



 **Watson
& Associates**
ECONOMISTS LTD.

Oxford County Development Charge Background Study

Public Meeting Presentation
May 8, 2024



Introduction

Public Meeting Purpose

- This meeting is a mandatory requirement under the *Development Charges Act (D.C.A.)*
- Prior to Council's consideration of a development charges (D.C.) by-law, a background study must be prepared and available to the public a minimum of 2 weeks prior to a public meeting and provided on the County's website 60 days prior to by-law passage
- This public meeting is to provide a review the D.C. proposal and to receive public input on the proposed policies and charges



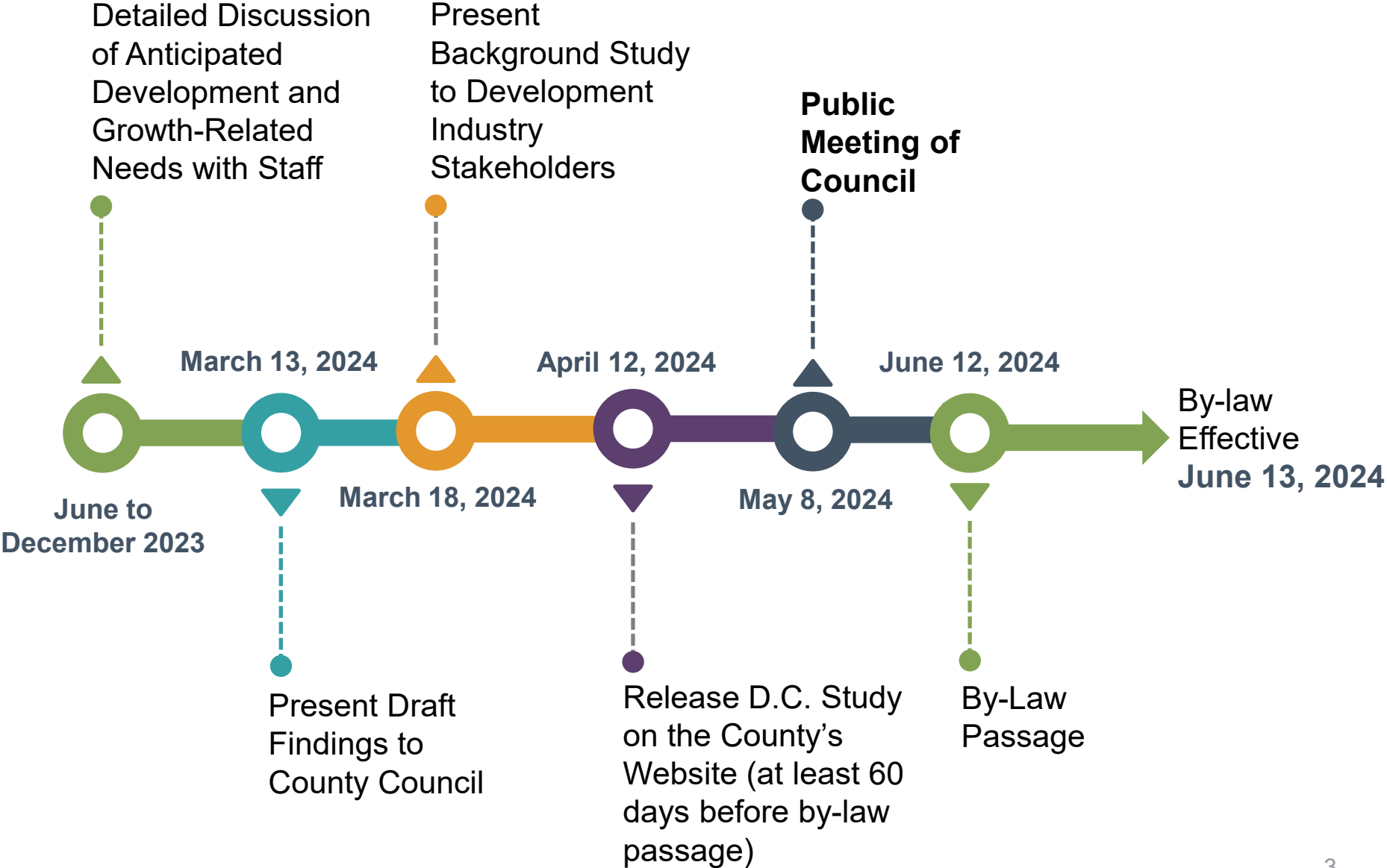
Introduction

Development Charges

- Purpose of D.C.s are to recover the capital costs associated with residential and non-residential development within a municipality
- Municipalities are empowered to impose these charges via the D.C.A.
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e., internal roads, watermains, sidewalks, streetlights, etc.)
- On April 10, 2024 the Province introduced Bill 185 (*Cutting Red Tape to Build More Homes Act*) that would amend certain sections of the D.C.A. These changes, which may come into effect prior to by-law passage, are discussed herein



Study Process

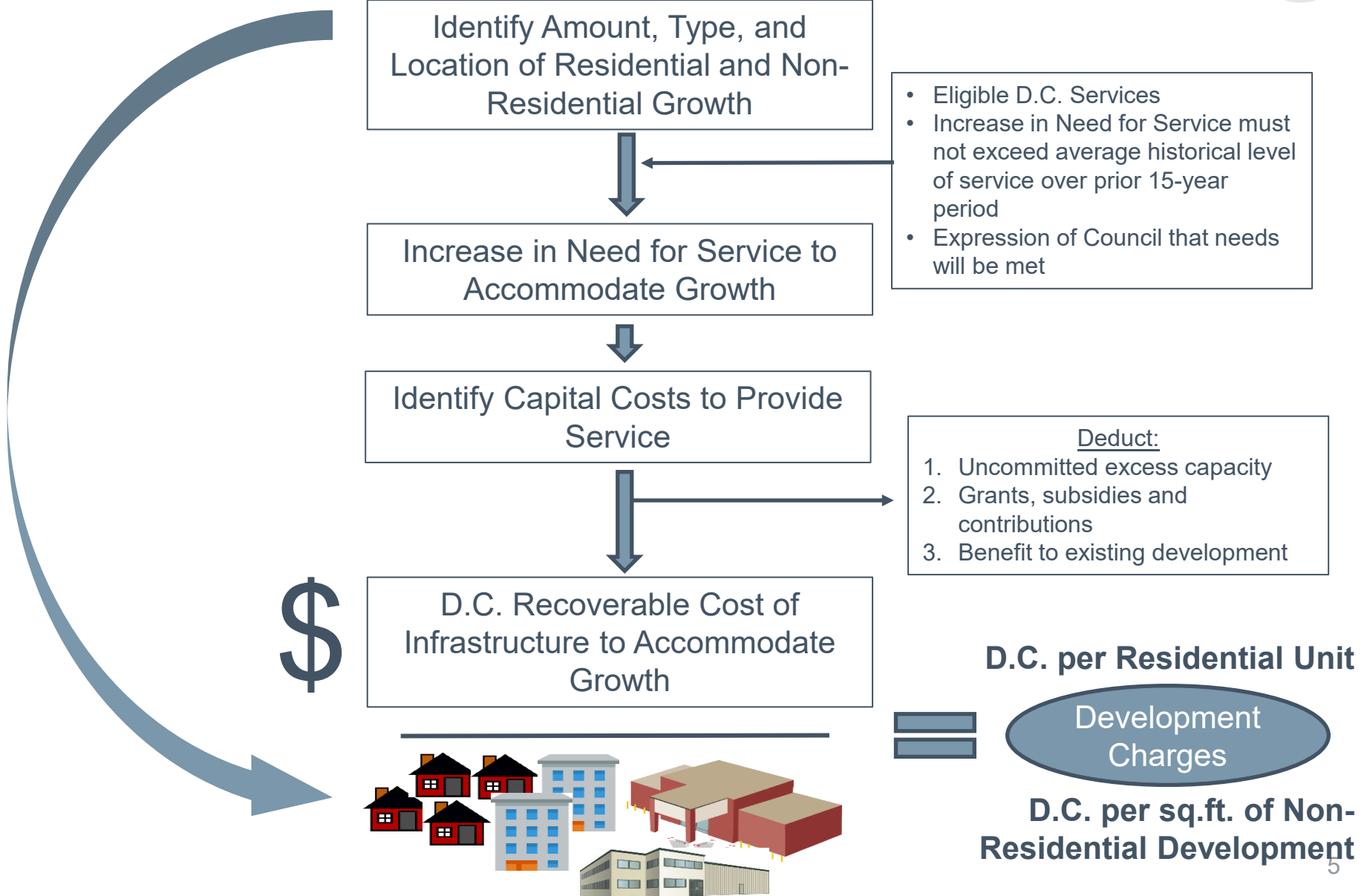




Development Charges Act
Calculation Methodology

Illustration

Simplified D.C.A. Methodology/Calculation





Development Charges

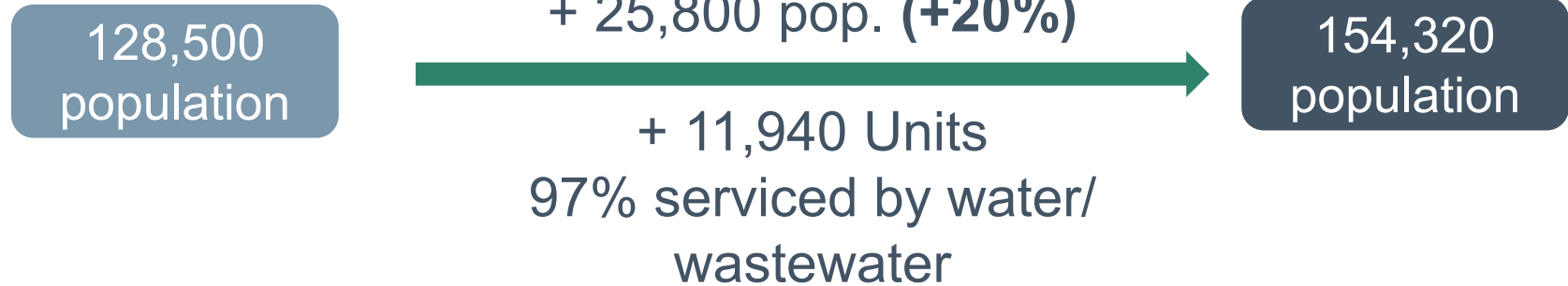
Growth Forecast

Growth Forecast

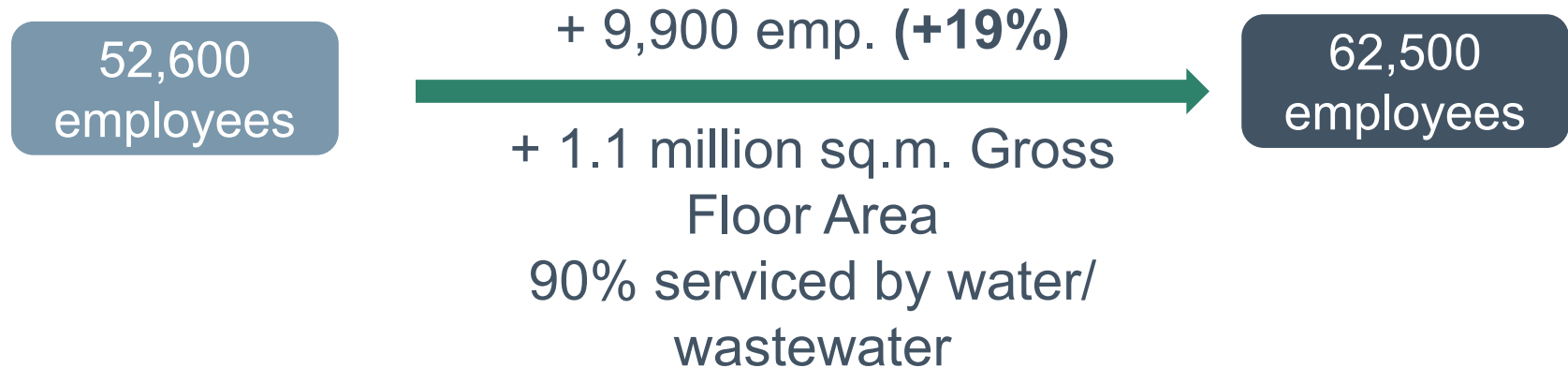
Mid-2024 to Mid-2033

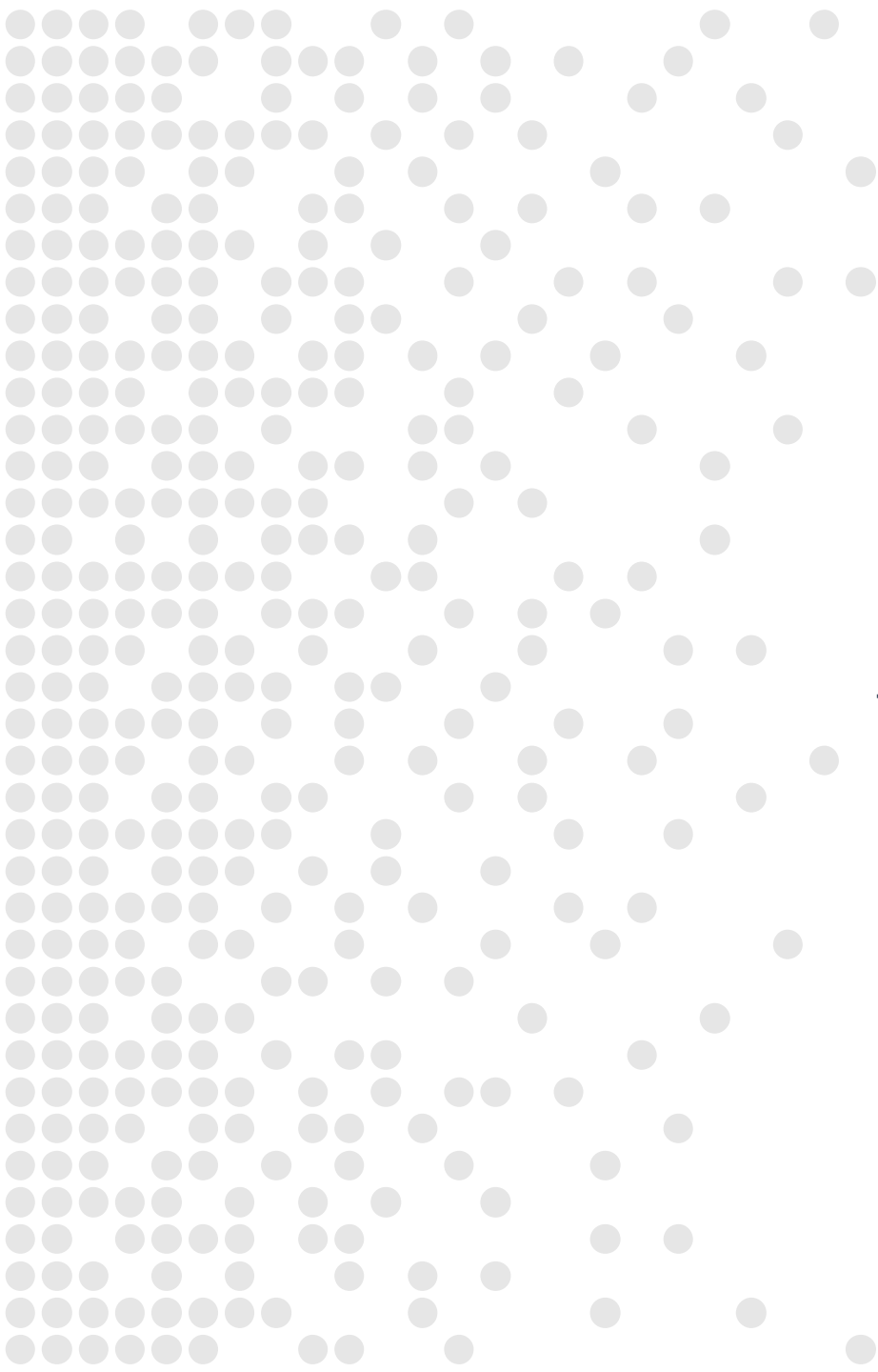


Residential



Non-Residential





Development Charges

Increase in Need for Service

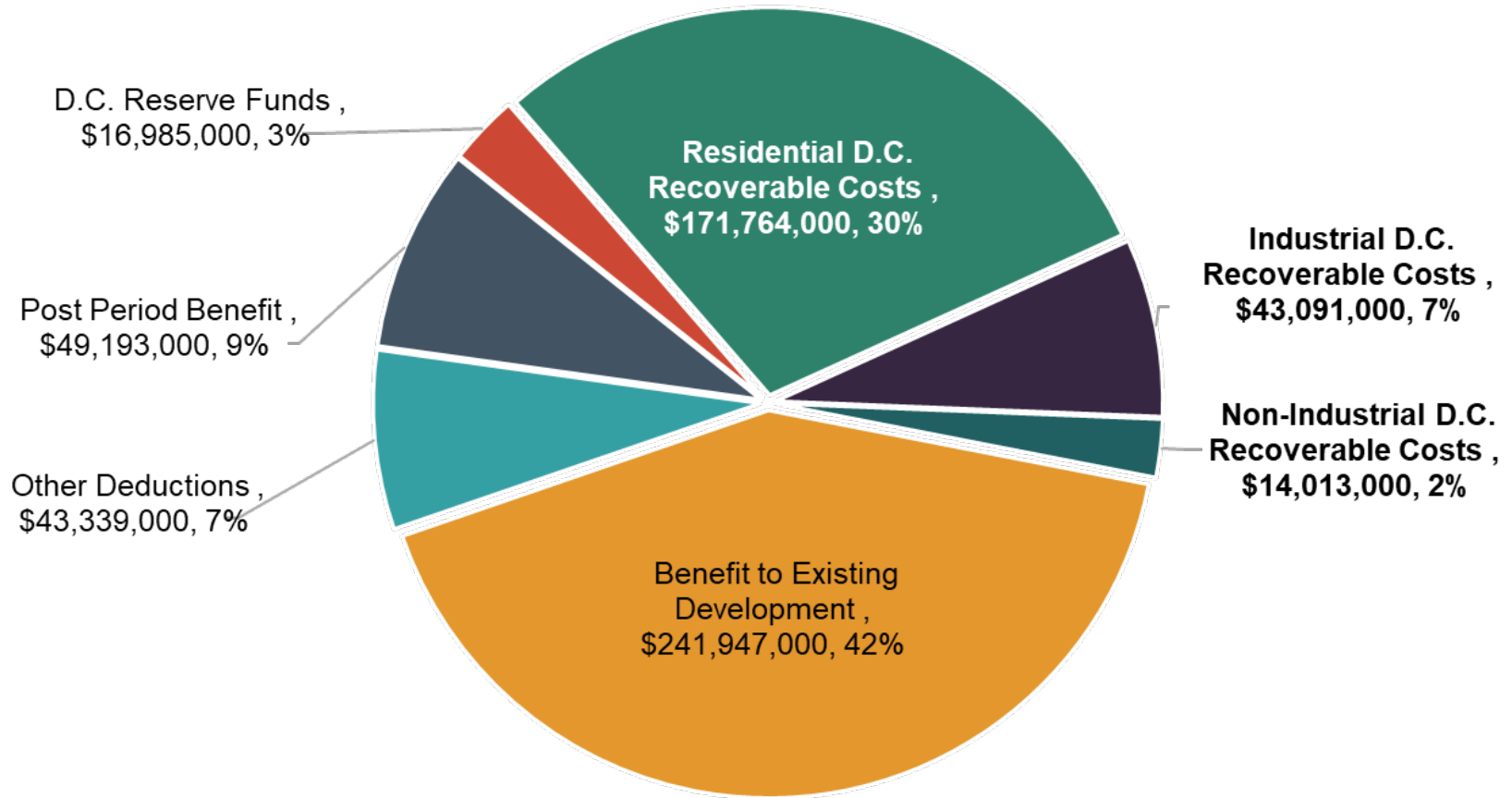


Increase in Need for Service

- 10-Year (2024-2033)
 - Services Related to a Highway
 - Library Services
 - Ambulance Services
 - Long-Term Care Services
 - Waste Diversion Services
 - Water Services
 - Wastewater Services
- Bill 185 proposes to add studies as an eligible D.C. recoverable cost (previously removed through Bill 23)

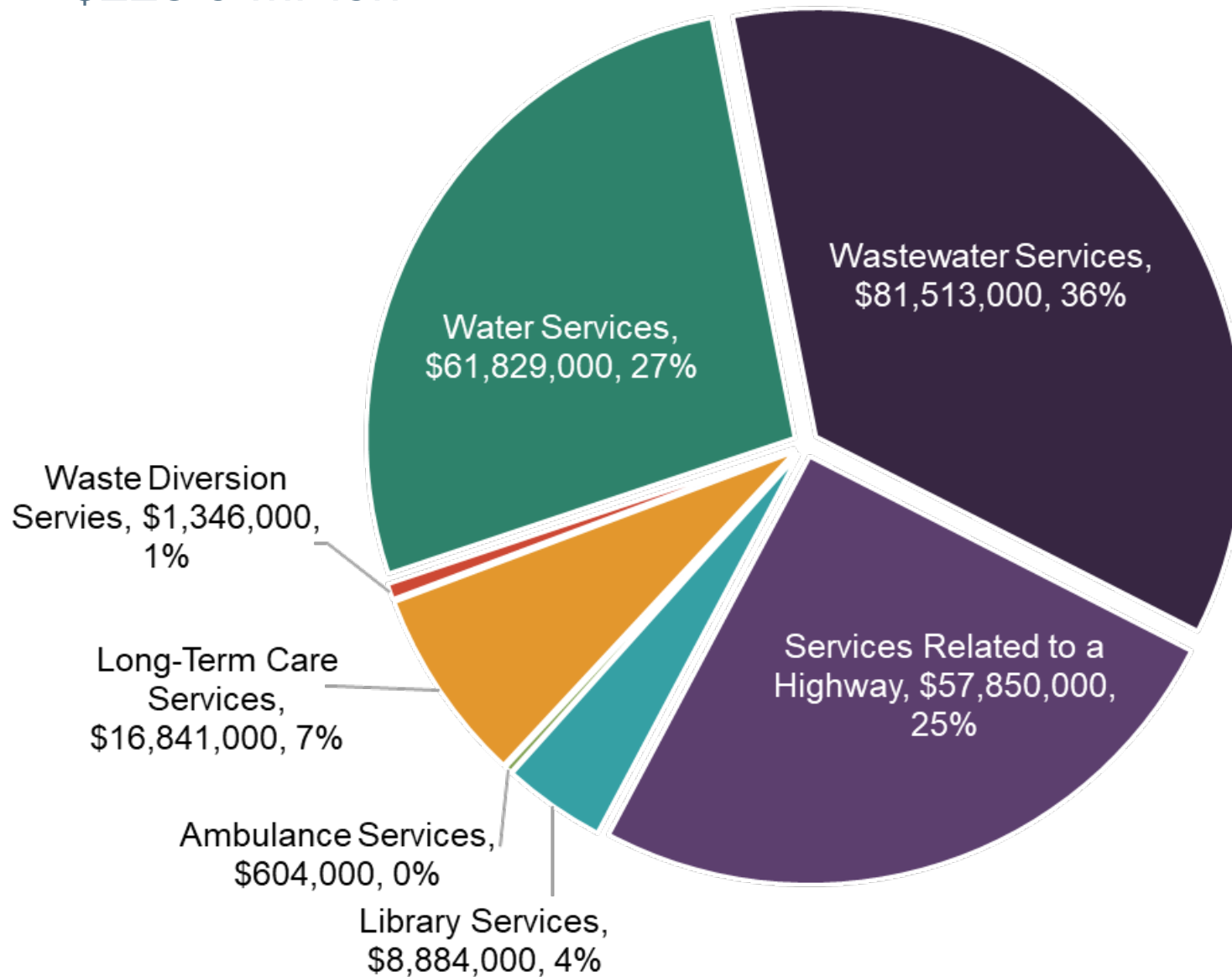
Anticipated Capital Needs

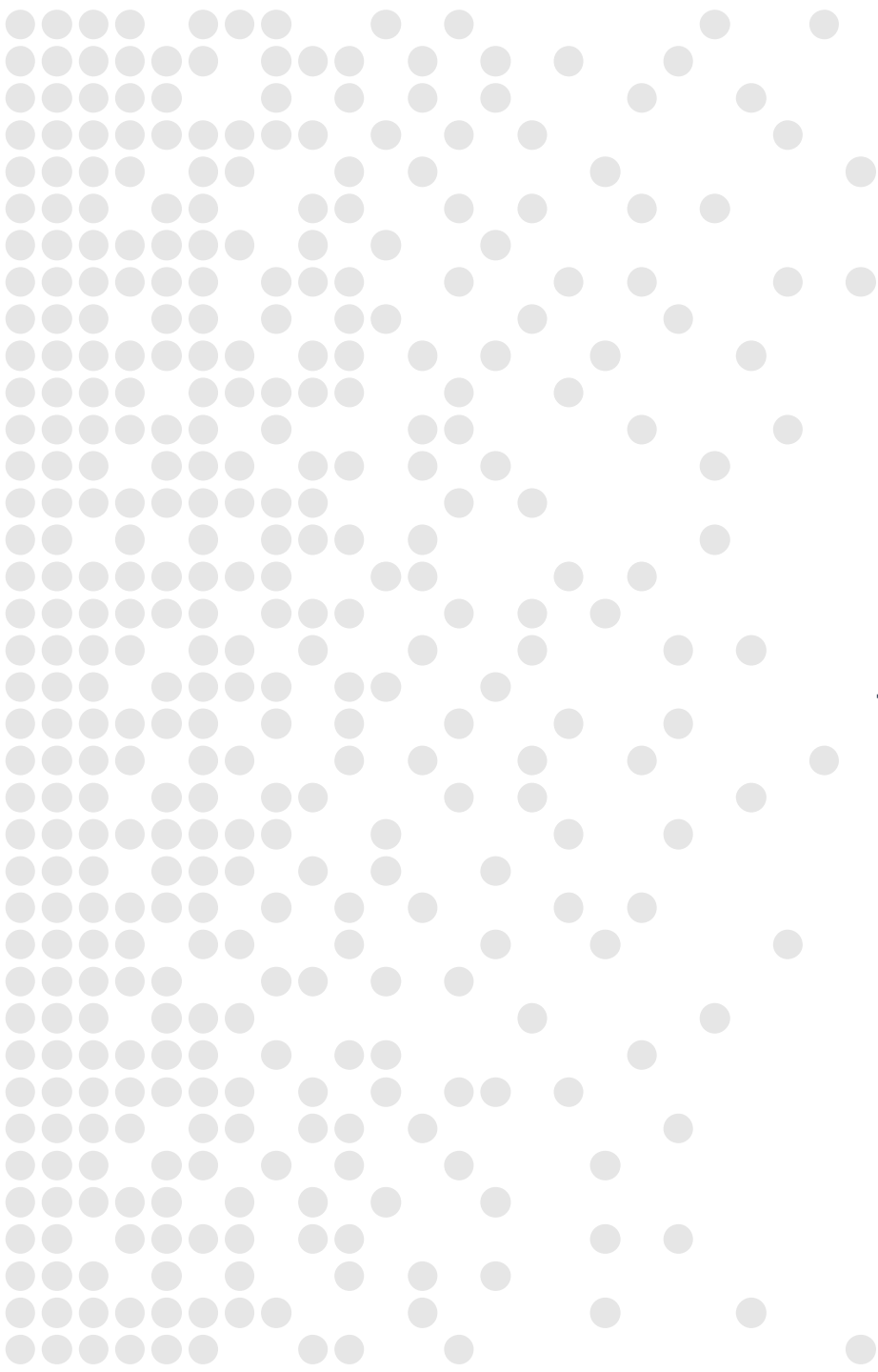
Gross Capital Costs (\$580.3 million)



D.C. Recoverable Costs

\$228.9 Million





Development Charges

D.C. Calculation

Calculated Schedule of D.C.s & Comparison Single & Semi-Detached



Service Area		Current Charge	Calculated Charge	Change (\$)	Change (%)	Change (%) (Year 1 charge pre Bill 185 phase-in)
County Wide		5,211	7,836	2,625	50%	20%
Woodstock¹	Water and Wastewater	6,979	6,819	(160)	-2%	-22%
	Total (including County-Wide)	11,552	13,120	1,568	14%	-9%
Tillsonburg	Water and Wastewater	9,162	7,651	(1,511)	-16%	-33%
	Total (including County-Wide)	14,373	15,487	1,114	8%	-14%
Ingersoll	Water and Wastewater	9,943	14,685	4,742	48%	18%
	Total (including County-Wide)	15,154	22,521	7,367	49%	19%
Blandford-Blenheim (Plattsville)	Water and Wastewater	28,548	11,773	(16,775)	-59%	-67%
	Total (including County-Wide)	33,759	19,609	(14,150)	-42%	-54%
Blandford-Blenheim (Drumbo)	Water and Wastewater	5,883	33,287	27,404	466%	353%
	Total (including County-Wide)	11,094	41,123	30,029	271%	197%
East Zorra-Tavistock (Tavistock)	Water and Wastewater	17,289	40,265	22,976	133%	86%
	Total (including County-Wide)	22,500	48,101	25,601	114%	71%
East Zorra-Tavistock (Innerkip)	Water and Wastewater	6,500	16,162	9,662	149%	99%
	Total (including County-Wide)	11,711	23,999	12,288	105%	64%
Norwich (Norwich)	Water and Wastewater	13,740	9,894	(3,846)	-28%	-42%
	Total (including County-Wide)	18,951	17,730	(1,221)	-6%	-25%
Zorra (Thamesford)	Water and Wastewater	8,997	12,662	3,665	41%	13%
	Total (including County-Wide)	14,208	20,498	6,290	44%	15%
Zorra (Embro)	Water and Wastewater	6,500	10,360	3,860	59%	28%
	Total (including County-Wide)	11,711	18,196	6,485	55%	24%
South-West Oxford (Mt. Elgin)	Water and Wastewater	8,547	15,063	6,516	76%	41%
	Total (including County-Wide)	13,758	22,899	9,141	66%	33%

1. The charge for library service is not applicable in Woodstock

- Bill 185 proposes to remove the requirement to phase-in the charge during the first four years of the by-law.

Calculated Schedule of D.C.s & Comparison Non-Residential



Service Area		Current Charge	Calculated Charge	Change (\$)	Change (%)	Change (%) (Year 1 charge pre Bill 185 phase-in)
County Wide		18.23	16.44	(1.79)	-10%	-28%
Woodstock¹	Water and Wastewater	27.06	36.86	9.80	36%	9%
	Total (including County-Wide)	44.71	52.45	7.74	17%	-6%
Tillsonburg	Water and Wastewater	42.75	49.53	6.78	16%	-7%
	Total (including County-Wide)	60.98	65.97	4.99	8%	-13%
Ingersoll	Water and Wastewater	33.07	45.11	12.04	36%	9%
	Total (including County-Wide)	51.30	61.55	10.25	20%	-4%
Blandford-Blenheim (Plattsville)	Water and Wastewater	133.25	35.11	(98.14)	-74%	-79%
	Total (including County-Wide)	151.48	51.55	(99.93)	-66%	-73%
Blandford-Blenheim (Drumbo)	Water and Wastewater	15.01	102.50	87.49	583%	446%
	Total (including County-Wide)	33.24	118.94	85.70	258%	186%
East Zorra-Tavistock (Tavistock)	Water and Wastewater	60.73	121.40	60.67	100%	60%
	Total (including County-Wide)	78.96	137.84	58.88	75%	40%
East Zorra-Tavistock (Innerkip)	Water and Wastewater	-	63.54	63.54	n/a	n/a
	Total (including County-Wide)	18.23	79.98	61.75	339%	251%
Norwich (Norwich)	Water and Wastewater	48.66	49.32	0.66	1%	-19%
	Total (including County-Wide)	66.89	65.76	(1.13)	-2%	-21%
Zorra (Thamesford)	Water and Wastewater	29.88	49.27	19.39	65%	32%
	Total (including County-Wide)	48.11	65.71	17.60	37%	9%
Zorra (Embro)	Water and Wastewater	-	15.26	15.26	n/a	n/a
	Total (including County-Wide)	18.23	31.70	13.47	74%	39%
South-West Oxford (Mt. Elgin)	Water and Wastewater	24.71	33.60	8.89	36%	9%
	Total (including County-Wide)	42.94	50.04	7.10	17%	-7%

1. The charge for library service is not applicable in Woodstock

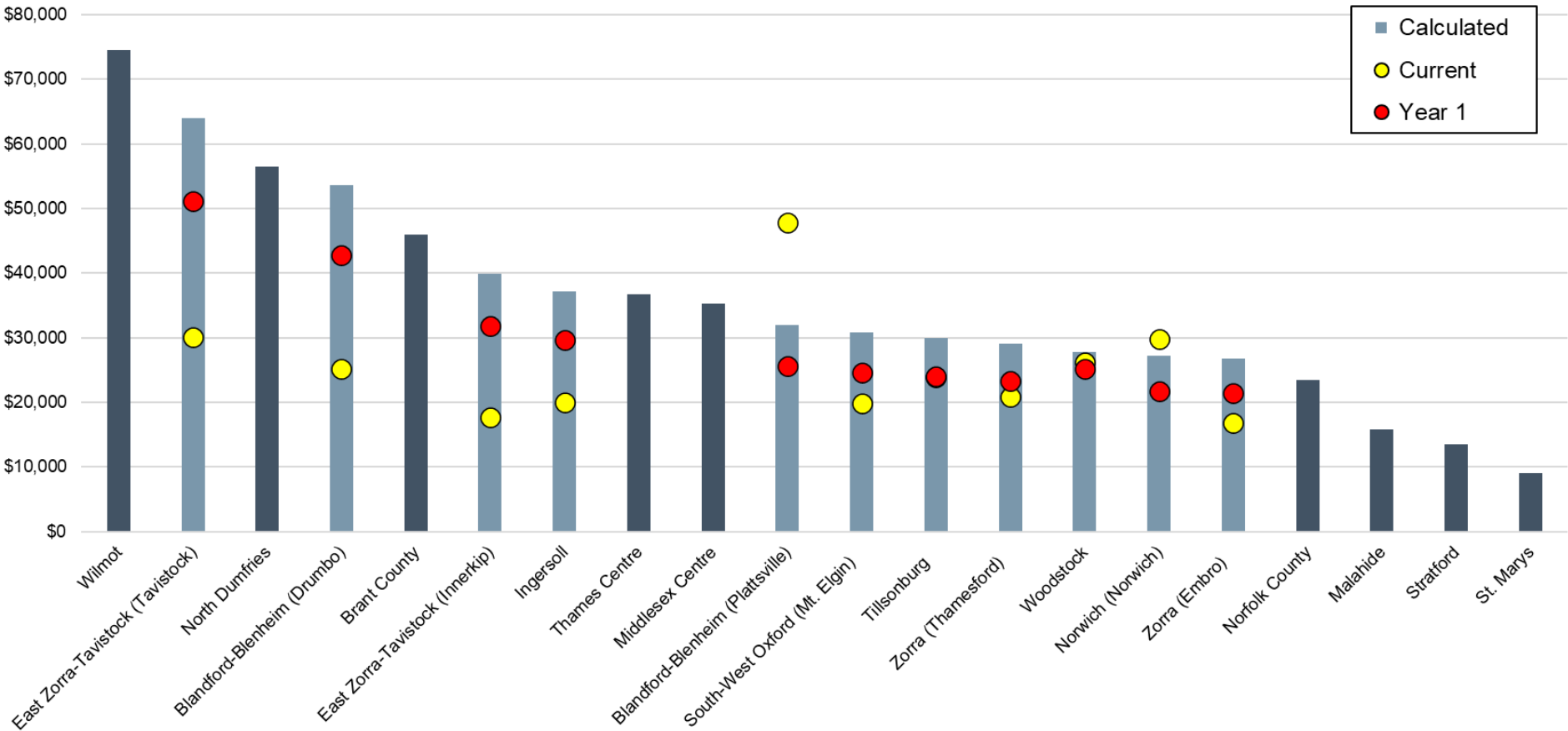
- Bill 185 proposes to remove the requirement to phase-in the charge during the first four years of the by-law.

Municipal Comparison

Per Single Detached Residential Dwelling Unit



Residential Development Charges (per Single Detached Dwelling)

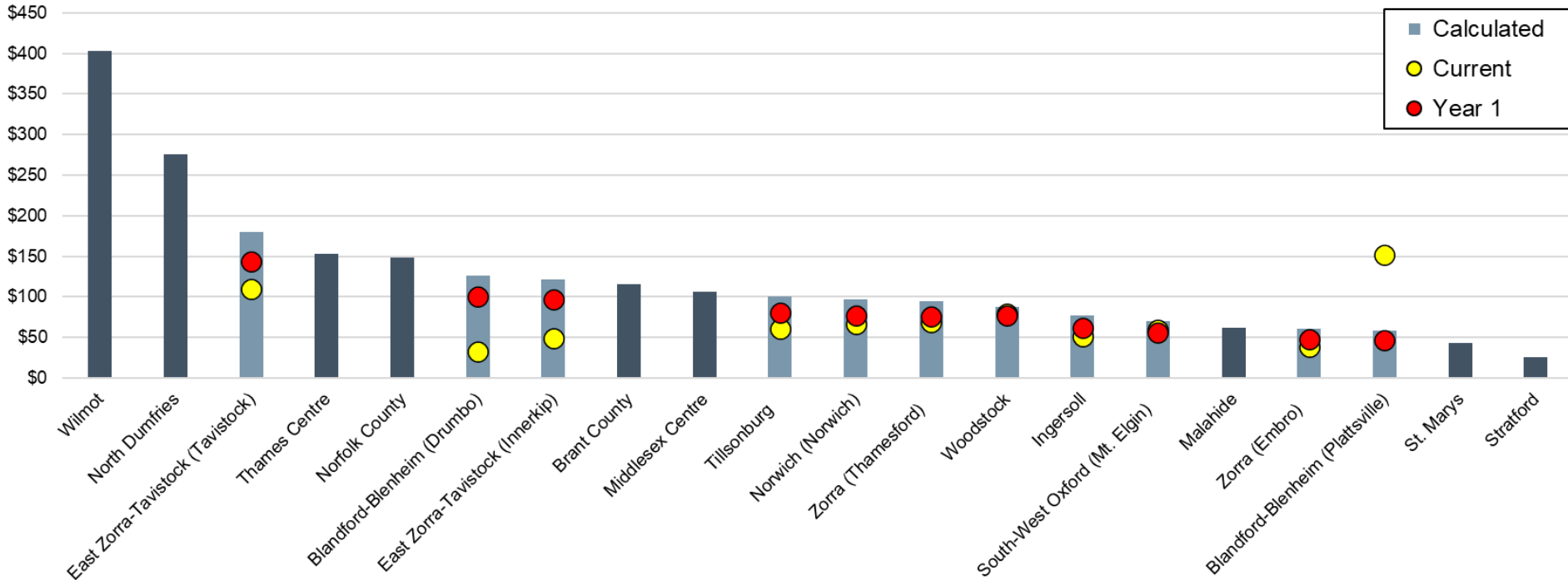




Municipal Comparison

\$ per Square Meter of Commercial Gross Floor Area

Commercial Development Charges (per sq.m.)

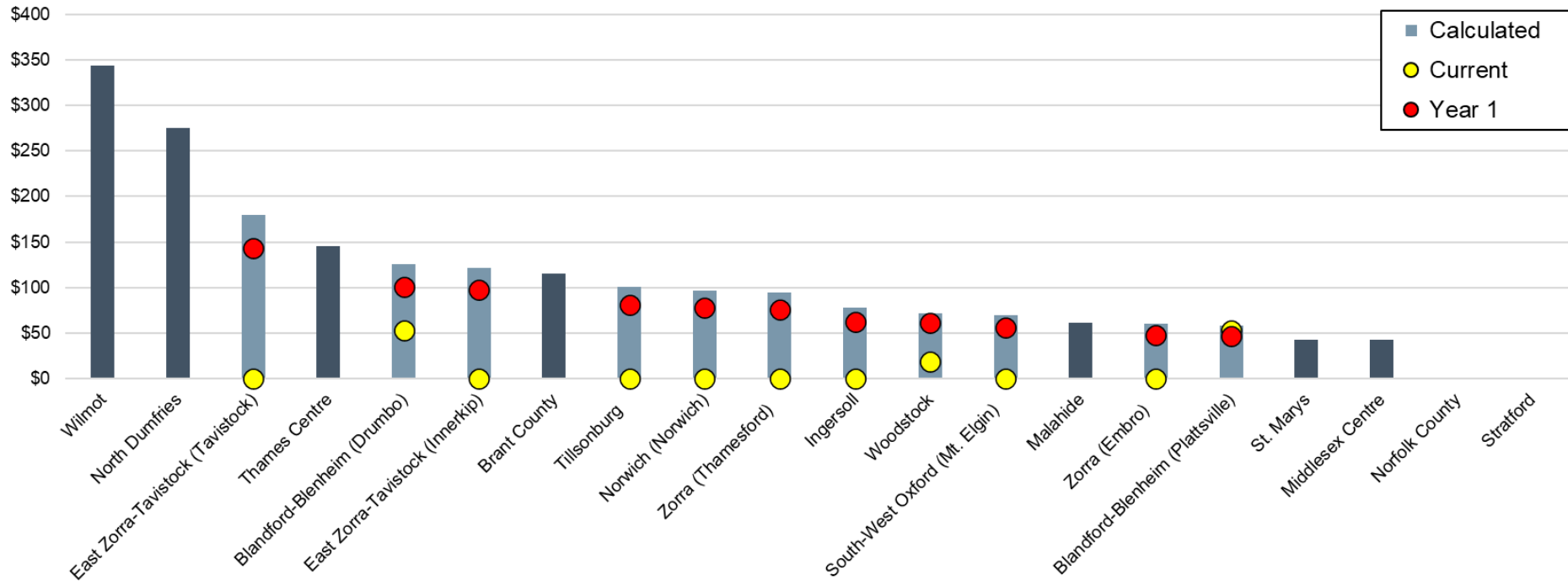


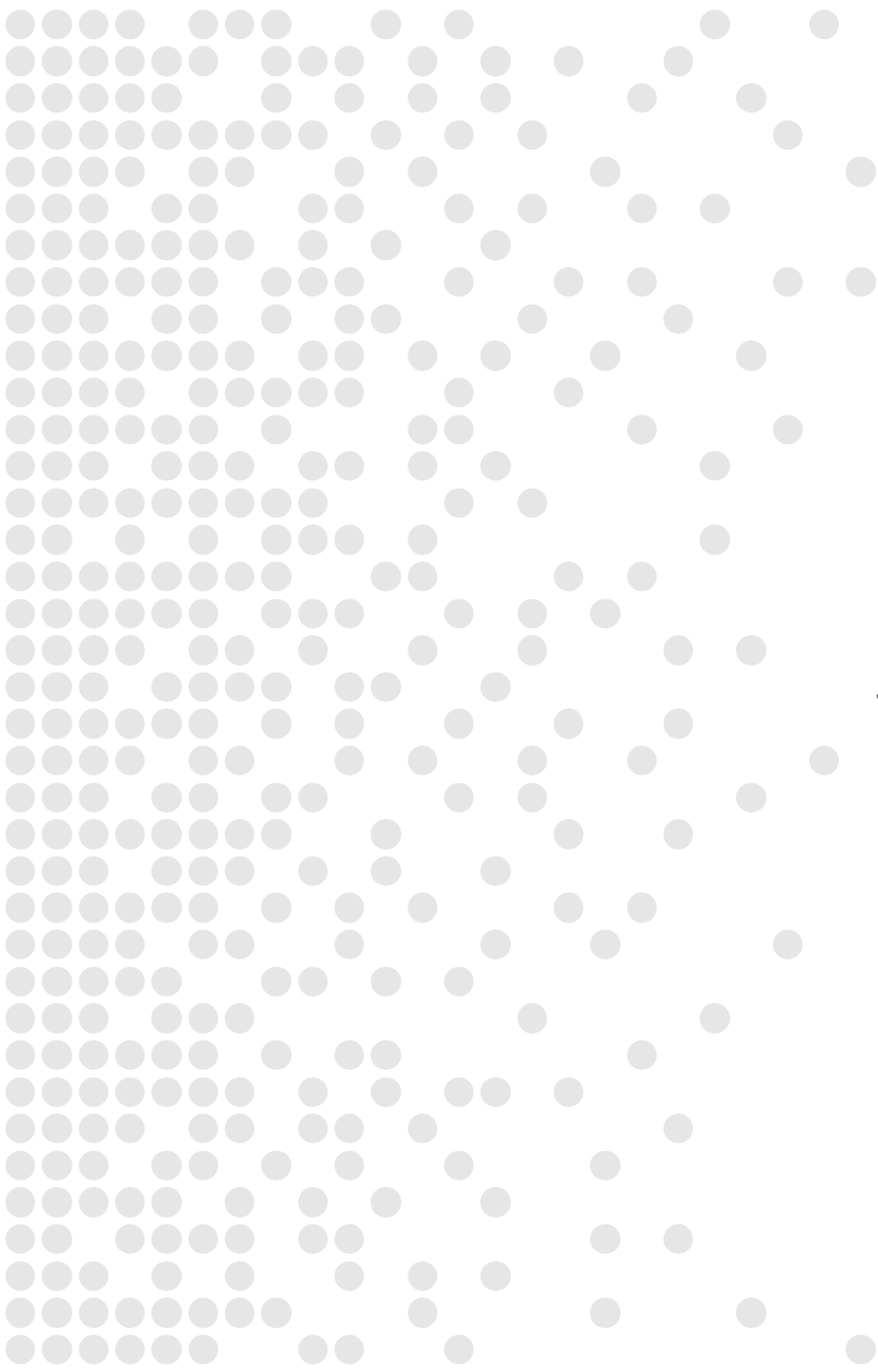
Municipal Comparison

\$ per Square Meter of Industrial Gross Floor Area



Industrial Development Charges (per sq.m.)





Development Charges

D.C. By-law Policies



D.C. By-Law Policies

Timing of Collection

- D.C.s are calculated and collected at building permit issuance
- D.C.s for developments proceeding through Site Plan or Zoning By-law Amendment will be determined based on the charges in effect on the day of the application
 - Charges to be frozen for a maximum period of 2 years after planning application approval
 - Bill 185 proposes to reduce this period to 18 months
- Payment in installments
 - Rental housing and institutional developments would pay D.C.s in 6 equal annual payments, commencing from the date of occupancy
- Interest can be imposed on D.C.s determined at Site Plan or Zoning-By-law Amendment application and on installment payments



D.C. By-Law Policies

Statutory D.C. Exemptions

- Upper/Lower Tier Governments and School Boards
- Development of lands intended for use by a university that received operating funds from the Government
- Existing industrial building expansions (may expand by 50% with no D.C.)
- Additional residential units in existing and new residential buildings (*revised through Bill 23*):
 - May add up to two apartments for a single detached, semi-detached or row house (only one unit can be in an ancillary structure)
 - One additional unit or 1% of the units in an existing rental residential building with four or more residential units



D.C. By-Law Policies

Statutory D.C. Exemptions

- Non-profit housing (Added through Bill 23)
- Inclusionary zoning affordable housing units
- Additional exemptions for affordable and attainable units to be exempt upon proclamation by the Lieutenant Governor
- Discount for rental housing development (15% to 25% reduction)
- Mandatory reduction of D.C. (Maximum charge of 80%, 85%, 90%, 95%, 100% for first 5 Years of the by-law)
 - Proposed to be removed through Bill 185



D.C. Policies

Non-Statutory D.C. Exemptions

- Proposed non-statutory exemptions :
 - Industrial development
 - Farm buildings
 - Places of Worship
 - Public Hospitals
 - Temporary buildings, structures, and dwelling units
 - Long-term care homes
 - Affordable housing (provided through an agreement with the County)
 - Development in Central Business Districts and Entrepreneurial Areas
 - Private Schools



D.C. Policies

Non-Statutory Exemption Changes

- Removal of current exemption for industrial development has been discussed with County Council, area-municipalities, and stakeholders.
 - Concerns raised about impacts on attractiveness of Oxford County for major industrial development activity, specifically manufacturing uses
 - Council could consider the following options to improve D.C. recovery while recognizing the concerns raised:
 - Imposing a partial exemption;
 - Phasing-in the implementation of the industrial charge; or
 - Exempting only certain types of industrial development (e.g. Manufacturing)
- Current Bunk House exemption, included under farm buildings, proposed to be removed



D.C. By-Law Policies

Redevelopment Credits and Administration

- Redevelopment credits on conversions or demolitions of existing buildings or structures where redevelopment must occur within 5 years of demolition
- By-law to come into force on June 13, 2024
- Charges to be indexed on a mandatory basis on June 13 of each year (beginning in 2025)
- Mandatory phase-in of charge to occur on June 13 of each year (if applicable subject to Bill 185 changes)

Next Steps



- Receive feedback from Council and public
- Amend draft by-law based on Council feedback and enactment of Bill 185 (if applicable)
- Council consideration of by-law for passage – June 12, 2024 (June 13, 2024 effective date)
- D.C. by-law amendment if Bill 185 enactment occurs after June 12, 2024
 - Bill 185 proposes a streamlined amendment process for these purposes