

**Meeting Date:** September 5, 2023  
**Department:** Building, By-law and Planning  
**Report No.:** BBP-2023-102  
**Submitted by:** Jennifer Huff, Director, Building & Planning  
**Approved by:** Trisha McKibbin, Chief Administrative Officer

**SUBJECT:** Local Service – Oversizing Policy

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**RECOMMENDATION: THAT:** Council receive report BBP-2023-102 for information; and **THAT:** Council direct staff to present a Local Service – Oversizing Policy for Council to review and consider for approval during a future Council meeting.

**STRATEGIC PLAN ALIGNMENT:**

This matter is in accord with the following strategic priorities:

- Economic Development: Strathroy-Caradoc will have a diverse tax base and be a place that offers a variety of economic opportunities to current and prospective residents and businesses.
- Growth Management: Strathroy-Caradoc will be an inclusive community where growth is managed to accommodate a range of needs and optimize municipal resources.

**BACKGROUND:**

The Development Charges Act, 1997 (DCA) governs what constitutes eligible services for DC funding and which services are considered ineligible. During the consideration of new subdivision developments, certain elements of the project may be considered DC eligible services and others may be considered 'local services'. Section 59 of the DCA considers local services to be the direct responsibility of the developer and the capital costs of such are to be born by the developer alone without DC reimbursement or credit. As an example, the extension of services along a road that is to benefit both local existing residents and future growth within the settlement area may be a DC eligible project, but the development of an internal local road network within a subdivision could be considered a 'local service'. It is important to note that even a DC eligible capital project could include design elements that are 'local' and not subject to reimbursement or credit. Having direction on what is and is not considered a 'local' service assists in the negotiation of capital infrastructure projects and negotiating development-driven cost-sharing agreements.

Many municipalities have either an independently approved 'Local Service Policy' or one contained within their Development Charge Background Study and By-law. Unfortunately, the Municipality has neither at this time. It would assist staff greatly during cost-sharing discussions and capital planning if such a policy were in place. It would also be of benefit to developers who would have access to the Municipality's service level and contribution expectations upfront at the beginning stages of their development design and costing.

As the timing of the Municipality's next Development Charge Review is unknown at this time, it is staff's recommendation that a policy be developed separately that can be considered / approved by Council. Staff have undertaken preliminary research into the matter and have collected a number of policy examples from a range of municipalities in Ontario.

If Council is agreeable to this approach, it would be staff's intent to develop a draft policy and have it reviewed by the Municipality's development charge consultant (Hemson) as well as RV Anderson who is completing the Servicing Master Plan (to ensure consistency in approach), and the Municipality's legal representative on development charge matters prior to bringing it forward to Council for consideration.

**CONSULTATION:**

The proposed development of a 'Local Service – Oversizing Policy' has been discussed with and is supported by the Director of Engineering and Public Works, the Senior Development Co-ordinator, consultants from Hemson, RV Anderson, as well as the Director of Finance.

**FINANCIAL IMPLICATIONS:**

None at this time. The budgeted 2023 Planning Consulting operating account contains sufficient funds to cover any expenses related to the review of the policy.

**ATTACHMENTS:**

None