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Date: January 18, 2018
To: Mayor and Council
Author: Ryan McLeod, CPA, CA
RE: Development Charges – Revised By-law
Report No.: FS-2018-04

AIM

To provide council with information on amendments to the proposed Development Charge by-law and seek their approval of Bylaw 1-2018 to establish development charges in the Town of Kingsville for the period from January 30, 2018 – January 29, 2023.

BACKGROUND

The Town of Kingsville's current Development Charge By-law expires on February 12, 2018. In anticipation of this expiry, a new Development Charge study was published on November 8, 2017, followed by a public meeting on December 11, 2017. Based on feedback received at this public meeting, administration provided council with a follow-up report on January 8, 2019.

DISCUSSION

Based on the direction provided by council on January 8, 2018 and further review of the proposed by-law, the following amendments have been made:

Greenhouse Rates

As directed by Council, the development charges applicable to greenhouses were amended to reflect only the highway portion of services, reducing the effective rate from \$1.07 per sq. ft. to \$0.54 per sq. ft. The by-law was also amended to ensure the greenhouse rate will only be apply to the "non-growing" area of the greenhouse.

Phase-in Schedule

As previously presented to council, the proposed development charges will be phased-in over a 5-year period. The phase-in schedule included in Appendix B of the by-law has been amended to reflect Administration's intention to maintain existing development

charge rates until February 28, 2018, then commence with phase 1 of the new development charge rates on March 1, 2018.

The phase-in calculation for the Urban area rates has also been amended to reflect the expiring rates from the former Ruthven-Kingsville-Lakeshore West (R-K-LW) service area as the starting point, rather than a simple average of the Cottam and R-K-LW rates (as previously presented). As the vast majority of building permits issued over the previous 5-year period relate to the R-K-LW service area, this adjustment will help smooth the transition to the new rates for the majority of the builders in the municipality.

Town-wide vs. Urban Services

The service area map previously included in Appendix C of the by-law has been replaced with an expanded definition of the service areas in section 3.2. This will allow administration to apply the appropriate level of development charges, based on the services available to that property, rather than be committed to a map which may become outdated as service areas change.

LINK TO STRATEGIC PLAN

Manage growth through sustainable planning.

FINANCIAL CONSIDERATIONS

The establishment and collection of development charges ensures growth related costs are paid for by the contributors to growth and alleviates the burden of growth from future tax and utility rates.

By phasing in the new development charge rates over the next 5 years, these changes are not expected to have any real impact on the level of development currently experienced in the Town.

CONSULTATIONS

Daryl Abbs, Watson & Associates Economists Ltd.
Gary Scandlan, Watson & Associates Economists Ltd.

RECOMMENDATION

That council approves Bylaw 1-2018 to establish development charges in the Town of Kingsville for the period from January 30, 2018 – January 29, 2023.

Ryan McLeod

Ryan McLeod, CPA, CA
Manager of Financial Services

Peggy Van Mierlo-West

Peggy Van Mierlo-West, C.E.T.
Chief Administrative Officer