law noting that there is a significant increase in the Development Charges and is requesting that Council defer the decision at the March 12, 2024 and subsequent Council meeting to allow additional time for review, discussion with developers in anticipation of

resolutions surrounding the overall level of increase and potential timing/phasing in of the proposed Development Charges.

Miriam Vasni

Miriam Vasni provided comments on behalf of Shelley Wells of Plan Wells Associates on the Development Charges Background Study.

Re: Town Plot 13 to 15 Alice, E/S Lot 13 & 14 Louisa W/S Pt.
Lots 46 to 49 Louisa E/S

as well as

Re: Lora Greens

Part Lots 35 and 36, Concession 10

The significant proposed increase for Development Charges for commercial/retail uses will have a negative impact on the viability of any new business development in Thornbury. As well the proposed substantial increase in Development Charges for all residential uses will detrimentally affect many potential purchasers' ability to afford a home in the Town of Blue Mountains.

Travis and Associates

Travis and Associates provided comments on behalf of Homefield Communities RE: Proposal to develop lands located at 496857 Grey Road 2. The concern is regarding a portion of the subject lands not being included in a defined Service Area as shown in the draft development charges by-law and as a result are requesting that the service area boundary be expanded to include the Settlement Area boundary and that the growth in the Camperdown Service area reflect these additional lands.

Staff Response – the Camperdown Service area boundary is being adjusted to include the full development within this service area.

MHBC Planning, Urban Design and Landscape Architecture

MHBC Planning, Urban Design & Landscape architecture provided comments on behalf of Freed Developments with respect to how the proposed increases will negatively impact project feasibility as such drastic increases have the potential to negatively impact the viability of current developments and discourage future investment in the Town.

MHBC Planning, Urban Design and Landscape Architecture

MHBC Planning, Urban Design & Landscape Architecture provided comments on behalf of Eden Oak (Trailshead) Developments Inc regarding the significant increase in development charges and is requesting that the Town allow Eden Oak the ability to pre-pay DCs at the current rate.

Staff Response – prepayment of DCs is included in the Development Charges Act at the discretion of the Town, historical practice of the Town is to not accept pre-payments; however, Council does have the ability to direct staff to accept a prepayment. Similar to other discounts,

this would result in decreased DC revenue and would need to be made up from other sources, mainly taxation or user-fees.

Georgian Triangle Development Institute

Georgian Triangle Development Institute provided comments on the significant increase in development charges and is concerned with the limited amount of time that has been provided to allow members of the public and the development community to meaningfully participate in the process.

Staff Response – to date staff and the consultant have met all legislated timelines and requirements for public input around updating the by-law and background study, as well as meeting the Town’s standard for public notice.

As is the Town’s practice a non-statutory Development Industry Consultant session was held on February 6, 2024 which included a presentation by the consultant as well as a Q&A portion with staff and the consultant.

Travis and Associates

Travis and Associates provided comments on behalf of Aquavil RE Aquavil Subdivision, Highway 26; Roylton re Blue Vista; and Blue Mountain Resorts regarding the significant increase in development charges and request more time to review the Development Charges and more time to assess the serious implications of drastic increases.

Krystin Rennie

Krystin Rennie provided comments on behalf of Georgian Planning Solutions RE: 24 Alfred Street for Pheasant Run Realty Holding/Holly Morin regarding the significant increase in development charges and how the substantial change has significant impact on the proposed development.

The Building Industry and Land Development Association

The Building Industry and Land Development Association provided comments and express concern regarding the proposed increases to the Development Charges.

Verbal Comments – Received at the Public Meeting held on March 12, 2024

The following individuals spoke at the meeting in support of their written comments as well as the general comments received:

Andrew Pascuzzo, Pascuzzo Planning Inc.
Kory Chisholm, MHBC Planning Urban Design & Landscape Architecture
Dan Hurley, Tatham Engineering
Colin Travis, Travis & Associates
Derrick Canete, Freed Hotels & Resorts

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

F. Environmental Impacts

N/A

G. Financial Impacts

Development Charges are an important funding source for growth related capital projects, having this funding allows growth related costs to be funded by growth rather than by the current tax and rate payer. The 2024 Draft Budget has a capital program of just under \$80M with the majority, \$67M, being funded through development charges. These projects are required to keep up with development pressures.

H. In Consultation With

Adam Smith, Director of Planning and Development Services
Hemson Consulting Inc.

I. Public Engagement

The topic of this Staff Report has been the subject of a Public Meeting which took place on March 12th, 2024. Those who provided comments at the Public Meeting, including anyone who has asked to receive notice regarding this matter, has been provided notice of this Staff Report.

Any comments regarding this report should be submitted to Sam Dinsmore, Acting Director of Finance / Treasurer directorfit@thebluemountains.ca.

J. Attached

1. Public Comments received prior to the 12:00pm March 8, 2024 deadline
2. Public Comments received after the deadline.

Respectfully submitted,

Sam Dinsmore
Acting Director Finance / Treasurer

For more information, please contact:
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Report Approval Details

Document Title:	FAF.24.020 2024 Development Charges Public Comments.docx
Attachments:	- FAF.24.020 Attachment 1.pdf - FAF.24.020 Attachment 2.pdf
Final Approval Date:	Mar 13, 2024

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

Sam Dinsmore - Mar 12, 2024 - 4:38 PM

No Signature found

Shawn Everitt - Mar 13, 2024 - 7:37 AM