

REPORT TO COUNTY COUNCIL

Development Charges Annual Report - 2024

To: Warden and Members of County Council

From: Director of Corporate Services

RECOMMENDATION

1. That County Council receive Report CS 2025-14, prepared in accordance with Section 12 of O.Reg.82/98 of the *Development Charges Act, 1997*, and authorize posting the report for public information.

REPORT HIGHLIGHTS

- Total development charges collected amounted to \$5,852,572 (\$5,220,895 – 2023)
- Accrued interest earned by the development charges accounts was \$1,126,449 (\$962,354 – 2023)
- Total development charge exemptions funded was \$12,170,378 (\$2,081,035 – 2023)
- Total development charge funds used for capital and operating projects was \$18,767,177 (\$5,654,153 – 2023)

IMPLEMENTATION POINTS

In accordance with subsection 43(2.1) of the *Development Charges Act, 1997*, following adoption of the recommendation contained in this report, the report will be made available to the public by posting it to the County website.

Financial Impact

Growth related capital projects have been funded using development charge revenues based on actual expenditures incurred in 2024 for projects identified in the current Development Charges Background Study. Development Charge Reserve Funds Statement of Continuity, attached as Attachment 1, illustrates the total contributions to and from each reserve fund by

service that occurred in the year. Attachment 2 presents details of funding sources for the growth related projects included in the Development Charge Background Study.

The Treasurer confirms that the County is in compliance with subsection 59.1(1) of the *Development Charges Act, 1997*¹.

Communications


This report will be posted on the County’s website for public information.

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 recommendation 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
Goal 1.2 – Sustainable infrastructure and development		Goal 3.1 – Continuous improvement and results-driven solutions Goal 3.2 – Collaborate with our partners and communities Goal 3.4 – Financial sustainability

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

¹ Subsection 59.1(1) A municipality shall not impose, directly or indirectly, a charge related to a development or a requirement to construct a service related to development, except as permitted by this Act or another Act. 2015, c.26, s.8

DISCUSSION

Background

In accordance with Section 12 of O.Reg.82/98, of the *Development Charges Act, 1997*, the treasurer of the municipality shall provide to Council a financial statement relating to the reserve funds established under a by-law to collect development charges. The statement provided by the Treasurer is required to be made available to the public and to the Minister of Municipal Affairs and Housing on request.

Attachment 1 provides the development charge continuity information prescribed in Section 12 of O.Reg.82/98 as information to be included in the statement of the treasurer of a municipality under section 43 of the Act. In addition, Attachment 2 provides project specific information pursuant to Section 12 of O.Reg.82/98 under section 43 of the Act.

Comments

Development Charge Eligible Cost Analysis

The nature of capital projects and timing identified when the Development Charge by-law and amending by-law were passed, reflected the intentions of the Council at that time. Nevertheless, over time municipal projects and Council priorities change; Council's intentions may alter; and different capital projects (and timing) may be required to meet the need for services required by new growth. Project timing, along with estimated expenditures and funding sources are reviewed with each budget and business plan cycle.

Development Charges are used to finance capital works required for new housing and non-residential development. The County Development Charge by-law and amending by-law applies to most new residential and non-residential development on lands within the boundaries of Oxford County.

Development Charges generated are allocated toward growth-related costs associated with growth-related studies, services related to a highway, ambulance services, long-term care (current need removed through the by-law amendment on February 26, 2025) waste diversion, library services, and water and wastewater services related to development of land within a geographic area defined in the by-law that generally corresponds to the jurisdiction named in the title. County Development Charge By-law 6639-2024, issued under the authority of the *Development Charges Act, (1997)*, came into effect on June 13, 2024 and was subsequently amended by by-law 6709-2025 on February 26, 2025. The allocation of development charge reserve funds in 2024 meets or exceeds the requirements for prescribed services (water, wastewater and roads) as set out in Section 35 of the Act – Use of Reserve Funds.

Development Charge Exemptions and Discounts

Notwithstanding statutory exemptions set out in the *Development Charges Act, (1997)*, the Act allows municipalities to exempt from development charges certain types of development. The Act does not permit capital funding shortfalls created by development charge exemptions or

discounts to be funded through other development charge eligible sources. Within the 2024 reporting year, the cost of statutory and non-statutory development charge exemptions and discounts funded by user rates/fees or taxation are illustrated in Table 1.

Table 1 – 2024 Development Charge Exemptions

Exemption	County	Library	Water	Wastewater	Total
Industrial buildings	\$271,218	3,084	136,895	295,961	\$707,158
Affordable housing	-	-	-	-	-
Educational	156,636	105	87,753	157,312	401,806
Municipal	22,378	1,152	-	-	23,530
Rental discounts	46,801	6,531	23,362	70,415	147,109
Additional Residential Units	471,099	32,245	186,470	314,345	1,004,159
Subtotal Statutory	968,132	43,117	434,480	838,033	2,283,762
Industrial buildings	3,068,423	30,403	2,145,992	3,852,839	9,097,657
Affordable housing	19,623	2,737	9,782	29,512	61,654
Farm buildings	72,627	3,124	-	-	75,751
Places of worship	29,834	980	-	-	30,814
Public hospitals	-	-	-	-	-
Private schools	-	-	-	-	-
Lands in CBD and ED ¹	33,048	5,537	32,700	28,046	99,331
Long term care homes	150,920	4,962	91,111	274,416	521,409
Subtotal Non-Statutory	3,374,475	47,743	2,279,585	4,184,813	9,886,616
Total	\$4,342,607	\$90,860	\$2,714,065	\$5,022,846	\$12,170,378

Note 1: Central Business District (CBD) and Entrepreneurial District (ED)

Indexing

The County schedule of Development Charges is adjusted annually as of June 13, most recent twelve month change in the Statistics Canada Quarterly, “Construction Price Statistics”. Once the 2025 Q1 rate is available the schedule of charges will be updated and posted on the County’s website. 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. To determine the total County 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.

Development Charges Debt

In some cases, growth-related capital projects are completed prior to having fully collected the necessary DCs to fund the project. In these situations, external debt is permitted under the *Development Charges Act, (1997)*, to cash flow the capital costs of the project and is repaid by the future DC collections. In 2024, \$2,930,000 of debt was issued for unfinanced DCs related to a watermain extension on County Road 17 in Woodstock.

CONCLUSIONS

Growth related capital projects have been funded using development charge revenues based on actual expenditures incurred in 2024 for projects identified in the current Development Charges Background Study.

This report meets the annual financial reporting requirements as set out in the *Development Charges Act, 1997*.

SIGNATURES

Report author:

Original signed by

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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

ATTACHMENTS

Attachment 1 – Development Charge Reserve Funds Continuity Statement, December 31, 2024
Attachment 2 – Growth-Related Projects Funding Sources, 2024