

Meeting Date: November 6, 2023
Department: Building, By-law and Planning
Report No.: BBP-2023-121
Submitted by: Jake DeRidder, Senior Development Co-ordinator
Approved by: Jennifer Huff, Director of Building and Planning
Trisha McKibbin, Chief Administrative Officer

SUBJECT: Local Servicing – Oversizing Policy Update

RECOMMENDATION: THAT: Report BBP-2023-121 be received by Council for information, and further;

THAT: Council approves the Local Servicing – Oversizing Policy, and further;

THAT: By-law No. 86-23 Local Servicing – Oversizing Policy be referred to the By-law section of the Agenda for approval.

BACKGROUND:

On the September 5th 2023 Council meeting, Council directed staff to bring forward a ‘Local Servicing – Oversizing Policy’ for review and consideration. Staff have prepared a draft of the policy based on the needs of the municipality and review of similar policies of surrounding municipalities.

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 include DC eligible components in the 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.

The policy applies to development applications that include a plan of subdivision/condominium, site plan or consent however each planning application will be considered on an individual basis and the policy may be applicable in connection with other application types / projects. The policies main purpose is to provide a clear understanding of what is and isn't considered a local service which provides a standard and acts as a basis when the municipality engages in cost discussions with developers. In general, a service that is defined as local under the policy are considered services that are required in order to support the subject development and no external lands or extra capacity. A service which may be payable through development charges, also known as oversizing, is a service that isn't required for the development but is rather an extra that may be required to support external lands or roads.

Services in addition to the local service (oversizing) may include increased pipe sizes, external trail connections, additional park space or amenities, etc. In order for a service to be considered for payment through development charges, it must be identified as a project in a development charges background study.

For clarification, there may be some situations where local services includes accommodating capacity for external lands. One example of this is when a development is impacting, removing or redirecting existing flows from an existing area in order to accommodate the development. These existing flows cannot be ignored, the development must account for them as part of its local design which could result in larger infrastructure however this does not fit under the definition of oversizing in relation to development charges.

The policy also offers support when the municipality may be engaged in cost sharing discussion between developers. These cost sharing discussions may be discussions where the municipality is responsible for a share of the costs but also cost sharing between two developers where the municipality could act as a mediator between parties in order to facilitate the progression of a development.

CONSULTATION:

The draft of the 'Local Servicing – Oversizing Policy' has been discussed with and reviewed by the Director of Engineering and Public Works, Director of Community Services, Senior Development Coordinator, Hemson Consulting (development charge consultant), RV Anderson (servicing master plan consultant) and legal counsel.

FINANCIAL IMPLICATIONS:

The policy was drafted and prepared by staff and reviewed by external consultants. The budgeted 2023 Planning Consulting operating account contains sufficient funds to cover any expenses related to the review of the policy.

STRATEGIC PLAN ALIGNMENT:

This matter is in accord with the following strategic priorities:

- Growth Management: Strathroy-Caradoc will be an inclusive community where growth is managed to accommodate a range of needs and optimize municipal resources.
- 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.

ATTACHMENTS:

Local Servicing – Oversizing Policy