

Public meeting on possible changes to Development Charges

A required Public Meeting was held at the May 11th Shelburne Council, reviewing recommended changes to the Town's Development Charges (DC) by Hemson Consulting Ltd. The firm, represented by Craig Binning at the meeting, had been retained by the Town to undertake a new DC background study. Development charges are the "fees imposed on developers to finance development-related capital costs" to the Town. The public was informed of the meeting to hear the presentation and ask questions. Attendance May 14th was very low.

Development Charges are used by municipalities across the province to recover increased capital spending as a result of growth. Revenue collected helps to pay for "new infrastructure and facilities to maintain service levels." The only other way of recovering funds are through increased property taxes and utility rates. Hemson Consulting recommended a significant increase in Development Charges to developers in Shelburne based on a 10 year forecast of growth and development. A Developer Consultation meeting was held April 14th to explain the recommended increases and review concerns.

Local developer of more than 30 years in Shelburne, Joe Bojin, expressed his concerns to Council at the Public Meeting, reporting that the Town of Orangeville had no DC charges for industrial development and that the recommended increases were a burden and deterrent for developers. Craig Binning responded to his point, stating that Mr. Bojin was in fact correct, and that there were areas outside the GTA that did discount development charges for industrial developers. Treasurer for the Town of Shelburne, Carol Sweeney noted that previously Shelburne had experimented with a 0% DC for industrial developers for two years to attract industry, but "it did not produce results."

The Hemson study, and recommendations, follows on the heels of a completed study and By-law passed in March 2014, which does not expire for five years. Council can amend that By-law at anytime to establish new rates as per recommendations, which Binning says come with Hemson's more comprehensive study approach, allowing for more appropriate Development Charges. The report shows that approximately 60% of the funds are used for Parks and Recreation as development brings more people into the community in need of the facilities.

Councillor Wade Mills, who had previously expressed concern that developers would be driven away by the recommended increases, restated his concerns after the report was delivered Monday night. "I am concerned with the optics of an increase," said Mills. Binning responded that, "Statistically there is no correlation between increases and a decline in development" Shelburne is still quite competitive with Orangeville or New Tecumseth." Binning admitted that there were some lower tier municipalities in the area where the DC rate was less than Shelburne.

Mayor Ken Bennington asked the Hemson Consultant how Shelburne might off-set such a discount to industrial developers if they were to look at it as an option. Mr. Binning responded that the burden would not be allowed to be shifted to residential developers; therefore the tax payers would have to pick it up. There will be a presentation of a proposed By-law to Council with the recommended changes on May 25th.

By Marni Walsh