

VERSION FOR PUBLIC CONSULTATION

PREPARED BY HEMSON FOR THE CITY OF NORTH BAY

DEVELOPMENT CHARGES AMENDMENT STUDY

March 11th 2022



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1. INTRODUCTION

Development charges are imposed against land to pay for increased capital costs required, because of increased needs for services arising from development. In 2018, the City of North Bay retained Hemson Consulting Ltd. to undertake a development charges background study to establish City-wide development charges for the City of North Bay. The City of North Bay (Council) passed development charges By-law No. 2019-72 under section 2(1) of the *Development Charges Act, 1997* (DCA) and the by-law took effect on October 9th, 2019. The current DC By-law (No. 2019-72) has a DC Moratorium in place which has kept the residential DCs at nil since the by-law came into effect – this moratorium is set to expire on November 14th, 2022 at which point the residential DCs would be increased.

On February 22, 2022, Council directed staff to commence the process to amend its existing development charges By-law No. 2019-72 to extend the DC moratorium period which would in effect keep the residential development charge rates at nil until May 31st, 2023. The intention to extend the DC moratorium period is to give the new Council time to make an informed decision regarding the residential development charge rates once inaugurated. This will also give the residential development community an opportunity to plan past November 14th, 2022.

Sections 10(1) and 19(1) of the DCA require that, before passing an amendment to a development charge by-law, the council shall complete a development charge background study. The purpose of this DC Amendment Study is to meet the requirements of the DCA and this study can be used as the basis for passing the proposed by-law amendment. It is important to note that this amendment has no effect on the non-residential development charge rates currently imposed by the City and the City's 2019 Background Study remains unchanged.

2. DEVELOPMENT CHARGE AMENDMENT PROCESS

The DC Act allows a municipality to amend an existing development charge by-law. Section 19 of the DC Act sets out the requirements related to this procedure:

19. (1) Sections 10 to 18 apply, with necessary modifications, to an amendment to a development charges by-law other than an amendment by, or pursuant to an order of, the Ontario Land Tribunal (OLT).

19. (2) In an appeal of an amendment to a development charges by-law, the Ontario Land Tribunal may exercise its powers only in relation to the amendment.

Further to Section 19(1), the requirements of Sections 10 to 18 of the DC Act are summarized as follows:

- s.10 complete a development charges background study, which must be posted on the website of the municipality at least 60 days prior to by-law [amendment] passage;
- s.11 by-law [amendment] must be passed within one year of the completion of the background study;
- s.12 hold at least one public meeting prior to passage of by-law [amendment] (draft by-law must be available at least two weeks prior to the public meeting);
- s.13 give notice of passage of by-law [amendment] within 20 days of the by-law being passed. The notice must identify the last day for appealing the by-law;
- s.14 anyone may appeal the by-law [amendment] to the Ontario Land Tribunal;
- s.15 outlines the duties of the Clerk if an appeal is received;
- s.16 outlines role and powers of the OLT if an appeal is received;
- s.17 effective date of OLT repeals and amendments is the day the by-law [amendment] came into force; and
- s.18 outlines rules governing the giving of refunds under an OLT order.

In simple terms, to amend a development charges by-law a municipality must go through the same public process associated with enacting a development charges by-law. It needs

to complete a background study outlining the purpose and rationale for the amendment. This report, together with the City of North Bay 2019 Development Charges Background Study, serves as the background study required under s.10 of the DC Act and can be used as the basis for passing the proposed amendment.

A municipality also has to hold at least one public meeting on the amendment, having provided at least 20-days notice of the meeting(s), and has to have made the proposed by-law amendment available two weeks prior to the meeting. The background study must be made available to the public by posting the study on the website of the municipality at least 60 days prior to the by-law amendment being passed.

Section 19(2) of the DC Act is important, because it allows for an amendment to an existing by-law to be passed without exposing the unaltered portions of the by-law to appeal. When amending a development charges by-law only the sections of the by-law amended or added are subject to appeal and consideration by the Ontario Land Tribunal.

3. CITY'S PROPOSED AMENDMENT MEETS DC ACT REQUIREMENTS

The DC Act requires that a development charge background study include estimates of the anticipated amount, type and location of development, calculations of development charges for each service to which the development charge by-law would relate, and an examination of the long term capital and operating costs for capital infrastructure required for each service. The background study must also include an asset management plan and consideration of the use of more than one development charges by-law. These requirements have been met:

- The City of North Bay 2019 Development Charges Background Study contains detailed estimates of the amount and type of development anticipated within the City to 2028.
- An amendment to the existing DC by-law was deemed to be a more appropriate approach at this point in time as there have been no significant changes to historical service levels (a factor in the calculation of discounted development charge rates), the long-term development prospects of the City and anticipated growth-related capital costs. As such, a full comprehensive study is not warranted at this point to facilitate the DC amendment. Furthermore, the 2019 DC Study calculated rates that were in excess of the development charges which were passed by City Council and adopted in DC By-law 2019-72. A full comprehensive DC Background Study would be required to facilitate the passage of a new by-law upon the expiry of the existing DC By-law 2019-72 on October 10th 2024. It is expected that the City will initiate this process in late 2023/early 2024.
- No recalculation of the City's development charges is required to implement the proposed amendment. The proposed amendment would not result in any change to the maximum permissible development charges calculated or the DC rates imposed by the by-law, although, it would extend the period to which no residential development charges are collected.
- As well, no changes to the City's development-related capital program (as prepared in the 2019 Study) would result from implementing the proposed amendment. As such, the effect of the amendment on the City's long term operating costs is anticipated to be nil. However, other non-dc funding sources may be needed to carry-out the capital program as identified in the study.

- The DC Background Study also included an asset management plan and consideration of the use of more than one development charges by-law to reflect different needs for services in different areas.
- The sole purpose of the proposed amendment is to update the DC by-law to keep the Residential Development Charge rates at nil until May 31st, 2023.

This report will be released on the City's development charge webpage on March 23rd 2022 along with the [2019 Development Charges Background Study](#)¹ released July 25th, 2019 – these studies will serve as the DC Background Study required under section 10 of the DC Act.

The City is proposing to hold a public meeting under s.12 of the DC Act on May 3rd, 2022. Notice of the public meeting will be published in a newspaper of general circulation more than 20 days prior to the meeting. The draft by-law amendment will be made available to the public at least 14 days prior to the public meeting.

In following this schedule, it is our opinion that all the DC Act requirements for passing the proposed amendment will been met. Therefore, should no objections to the proposed amendment be received before or at the public meeting, Council would consider passing the amendment on May 31st 2022.

Upon passage of the Development Charges By-law Amendment, the City will complete the other notice requirements outlined in the DC Act.

¹ The link to the 2019 DC Study is active and will direct you to the study on the City's website.

4. RECOMMENDATIONS AND PROPOSED BY-LAW ADJUSTMENTS

It is recommended that Council pass an amendment to Development Charges By-law No. 2019-72 so that the Residential Development Charge rates will remain at nil until May 31st, 2023. This will give the residential development community an opportunity to plan past November 14th, 2022 and for the new Council to make an informed decision regarding the residential development charge rates once inaugurated. Importantly, on June 1st 2023, residential development charges would then be reinstated at:

- Detached & Semi-Detached (equal to or greater than 1,500 sq.ft): \$9,814;
- Detached & Semi-Detached (greater than 1,200 sq.ft but less than 1,500 sq.ft): \$4,907;
- Rows and Other Multiples: \$4,838
- Apartments: \$2,797
- Rural Area: \$3,878

Under the existing DC By-law No. 2019-72, the City-wide residential development charges moratorium (for both discounted and non-discounted services) are set to expire on November 14th, 2022 with the residential charges, as adopted, will be increased on November 15th, 2022 (outlined in the tables below). The proposed By-law amendment would extend the expiry of moratorium to May 31st, 2023 with the changes to the DC rates coming into effect on June 1st, 2023.

The tables below show Schedules B1 and B2 under the existing by-law and the updated schedules under the DC Amendment. The only item changed under the amendment is the effective dates of the DC Rate Schedules.

Existing DC By: Law:

Schedule B1 to By-Law No. 2019-72: City-wide Discounted DC Rates

Charges in Force October 9, 2019 - November 14, 2022

	Residential Development Charge (per Dwelling Unit)						Non-Residential Per Square Foot of Gross Floor Area
	Detached & Semi-Detached	Entry Level Detached & Semi-Detached (1,200 sq.ft. or less)	Detached & Semi-Detached greater than 1,200 sq.ft. but less than 1,500 sq.ft.	Rows & Other Multiples	Apartments	Rural Area	
SERVICE							
Parks & Recreation	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00
Discounted Services Charge	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00

Charges in Force November 15, 2022 - October 8, 2024

	Residential Development Charge (per Dwelling Unit)						Non-Residential Per Square Foot of Gross Floor Area
	Detached & Semi-Detached	Entry Level Detached & Semi-Detached (1,200 sq.ft. or less)	Detached & Semi-Detached greater than 1,200 sq.ft. but less than 1,500 sq.ft.	Rows & Other Multiples	Apartments	Rural Area	
SERVICE							
Parks & Recreation	\$923	\$0	\$462	\$455	\$263	\$730	\$0.00
Discounted Services Charge	\$923	\$0	\$462	\$455	\$263	\$730	\$0.00

Existing DC By: Law:

Schedule B2 to By-Law No. 2019-72: City-wide Non-Discounted DC Rates

Charges in Force October 9, 2019 - November 14, 2022

SERVICE	Residential Development Charge (per Dwelling Unit)						Non-Residential Per Square Foot of Gross Floor Area
	Detached & Semi-Detached	Entry Level Detached & Semi-Detached (1,200 sq.ft. or less)	Detached & Semi-Detached greater than 1,200 sq.ft. but less than 1,500 sq.ft.	Rows & Other Multiples	Apartments	Rural Area	
Services Related to a Highway							
Public Works	\$0	\$0	\$0	\$0	\$0	\$0	\$0.17
Roads And Related	\$0	\$0	\$0	\$0	\$0	\$0	\$1.59
Subtotal Services Related to a Highway	\$0	\$0	\$0	\$0	\$0	\$0	\$1.76
Transit Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0.02
Protection - Fire & Police	\$0	\$0	\$0	\$0	\$0	\$0	\$0.13
Water Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0.93
Sanitary Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$1.44
Total Non-Discounted Services Charge	\$0	\$0	\$0	\$0	\$0	\$0	\$4.28

Charges in Force November 15, 2022 - October 8, 2024

SERVICE	Residential Development Charge (per Dwelling Unit)						Non-Residential Per Square Foot of Gross Floor Area
	Detached & Semi-Detached	Entry Level Detached & Semi-Detached (1,200 sq.ft. or less)	Detached & Semi-Detached greater than 1,200 sq.ft. but less than 1,500 sq.ft.	Rows & Other Multiples	Apartments	Rural Area	
Services Related to a Highway							
Public Works	\$348	\$0	\$174	\$172	\$99	\$275	\$0.17
Roads And Related	\$3,294	\$0	\$1,647	\$1,624	\$939	\$2,606	\$1.59
Subtotal Services Related to a Highway	\$3,642	\$0	\$1,821	\$1,796	\$1,038	\$2,881	\$1.76
Transit Services	\$74	\$0	\$36	\$36	\$21	\$59	\$0.02
Protection - Fire & Police	\$262	\$0	\$131	\$129	\$75	\$208	\$0.13
Water Services	\$1,929	\$0	\$965	\$951	\$550	\$0	\$0.93
Sanitary Sewer	\$2,984	\$0	\$1,492	\$1,471	\$850	\$0	\$1.44
Total Non-Discounted Services Charge	\$8,891	\$0	\$4,445	\$4,383	\$2,534	\$3,148	\$4.28

Amending DC By: Law:

Schedule B1 to amending By-Law: City-wide Discounted DC Rates

October 9 2019 - May 31 2023

SERVICE	Residential Development Charge (per Dwelling Unit)						Non-Residential Per Square Foot of Gross Floor Area
	Detached & Semi-Detached	Entry Level Detached & Semi-Detached (1,200 sq.ft. or less)	Detached & Semi-Detached greater than 1,200 sq.ft. but less than 1,500 sq.ft.	Rows & Other Multiples	Apartments	Rural Area	
Parks & Recreation	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00
Discounted Services Charge	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00

June 1 2023 - October 8 2024

SERVICE	Residential Development Charge (per Dwelling Unit)						Non-Residential Per Square Foot of Gross Floor Area
	Detached & Semi-Detached	Entry Level Detached & Semi-Detached (1,200 sq.ft. or less)	Detached & Semi-Detached greater than 1,200 sq.ft. but less than 1,500 sq.ft.	Rows & Other Multiples	Apartments	Rural Area	
Parks & Recreation	\$923	\$0	\$462	\$455	\$263	\$730	\$0.00
Discounted Services Charge	\$923	\$0	\$462	\$455	\$263	\$730	\$0.00

Amending DC By: Law:

Schedule B2 to amending By-Law: City-wide Non-Discounted DC Rates

October 9 2019 - May 31 2023

SERVICE	Residential Development Charge (per Dwelling Unit)						Non-Residential Per Square Foot of Gross Floor Area
	Detached & Semi-Detached	Entry Level Detached & Semi-Detached (1,200 sq.ft. or less)	Detached & Semi-Detached greater than 1,200 sq.ft. but less than 1,500 sq.ft.	Rows & Other Multiples	Apartments	Rural Area	
Services Related to a Highway							
Public Works	\$0	\$0	\$0	\$0	\$0	\$0	\$0.17
Roads And Related	\$0	\$0	\$0	\$0	\$0	\$0	\$1.59
Subtotal Services Related to a Highway	\$0	\$0	\$0	\$0	\$0	\$0	\$1.76
Transit Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0.02
Protection - Fire & Police	\$0	\$0	\$0	\$0	\$0	\$0	\$0.13
Water Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0.93
Sanitary Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$1.44
Total Non-Discounted Services Charge	\$0	\$0	\$0	\$0	\$0	\$0	\$4.28

June 1 2023 - October 8 2024

SERVICE	Residential Development Charge (per Dwelling Unit)						Non-Residential Per Square Foot of Gross Floor Area
	Detached & Semi-Detached	Entry Level Detached & Semi-Detached (1,200 sq.ft. or less)	Detached & Semi-Detached greater than 1,200 sq.ft. but less than 1,500 sq.ft.	Rows & Other Multiples	Apartments	Rural Area	
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Sanitary Sewer	\$2,984	\$0	\$1,492	\$1,471	\$850	\$0	\$1.44
Total Non-Discounted Services Charge	\$8,891	\$0	\$4,445	\$4,383	\$2,534	\$3,148	\$4.28