



PORT COLBORNE

Subject: Development Charges Background Study and By-Law

To: Council - Public Meeting

From: Office of the Chief Administrative Officer

Report Number: 2024-171

Meeting Date: September 24, 2024

Recommendation:

That Chief Administrative Officer Report 2024-171 be received; and

That the City of Port Colborne Development Charges Background Study and By-Law, prepared by Watson & Associates, be received and that it come forward to the Council meeting on October 22, 2024, for final approval.

Purpose:

The purpose of this report is to present the draft Development Charges (DC) Background Study and By-law completed by Watson & Associates (see Appendix A). This report will accompany a presentation by their project consultant at the September 24th, 2024, Public Meeting which is being held pursuant to the *Development Charges Act*.

Background:

A Request for Proposals (RFPs) for Consulting Services for a Development Charges Background Study was issued on July 14, 2023, and the deadline for submissions was August 4, 2023. The services required included:

- Development charge, calculations, rules and revisions and update to the City's Development Charges By-Law pursuant to *Development Charges Act, 1997* and O.Reg. 82/98, as amended, and all relevant provincial legislation and regulation;
- Prepare detailed background study and related by-laws;
- Conduct public consultation sessions and meetings; and
- Present reports and recommendations to City Council.

The RFPs were evaluated, and the contract was awarded to Watson & Associates. The first meeting with City staff and the consultants was held on September 11, 2023.

The City's current DC By-law expires on November 13, 2024.

Discussion:

The City is on a positive growth trajectory and this is validated by two independent growth forecasts completed in the past twelve months and the number of units under review in the City's development pipeline. Council and staff are also mindful of the provincial directive and legislation to create more housing supply. It is important that "growth pay for growth" and that a new Development Charges By-law be completed to create a sustainable financial model to help fund the capital projects necessary to accommodate the anticipated growth.

The DC Background Study and By-law prepared by Watson & Associates reflects changes in provincial legislation since the City's current DC by-law was passed on November 12, 2019. It includes the service needs and twelve (12) year capital costs for: Roads; Public Works (Facilities and Fleet); Fire Protection Services; Park and Recreation; Library Services; Water and Wastewater Services; and Growth Studies. The City's current Development Charge for a single detached dwelling unit is \$11,419. The proposed DC in the new draft by-law is \$30,529.

As part of the DC Background Study, Watson & Associates also completed a twelve (12) year Growth Forecast Update to provide a foundation to support the capital projects included in the study. The forecast, which is included in the study, incorporated 2021 Census data and other information including the Growth Review Analysis Report completed by Dillon Consulting and presented to Council in September 2023. The City's current population is 20,033 and Watson & Associates are forecasting this to increase to 24,900 by 2036.

The draft DC Background Study and By-law will come to the October 22, 2024, Council meeting for final passage. Next steps and details regarding transition, implementation, and administration will be included in the October 22, 2024, staff report.

Internal Consultations:

City staff from Finance, Recreation, Public Works, Roads, Parks, Planning, Building, Economic Development, Library, Fire, Fleet, and Water/Wastewater were all involved in providing capital project information and cost estimates for the DC Background Study.

Financial Implications:

The cost of the DC Background Study is estimated to be \$75,000. While this exceeds the \$50,000 in funding approved in the 2022 Capital Budget, the project cost will be recovered from DCs as it is considered an eligible study. The additional \$25,000 will be funded from development charges. This adjustment will occur through the 2025 Budget process and Trimester 2 reporting.

Public Engagement:

An open house to present the draft DC Background Study to the development community was held on May 1, 2024 (see Appendix B). Over one hundred email invitations were sent to investors, developers, builders, planning consultants, and real estate agents. City staff from Building, Planning, Public Works, and Economic Development provided brief updates and this was followed by a detailed presentation by Watson & Associates' consultant and a question-and-answer period. The presentation included an overview of DCs, the capital projects included, growth forecast information, the proposed new DC, and how this amount compares with other Niagara municipalities.

The Public Meeting being held on September 24, 2024, is a requirement of the *Development Charges Act*. Notice of the Public Meeting was provided within the prescribed timelines and was posted on the City's website; advertised on an online Metroland publication; and it was emailed to the same group who received the invitation to the May 1st open house (see Appendix C). The DC Background Study and proposed by-law was posted on the City's website on August 23, 2024.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillars of the strategic plan:

- Environment and Climate Change
 - Welcoming, Livable, Healthy Community
 - Economic Prosperity
 - Increased Housing Options
 - Sustainable and Resilient Infrastructure
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Conclusion:

Council and staff are working together to ensure the City has the policies, processes, infrastructure, and a sustainable funding model to manage and support future growth and development. To this end, a new Development Charges Background Study and By-law has been completed by Watson & Associates, with input from City staff, that reflects Port Colborne's updated population forecast for the next 10-15 years and includes growth related capital projects.

The draft DC Background Study and By-law is being presented at a Public Meeting on September 24, 2024. It will come to the October 22, 2024, Council meeting for final approval.

Appendices:

- a. Development Charges Background Study and By-law – posted on August 23rd, 2024.
- b. Invitation to May 1st, 2024, Open House.
- c. Notice of Public Meeting – September 24, 2024.

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.