

# THE MUNICIPALITY OF LAMBTON SHORES

**Report TR 13-2024**

**Council Meeting Date: June 25, 2024**

**TO:** Mayor Cook and Members of Council  
**FROM:** Janet Ferguson, Director of Financial Services  
**RE:** Bill 185 Changes for Development Charges

**RECOMMENDATION:**

**THAT** Report TR 13-2024 regarding Bill 185 Development Charges be received; and

**THAT** the phase-in of development charges be discontinued; and

**THAT** the amended Development Charges be approved and become effective July 17, 2024.

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**SUMMARY**

This report provides Council with an update on the changes to Bill 185, Cutting Red Tape to Build More Homes Act (2024) which include changes to the Development Charges Act and to Ontario Regulation 82/98 under The Act.

**BACKGROUND**

Lambton Shores completed a new Development Charges (DC) Background Study in 2022 and new fees came into effect in January of 2023.

The Background Study followed the legislation of the DC Act and the Bill 185 requirements. Specific items that affected Lambton Shores are costs for administrative studies such as Strategic Plans and DC's were removed from the fee calculation and the fees were to be phased in over a 5 year period.

The Province has recently announced that some of the requirements put in place by Bill 185 were being removed or changed. Council has received correspondence on the changes and 1 report is attached for convenience.

Staff worked with the DFA Infrastructure, the consultants who completed the most recent DC Background Study to evaluate the impact of including costs for studies into our DC fee. As noted below, the addition of the studies has minimal impact on the fee; however, the revenue will mitigate the cost of future studies.

## **ALTERNATIVES TO CONSIDER**

Council could choose to not include the cost of studies in the DC calculation; however, staff does not recommend this as studies are expensive and funding through DC's would mitigate the cost allocated to property taxes.

Council could choose to continue with the phase in of the DC rates. Staff do not recommend this due to the reduction in revenue to be applied to ever increasing cost of projects. As noted in TR-5-2024 the phase in for the DC reflected a reduced revenue in 2023 of \$34,402.00.

## **RECOMMENDED ACTIONS**

That Report TR-13-2024 be received and that the DC rates be amended and the phase in of the rates be discontinued.

## **FINANCIAL IMPACT**

Although there is a financial impact by implementing these changes, it is difficult to measure as there are many factors that contribute to the overall picture. The following chart outlines the 2024 phased in amount, the amount if not phased in (calculated) and the amount that includes additional costs for studies.

The charge is for a single or semidetached dwelling.

	2024 Phased in Rate	2024 Calculated Rate	Updated Rate
		no phase in	
<b>Municipal Wide Services</b>			
Growth-Related Studies			\$ 108.57
Outdoor Recreation	\$ 464.08	\$ 545.98	\$ 545.98
Indoor Recreation	\$ 834.39	\$ 1,052.22	\$ 1,052.22
Fire	\$ 320.02	\$ 376.50	\$ 376.50
Transportation	\$ 4,387.79	\$ 5,162.10	\$ 5,162.10
Storm Sewer	\$ 67.88	\$ 79.86	\$ 79.86
<b>Sub-Total Municipal Wide Services</b>	<b>\$ 6,074.16</b>	<b>\$ 7,216.66</b>	<b>\$ 7,325.23</b>
<b>Wastewater Services</b>			
Wastewater (Grand Bend area)	\$ 4,066.78	\$ 4,784.45	\$ 4,784.45
<b>TOTAL CHARGE PER FULLY SERVICED UNIT</b>	<b>\$ 10,140.94</b>	<b>\$ 12,001.11</b>	<b>\$ 12,109.68</b>
<b>Change over existing 2024 rate</b>		\$ 1,860.17	\$ 1,968.74

Discontinuing the phase in will increase the charge by \$1,860.17. Adding the studies in to the calculation adds just over \$108.00 for one residential unit.

In 2023 we had 17 single / semi-detached building permits issued – if that continues in 2024 this would equate to \$33,468.58 of additional revenue to fund the infrastructure projects and studies previously identified in the DC Background Study.

## **CONSULTATION**

Steve McAuley, CAO