

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. DCAO-2025-0011

FOR THE CONSIDERATION OF COUNCIL

August 13, 2025

SUBJECT: 2025 DEVELOPMENT CHARGES BACKGROUND STUDY AND BYLAW

1. RECOMMENDATIONS:

1. That Council receive Report No. DCAO-2025-0011 prepared by the Financial Strategy and Planning Division, Office of the Deputy CAO dated August 13, 2025 respecting the 2025 Development Charges Background Study and Bylaw;
2. That Council express its intent that growth-related costs identified in the 2025 Development Charges Background Study as post-period benefit shall be paid for subsequently by development charges or other similar charges;
3. That Council state that it has given notice in accordance with Section 12 of the Development Charges Act, 1997, of its intention to pass a bylaw under Section 2 of the Act;
4. That Council approve the 2025 Development Charges Background Study dated June 4, 2025 and subsequent amendments as described in the report;
5. That Council intends to ensure that the increase in the need for services attributable to the anticipated development, including any capital costs, will be met, by updating its capital budget and forecast where appropriate.
6. That Council state that it held a Public Meeting to consider the enactment of the Development Charges Bylaw in accordance with Section 12 of the Development Charges Act, 1997;
7. That Council state that it heard all persons who applied to be heard and received written submissions whether in objection to, or in support of, the Development Charges proposed at the Public Meeting; and,
8. That Council has determined that no further public meetings are required under Section 12(3) of the Development Charges Act, 1997.

2. PURPOSE:

The purpose of this report is to provide Council with a summary of the proposed passage of the Development Charges Bylaw as presented in the bylaw section of the August 13, 2025 Council Agenda.

3. BACKGROUND:

Development Charges are the primary way for Ontario municipalities to raise funds for required services and infrastructure improvements resulting from development. The charges are intended to help pay for the cost of capital infrastructure required to provide municipal services to new development, such as roads, water and sewer, parks, community facilities and fire facilities.

The legislative authority for municipalities to levy development charges is contained in the Development Charges Act, 1997. The Development Charges Act mandates that municipalities review their Development Charges Background Study every 10 years. The Development Charges Bylaw (2021-0041) currently in effect for Town-wide services and some engineering services in Keswick and Sutton was adopted by the Town of Georgina on May 19, 2021.

Development in the Town of Georgina is subject to development charges imposed by the Town of Georgina, as well as the Region of York and the school boards.

The development charge rates in effect for the Town (for all bylaws) are detailed by Service Category in Tables 1 and 2 below, reflecting charges effective July 1, 2025 after adjusting for annual indexing. The development charges were calculated based on a Town-wide rate for those capital costs that are common across the whole of the Town's geography (Table 1). Recognizing that the growth related capital costs for the two main urban areas of Keswick and Sutton are unique to those areas, those unique costs are separated as Area Specific Development Charges applicable to new development in those community plans only (Table 2). Note the amounts included in Tables 1 and 2 below do not include development charges for the Region of York and the school boards.

Table 1 – Town-Wide Rates Effective July 1, 2025 *

Service:	Residential Dwellings				Non-Residential Charge per Square metre of GFA
	Single & Semi-Detached	Rows & Other Multiples	Apartments		
			≥650 sq ft	<650 sq ft	
	\$	\$	\$	\$	\$
Library Board	1,851	1,483	1,287	889	0.00
Fire Services	2,013	1,612	1,399	965	9.42
Parks and Recreation	20,086	16,094	13,967	9,643	0.00
Operations	781	625	542	375	6.91
General Government	588	472	409	281	1.05
Total General Service Charges	25,319	20,286	17,604	12,153	17.38
Town-wide Roads and Related	164	132	114	79	0.42
Town-wide Stormwater Mgmt.	35	29	26	18	0.21
Total Charge	25,518	20,447	17,744	12,250	18.01

* Rates indexed to Statistics Canada quarterly non-residential building construction price index

Table 2 – Area-Specific Rates Effective July 1, 2025 *

Service:	Residential Dwellings				Non-Residential Charge per Square metre of GFA
	Single & Semi-Detached	Rows & Other Multiples	Apartments		
			≥650 sq ft	<650 sq ft	
	\$	\$	\$	\$	\$
Keswick Service Area	2,209	1,768	1,536	1,060	10.02
Sutton Service Area	1,015	814	706	488	4.58
Sutton High Street Sewer	4,029	3,225	2,800	1,934	0.00
Keswick Queensway East & West	5,361	4,298	3,728	2,573	44.38

* Rates indexed to Statistics Canada quarterly non-residential building construction price index

On April 16, 2025, Council was presented with the Development Charges information session which included the draft Development Charges rates. Since that time, Town staff have worked closely with Hemson Consulting Ltd., with input from the development industry, to refine and finalize the draft 2025 Development Charges Background Study, released June 4, 2025 for public consultation.

During the Statutory Public Meeting held on June 18, 2025, Council directed Town staff to review a potential Area-Specific Development Charge (ASDC) for the

Keswick Business Park which would recover costs for engineering infrastructure and be imposed only on non-residential development within the business park, if implemented. As part of the review, Town staff reached out to developers and their representatives to explore the option. After further review of the timing and the types of development proposed, Town staff does not recommend an ASDC as part of the Town-wide bylaw at this time. However, staff is continuing to hold ongoing consultations with the business park developers and will provide further evaluation and reporting in the future. Notably, an ASDC can be put in place at any time outside the Town wide DC bylaw.

4. **ANALYSIS:**

The analysis included the formulation of growth forecasts related to population, housing and employment, and the associated forecast of the capital infrastructure needed to service the proposed growth while maintaining the Town's historical service levels to its residents and businesses.

Recent Legislative Amendments to the Development Charges Act – Bill 17

On May 12, 2025, the Province of Ontario introduced Bill 17, the *Protect Ontario by Building Faster and Smarter Act, 2025*. On June 5, 2025, Bill 17 received Royal Assent. The Bill makes multiple amendments to the Development Charges Act, 1997, with the significant amendments which came into force on Royal Assent described as follows:

Amendment	Description
Exemption of development charges for long-term care homes ⁽¹⁾	Any part of a building or structure intended for use as a long-term care home is exempt from development charges.
New guidelines to administrative amendments without procedural requirements	Changes can be made by municipalities which have the effect of reducing DCs, without the need to undertake a new background study, amend the existing bylaw, hold statutory public meetings, etc.
Enable developers to benefit from lowest DC rate applicable	If DCs have been further reduced during a DC freeze period, a developer can benefit from the lower rate in effect at the time of payment rather than the rate frozen during the time of site plan application or zoning application.

Note 1: long-term care home, as defined in subsection 2 (1) of the *Fixing Long-Term Care Home Act, 2021*,

Some of the most far-reaching implications of Bill 17 may be implemented through future regulations or by order of the Lieutenant Governor. As such, these proposed regulatory powers warrant detailed financial impact analysis. Bill 17 would grant the Minister authority to make regulations that:

- Deferral of Residential DC Payments Until Occupancy;
- Merge Services for DC Credits;
- Limit Eligible Capital Costs;
- More defined Local Services;
- Prescribe Benefit to Existing (BTE) Methodology; and
- Standardize DC Background Studies and Annual Reports.

Correspondence with the Development Community

The DC study process included a comprehensive engagement process with the Town's development industry. A correspondence dated May 9, 2025 from Keleher Planning & Economic Consulting Inc. (KPEC), agent for Georgina Developers Association (GDA), was submitted to the Town (Attachment 1). The letter included technical inquiries and questions over the assumptions and methodologies used in the calculation of the DC rates.

Town staff and Hemson met with KPEC and the GDA on May 21, 2025 to review the draft development-related capital programs and capital asset inventories used to develop the average service level calculations – the meeting was used to informally address any questions posed in the May 9, 2025 letter. Following the meeting, a response letter - dated June 25, 2025 - was provided to KPEC and the GDA to formally address the inquiries (Attachment 2). Of importance, any changes arising from the KPEC letter was addressed and incorporated into the DC Background Study made public on June 4th 2025.

On June 18, 2025, the Town held a Statutory Public Meeting where staff received meaningful feedback from the public and from the Building Industry and Land Development Association (BILD). As part of this meeting, BILD provided a letter (Attachment 3) summarizing the concerns the development community had surrounding the Town's proposed development charges. They expressed concerns over economic uncertainty, challenging market conditions, together with increases in development charges, would be a significant hindrance to the delivery of housing projects within the Town.

A follow up correspondence dated July 17, 2025 was provided by KPEC (Attachment 4) surrounding technical aspects and assumptions used in the study.

Town staff and Hemson held further discussions with KPEC, BILD, and representatives from the GDA on July 28, 2025 and had constructive and open dialogue surrounding the development charges review and key assumptions used in the DC calculations. Town staff communicated that an additional project, a Sports

Dome, was proposed to be added to the capital program. The development community highlighted the continual need for balanced housing policies and development charges to facilitate ongoing development in the Town. In response to this meeting, the Town and Hemson further reviewed the rate calculations, and as a result, additional rate adjustments were incorporated into the proposed Development Charges Bylaw as described in the letter by Hemson (Attachment 5).

The rates outlined in Table 3 and Table 4 reflect feedback from the development community, BILD, Council, as well as public input. The adjustments proposed ensure that the delivery of future capital projects was not jeopardized and continue to be included in the DC program for recovery, while at the same time, ensuring that feedback from the development community was taken into account and reflected in the final rates.

Lastly, the Town received feedback from long-term care home developer Kindera Living (Attachment 6), dated May 21, 2025 requesting an exemption from development charges for its long-term care home development. Since this letter was received, Bill 17 has passed and received Royal Assent - long-term care development as defined by the DCA is no longer subject to development charges under the DCA.

Additional project added after June 4th release

A new Sports Dome facility was added to recognize plans to include it in the updated Recreation Masterplan. The facility was added to the capital program in 2034 for a cost of \$5.0 million. Recognizing the ongoing discussions with the industry, this project has been identified to be entirely post period and not included for recovery in this planning period from DCs.

Therefore, the inclusion of this project has no net impact on the DC rates calculated but included for transparency and continuity to future DC Studies and the Town's intent to include this project in the forthcoming Recreation Masterplan.

Changes to Bylaw to Align with York Region

Apartment Size

To better align with York Region's qualifier of what constitutes small apartment versus a large apartment, staff propose that the definition of small apartment changes from <650 sq ft to <700 sq ft and that the definition of a large apartment changes from ≥650 sq ft to ≥700 sq ft. This change was formally introduced by the development industry during the consultation process (May 9th 2025 letter from KPEC) - staff felt this is a reasonable request which would also streamline the administration of the DC rates by the Town.

Similarly to the current Town rates outlined in Table 1 and Table 2, the calculated rates are differentiated based on a Town-wide and Area Specific approach. The final calculated development charge rates for the Town are detailed by Service Category in Tables 3 and 4 below.

Table 3 – Town-Wide Rates Effective September 1, 2025

Service:	Residential Dwellings				Non-Residential Charge per Square metre of GFA
	Single & Semi-Detached	Rows & Other Multiples	Apartments		
			≥700 sq ft	<700 sq ft	
	\$	\$	\$	\$	\$
Library Board	1,287	1,232	901	622	0.00
Fire Services	3,505	3,354	2,453	1,694	18.03
Parks and Recreation	25,676	24,572	17,973	12,410	0.00
Operations	1,363	1,305	954	659	7.00
General Government	477	456	334	230	2.45
Total General Service Charges	32,308	30,919	22,615	15,615	27.48
Town-wide Roads and Related	825	790	578	399	4.14
Town-wide Stormwater Mgmt.	122	117	86	59	0.61
Total	33,255	31,826	23,279	16,073	32.23

The increase in the development charge rates (from current) is attributed to a

Table 4 – Area-Specific Rates Effective September 1, 2025

Service:	Residential Dwellings				Non-Residential Charge per Square metre of GFA
	Single & Semi-Detached	Rows & Other Multiples	Apartments		
			≥700 sq ft	<700 sq ft	
	\$	\$	\$	\$	\$
Keswick Service Area	3,474	3,324	2,432	1,679	17.29
Sutton Service Area	2,594	2,482	1,816	1,254	12.78
Sutton High Street Sewer	239	229	168	116	0.00
Keswick Queensway East & West	3,767	3,605	2,637	1,821	31.40

number of factors:

- The capital program includes for a number of new park development projects: including various waterfront park projects, other non-waterfront park

developments, and the construction of new fire station space to accommodate growth;

- Recovery of the principal and interest payments associated with existing debt (MURC and Julia Munro Park); and
- Increased road, water and sanitary sewer servicing requirements in Keswick and Sutton areas (collected under the ASDCs)

Development charges are a cost recovery tool municipalities use to help fund growth-related infrastructure. As part of this study process and through discussion with various Town staff, council and the development industry, it has been determined that the Town should look to incorporate further measures to address housing challenges and increase affordability. While it is acknowledged that the Town DC rate is a small portion of the total payable charge as the Region's DC share represents 66% of the total, it is important the Town consider similar policies put forward by the Region to provide relief to the housing affordability challenges. Notwithstanding the important role local governments have, everyone has a role to play and advocacy work with all levels of government will continue.

Town staff will be working closely with Hemson following the passage of the DC bylaw to introduce several important policies to help further address housing affordability concerns. It is expected that these policies can be introduced to Town Council in the fall of 2025.

5. RELATIONSHIP TO STRATEGIC PLAN:

Delivering service excellence

Ensure continued financial sustainability and accountability

Ensuring balanced growth

Promote and ensure responsible growth and long-term planning

6. FINANCIAL AND BUDGETARY IMPACT:

The adoption of the proposed Development Charges Bylaw will enable the Town of Georgina to collect development charges from developers and builders to mitigate the cost of the growth related capital program and the related burden to the Town's property tax and utility base.

7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:

The Town of Georgina held a public meeting on June 18, 2025 in accordance with Section 12 of the Act. At that meeting, staff from Hemson presented a slide show that provided an overview of the DC Background Study, and the proposed Development Charges Bylaw, which would establish development charges to be levied upon new development in the Town of Georgina. The Public Meeting also

provided an opportunity for the public to ask questions, provide comments, and provide input regarding the Background Study and Bylaw.

The required notice for the Public Meeting was advertised by the Town on the Town's web site www.georgina.ca and in the local newspaper Georgina Post on each of the following dates:

- May 10, 2025
- May 24, 2025

At the Public Meeting, Council heard all persons who applied to be heard and received written submissions whether in objection to, or in support of, the development charges proposed.

The timeline established for the Development Charges Background Study and Bylaw is summarized below:

- Council Meeting: Council Information Session and Release of Draft Rates
April 16, 2025
- Release of the Development Charges Study and Proposed Development Charges Bylaw
June 4, 2025
- Council Meeting: Statutory Public Meeting
June 18, 2025
- Council Meeting: Proposed Passage of the Development Charges Bylaw
August 13, 2025
- Effective Date for Development Charges Bylaw
September 1, 2025
- Release of 2025 Development Charges Background Study (Consolidated Version) October 2025
- Appeal Period - Any person or organization may appeal a development charges by-law to the Ontario Land Tribunal by filing with the Town Clerk.
40 days after Bylaw Passage

In addition to these meetings, Town staff continued to engage the members of the development community for a coordinated and cohesive response to any concerns:

- Development Consultation/Meeting: Introduction to study process/key steps
February 25, 2025

- Detailed information on the draft capital programs, capital asset inventories and service level calculations were provided to the industry and their consultants in advance of the DC Study Release. Package was provided on April 23, 2025
- Development Consultation/Meeting: Review of draft rates and draft inventory/capital program
May 21, 2025
- Development Consultation/Meeting: Review of Draft 2025 Development Charges Study released on June 4, 2025.
July 3, 2025
- Development Consultation/Meeting: Follow up
July 28, 2025

8. CONCLUSION:

This report summarizes the proposed Development Charges Bylaw as prepared by Hemson Consulting Ltd. in consultation with Town staff.

APPROVALS

Prepared By:	Becky Ridding, CPA, CA Senior Financial Analyst
Reviewed By:	Dina Havkin, CPA, CMA Manager of Financial Strategy and Planning/Deputy Treasurer
Recommended By:	Rob Wheeler, CPA, CA Deputy Chief Administrative Officer/Treasurer
Approved By:	Ryan Cronsberry Chief Administrative Officer

Attachments:

1. *Correspondence by KPEC, agent for GDA, dated May 09, 2025*
2. *Correspondence by Hemson Consulting, dated June 25, 2025*
3. *Correspondence by BILD Association, dated June 11, 2025*
4. *Correspondence by KPEC, agent for GDA, dated July 17, 2025*
5. *Correspondence by Hemson Consulting, dated August 06, 2025*
6. *Correspondence by Kindera Living, dated May 21, 2025*

Reference:

1. ***Development Charges Background Study dated June 4, 2025 prepared by Hemson Consulting Ltd.*** – Viewable from the Town's website
www.georgina.ca