



**PORT COLBORNE**

**Subject: Request for Delegated Authority for DC Relief for Projects Initiated Before New By-law Effective Date**

**To: Council**

**From: Corporate Services Department**

Report Number: 2025-08

Meeting Date: January 28, 2025

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### **Recommendation:**

That Corporate Services Department Report 2025-08 be received; and

That Council approve the recommended amendment to Schedule A of the Delegated Authority By-law 7172/114/23 to allow the Director of Corporate Services/Treasurer to address certain potential development charge (DC) complaints where municipal delays may have caused an applicant to be subject to higher development charges due to the passing of By-law 7278/100/24.

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### **Purpose:**

The purpose of this report is to seek Council approval to delegate authority to the Director of Corporate Services/Treasurer to provide development charge (DC) relief for projects initiated prior to the passing of By-law 7278/100/24 and, had it not been for municipal requirements and approval delays, would have conceivably been able to apply for and receive a building permit under the provisions of the former By-law. This would only be in instances where frozen rates are not explicitly provided in section 26.2 of the *Development Charges Act, 1997 (DCA)*.

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### **Background:**

By-law 7278/100/24 passed on October 22, 2024, which set the current development charges to go into effect on October 23, 2024. Prior to the by-law's passing, Watson & Associates prepared a DC Background Study to establish a new rate for the next ten years based on future growth-related projects to take place across the City. This was a comprehensive process which identified critical capital works that will be required to

facilitate growth within the city, while keeping the financial burden of these projects away from the existing taxpayers. Due to the additional projects identified, the charge for a single detached dwelling unit increased from \$11,419 to \$30,529 as of the effective date of the new by-law. It should be noted that this previous amount was never indexed for inflation and would have been \$16,669 for 2024 if indexing had occurred, and the new rate for the City is on par with comparable municipalities in Niagara and Ontario.

Per the City's DC by-law and the development charge act (DCA), the development charges are calculated and payable on the date the building permit is obtained. At present, the only exception to this is for developments where a site plan or zoning amendment application was received by the City for the development prior to October 23<sup>rd</sup>. In this situation staff have the authority to utilize a different rate other than the current rate when development charges are calculated at the time of building permit issuance.

While at present there is only one exception included in the by-law, a builder could file a complaint to Council under s. 20 of the DCA under the grounds that the DCs were incorrectly determined since the process of obtaining a building permit had commenced prior to the new bylaw (7278/100/24) taking effect. The intent of the complaint would be to pay the DC value applicable prior to the new bylaw taking effect. This report, as identified in the Purpose section of this report, seeks to delegate the authority to assess the DC value applicable prior to the new bylaw taking effect, when warranted.

This report does not address questions asked about the Delegation of Authority and related metrics that were posed to the previous CAO. Staff will look for a training opportunity related to the delegation of authority for Council in the second trimester of 2025.

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## **Discussion:**

Staff have identified that there appears to be a small number of instances where the process to obtain a building permit may have occurred but was delayed by a requirement like a minor variance. In these cases, the process of obtaining a building permit began prior to the new by-law coming into effect. As identified in the Background section of this report, in these instances, there is no mechanism for staff to honour the previous by-law's rate despite delays being primarily due to municipal requirements that are not universal requirements to all building permits.

Staff anticipate very few builders are in the situation identified.

Historically the City has not had a practice of honouring historical rates at the time of permit issuance where a delay may occur. The City's current corporate values include the value of responsibility – we make tomorrow better.

To qualify, a builder would need to show substantive proof (ie. a minor variance application outstanding or recently approved) and their delay needs to be because of municipal requirements, not self-imposed restrictions on the part of the developer.

The model of delegated authority provides a mechanism to substantively reduce the time to resolve identified occurrences as and if they arise. It is not the intent for this relief of a frozen rate to apply to applicants who did not have a permit application (or a substantive precursor to one) in the queue prior to the current by-law taking effect. In the event a request is made by a builder and the DC value applicable prior the new DC bylaw coming into effect was not granted by the Director, Corporate Services/Treasurer, the builder could still apply to Council.

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### **Internal Consultations:**

Staff from Finance, Planning and Building as well as the City's Solicitors were consulted in the preparation of this report.

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### **Financial Implications:**

The financial implications of this delegation of authority would be collection of amounts that are lower than the current rates on a handful of building permits. The total amount of foregone revenue is not known at this time; however, it is anticipated to be minimal based on the rigid requirements and criteria of the delegated authority.

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### **Public Engagement:**

Prior to the passing of the current by-law, an open house was held to present the draft DC Background Study to the development community on May 1, 2024. Over one hundred email invitations were distributed ahead of the event where City staff and staff from Watson & Associates were present to provide further information on the upcoming DC by-law and field questions and concerns from the development community. The Statutory Public Meeting as required by the DCA was held on September 24, 2024 where Watson & Associates presented the Background Study and draft by-law to Council. At this meeting no public input was received, and no delegates were present, so the deadline for written submissions of public input was extended to September 27, 2024. Two written correspondences were received on this deadline, both of which were responded to prior to the by-law's passage.

The request for delegated authority comes as a result of input received from a few smaller building projects.

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## **Strategic Plan Alignment:**

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Welcoming, Livable, Healthy Community
  - Economic Prosperity
  - Increased Housing Options
  - Sustainable and Resilient Infrastructure
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## **Conclusion:**

Delegation of authority to the Director of Corporate Services/Treasurer would streamline staff's ability to address potential DC complaints in a timely manner.

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## **Appendices:**

- a. Delegated Authority By-law 7172/114/23
- b. Schedule A – Delegated Authority By-law with Recommended Amendment

Respectfully submitted,

Alex Rotundo  
Supervisor of Asset Management  
905-228-8157  
[Alex.Rotundo@portcolborne.ca](mailto:Alex.Rotundo@portcolborne.ca)

## **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.