

REPORT TO COUNTY COUNCIL

Addendum to 2024 Development Charge Background Study

To: Warden and Members of County Council

From: Director of Corporate Services

RECOMMENDATIONS

1. That County Council adopt the assumptions contained in the Addendum to the 2024 Development Charges Background Study, dated January 22, 2025, subject to availability of capital grants, subsidies and contribution estimates therein;
2. And further, that Council approve the capital project listing as set out in the Addendum to the 2024 Development Charges Background Study, dated January 22, 2025, subject to review during annual capital budget processes;
3. And further, that the Addendum to the 2024 Development Charges Background Study for each of the service area Development Charge calculations dated January 22, 2025, be received and approved;
4. And further, that pursuant to Section 12(3) of the Development Charges Act, 1997, as amended, the Council of the County of Oxford has determined that a further public meeting is not necessary for the proposed Development Charge by-law;
5. And further, that the Development Charge By-law Amendment No. 6709-2025, be presented to Council for enactment.

REPORT HIGHLIGHTS

- Addendum reflects removal of the non-statutory industrial exemption, removal of the long-term care charges, and updates to capital project needs based on subsequent information
- Development Charge By-law Amendments will take effect February 26, 2025

IMPLEMENTATION POINTS

Subject to Council's enactment of Development Charge By-law No. 6709-2025, the By-law will be posted on the County website and circulated to Area Municipalities, along with an updated information schedule, effective February 26, 2025.

Upon passing of the development charge by-law, the Clerk will give notice of a 40-day appeal period that will end April 7, 2025.

Financial Impact

The capital project listing as set out in the Addendum to 2024 Development Charge Background Study will inform future capital budgets, including funding sources – subject to annual review.

Staff will update the forecasted development charge revenue based on the applicable rates as well as updating funding sources within the capital budget. These impacts will be reflected in the forecasted December 31, 2025, reserve closing balances as presented through the 2026 business plan and budget process

Communications

As part of the February 12, 2025, regular meeting of Council, a statutory public meeting was held pursuant to the Development Charges Act, 1997 (DCA), regarding proposed changes to development charge rates and policies applied throughout Oxford County, as set out in the Addendum to the 2024 Development Charge Background Study and by-law.

The public meeting commenced with a presentation from Watson & Associates Economists Ltd. (Watson) providing an overview of the proposed changes to development charges for the County. The public was invited to attend and make written or verbal presentation either in support of or in opposition to the by-law. Two interested parties made verbal presentations during the public meeting.




The *Development Charges Act* regulates the notification requirements upon the passing of the by-law. Notice must be provided through publication or mail not later than 20 days after the day the by-law is passed. Any person or organization may appeal a development charge by-law to the Ontario Land Tribunal by filing with the Clerk, on or before the last day for appealing the by-law (April 7, 2025), a notice of appeal setting out the objection to the by-law and the reasons supporting the objection.

2023-2026 STRATEGIC PLAN

Oxford County Council approved the [2023-2026 Strategic Plan](#) on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council's vision of "Working together for a healthy, vibrant, and sustainable future." These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendations in this report supports the following strategic goals.

Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
<p>Goal 1.1 – 100% Housed</p> <p>Goal 1.2 – Sustainable infrastructure and development</p> <p>Goal 1.4 – Connected people and places</p>	<p>Goal 2.1 – Climate change mitigation and adaptation</p> <p>Goal 2.2 – Preserve and enhance our natural environment</p>	<p>Goal 3.1 – Continuous improvement and results-driven solutions</p> <p>Goal 3.2 – Collaborate with our partners and communities</p> <p>Goal 3.4 – Financial sustainability</p>

See: [Oxford County 2023-2026 Strategic Plan](#)

DISCUSSION

Background

The *Development Charges Act, 1997* (DCA), governs the collection of Development Charges (DC). The intent of DCs is to ensure that infrastructure costs arising from increasing population and employment are funded by new development that benefits from the introduction of the new services (user-pays approach). DCs have been established to ensure that these costs are not borne by existing residents and businesses through property taxes or water/sewer rates.

At the regular Council meeting of November 13, 2024 Council directed staff to take all necessary steps to amend the development charge policy and by-law to remove the non-statutory exemption related to industrial buildings. Staff were also directed at this meeting to remove the capital project related to the development of additional long-term care beds, effectively eliminating the current need for the long-term care development charge. Further to the Council directed amendments, staff reviewed and updated the anticipated capital needs based on additional information obtained after completion of the 2024 Development Charge Background Study.

Comments

The following is a summary of the changes proposed through the Addendum to the 2024 Development Charge Background Study.

Removal of Non-Statutory Industrial Development Charge Exemption

At the November 13, 2024 Council meeting, County Council passed a resolution in support of residents experiencing financial consequences related to the current rate of growth, to eliminate the non-statutory industrial exemptions intended to incentivize more growth that were proving to exacerbate those financial pressures. At the public meeting held on February 12, 2025, one developer indicated they felt removal of the non-statutory industrial exemption would slow industrial growth.

Through the addendum process it was identified that an estimated \$42 million in development charge revenue would be collected over the 10-year forecast period through removal of the non-statutory industrial addendum, reducing the burden on the existing tax base to fund these growth related costs.

Removal of Long-term Care Development Charge

Council Report WDFL 2023-01 directed staff to work with the Ministry of Long-Term Care to explore the development of a new County-owned 160 bed facility in Ingersoll, supported by Ministry funding. It was determined that the growth-related portion of the proposed expansion was significant enough to implement DC charges. Through subsequent information gathering it was determined on November 13, 2024 through Council Report WDFL (CS) 2024-08 that the County would no longer be pursuing the 160 bed facility expansion in Ingersoll. This effectively eliminated the capital project need, therefore removing the requirement for a related development charge. The need for an expanded facility will be monitored and may be added to a future Development Charge Background Study if deemed appropriate. In accordance with the DCA, funds collected to date may be retained and utilized towards other long term care growth needs. As such, the balance of funds collected will be transferred to the Long-Term Care Future Capital reserve.

Updates to Anticipated Capital Needs

Based on information received subsequent to completion of the 2024 Development Charge Background Study, refinements were made to the capital needs for:

- Services Related to a Highway
- Ambulance Services
- Woodstock Wastewater Services
- Tillsonburg Water and Wastewater Services
- Ingersoll Water and Wastewater Services
- Thamesford Water Services
- Growth-Related Studies

The Addendum to the 2024 Development Charge Background Study details these changes, which result in an overall total reduction in DC recoverable costs of approximately \$5.5 million.

In summary, the residential County-wide charges, including Library Services, will decrease, while the non-residential County-wide charges will increase. The area specific charges for water and wastewater services, where amendments were made to capital project needs, will increase or decrease depending on the changes to the capital costs.

It is the opinion of staff that, based on comments received with respect to the Addendum to 2024 Development Charge Background Study and by-law, no further public meeting is required to meet the statutory requirements of the DCA.

If the recommendations contained within this report were not adopted, the rates and policies currently in effect would remain, projecting financial pressures on the 2025 budget to fund non-statutory industrial exemptions through property taxes.

A summary of the County's Development Charges effective February 26, 2025, is included in Attachment 1. The schedule sets out the charges that are applicable to residential development by unit type: single and semi-detached dwelling units; apartments; and other multiples. Charges applicable to non-residential development are levied based on square meter of gross floor area, per bed for farm bunk houses and per wind turbine. To determine the total charge, the county-wide charge is added to the applicable area-specific charges for water and wastewater services. Only the county-wide development charge will apply for development occurring in areas that are not serviced by municipal water and/or wastewater.

CONCLUSIONS

Council is advised to proceed with enactment of By-law No. 6709-2025 and adopting the assumptions, calculations, and capital project listing contained within the Addendum to the 2024 Development Charge Background Study, which is posted on the County's website at [Development Charges Update](#).

SIGNATURES

Report author:

Original signed by

Jennifer Lavallee, CPA, CGA
Manager of Capital Planning

Departmental approval:

Original signed by

Lynn S. Buchner, CPA, CGA
Director of Corporate Services

Approved for submission:

Original signed by

Benjamin R. Addley
Chief Administrative Officer

ATTACHMENT

Attachment 1 – County Development Charges Schedule, February 26, 2025