



Report to Council

Department: Development Services
Division: Development Services
Date: October 20, 2025
Prepared by: Lori Chadwick, Director, Development Services
Report Number: Development Services-2025-07
Subject: Overview of County of Essex Development Charges
Background Study
Number of Pages: 7 plus attachments

Recommendation(s)

That Development Services Report 2025-07 entitled “County of Essex Development Charges” prepared by Lori Chadwick, Director, Development Services dated October 20, 2025 be received.

Purpose

To provide Town of Essex Council, as per Council resolution, with an overview of the County of Essex Development Charges Background Study.

Background and Discussion

The following resolution was adopted by Town of Essex Council on June 16, 2025:

“That Council direct Administration to return with a report on the impact and opportunities to the Town of Essex resulting from the proposed County

of Essex imposed Development Charges once a formal implementation plan for such proposed Development Charges has been presented by the County.” (R25-06-300)

Development Charges (DCs) are fees that municipalities in Ontario collect from developers to help ensure that the financial burden of growth-related capital works is borne by new development, rather than borne by existing residents through property taxes or user fees. A DC recovers capital expenditures that are required due to an increase in need for capital projects and municipal services arising from new growth.

Our upper tier municipality, the County of Essex, is considering implementing a County-wide DC due to significant growth projected across Essex County in the coming years. Before passing a by-law, a municipality must conduct a detailed background study to predict growth and calculate the increased need for municipal services and infrastructure.

The County’s DC Background Study (**attached**) was presented to County Council at their Regular Meeting on April 2, 2025 followed by a series of Public Information Meetings and Stakeholder Consultation Sessions to inform and gather input on the proposed County DC initiative. A follow up report (**attached**) was presented to County Council on August 6, 2025 which summarized feedback received, presented responses to concerns, and outlined financial impacts to implementing County DCs. Most recently, the County of Essex held a statutory public meeting on October 1, 2025 to present a Draft Development Charges By-law (**attached**) for

public and Council input. The Final DC By-law is expected to be considered by County Council at their November 19, 2025 Regular Meeting.

In response to the County DC Background study, Town of Essex Council directed Administration to return with a report on the impact and opportunities to the Town of Essex resulting from the proposed County of Essex imposed Development Charges once a formal implementation plan for such proposed Development Charges has been presented by the County.

The County DC Background Study included a forecast of residential and non-residential growth over a 10-year and 16-year period, projecting the following increases:

- 10-year planning period: the County is estimated to grow by 25,600 people and 12,600 new occupied dwelling units.
- 16-year planning period: the County is estimated to grow by 48,600 people and 21,600 new occupied dwelling units.

The study reports that, as the County's population increases, there will be a correlating increase in emergency calls (EMS) resulting in the need for additional emergency response vehicles, facility expansion, or additional facilities. Similarly, the study concludes that as the County's population increases, there is also a need for other services, such as additional long-term care facility beds, expansion of waste diversion services as the amount of waste will increase, and expansion of library services as there will be more library users. Lastly, the study confirms that additional traffic on County Roads resulting from growth will reach a point where

road improvements may be required to accommodate the additional traffic and reduce congestion.

The County DC Background Study identified an extensive list of County Capital Projects forecasted over the planning period that would be required due to the forecasted growth. A comparison between the Town of Essex DC Background Study (2024) and the County's DC Background Study shows the following Infrastructure Projects (that have a County cost share) as being excluded:

- County Road 8 and Talbot Street North Intersection Improvements
- County Road 8 and South Talbot Road Intersection Improvements
- County Road 34 Reconstruction from County Road 8 to Hopgood (Road Repaving & Storm Sewers)
- County Road 23 & Future Hanlan Street Roundabout
- County Road 23 & Talbot Street South Intersection Improvements

Accordingly, Town of Essex Administration submitted to the County of Essex a letter (**attached**) suggesting that a Local Service Policy be considered to provide clarity to the local municipalities for projects eligible or ineligible for County DCs, to be paid directly by a developer, or to be paid by the local municipality. The intent of such Local Service Policy would be to provide clarity and identify when a developer would be responsible for infrastructure, when the infrastructure would be included in the County's DC Background Study, and when such infrastructure would be at the cost of the local municipality or when such infrastructure will be accounted for in a separate cost sharing agreement. County and Town Administration have planned to discuss the Town's letter to the County at a

meeting prior to the Final County DC By-law being presented for County Council’s adoption.

Overall, Town of Essex Administration’s opinion of the benefits and potential impacts as a result of County DCs are summarized in the table below:

Benefits	Potential Impacts
<ul style="list-style-type: none"> Recovers capital expenditures that are required arising from new growth 	<ul style="list-style-type: none"> Possible reduction to housing affordability by increasing the overall cost of new homes, if the cost of DCs is passed onto new homeowners
<ul style="list-style-type: none"> Ensures the financial burden of growth-related capital works is borne by new development, rather than borne by existing residents through property taxes or user fees 	<ul style="list-style-type: none"> Developers suggest that if DCs are significant, particularly where both upper and lower tier DCs exist, they can be a growth deterrent
<ul style="list-style-type: none"> Strengthens the ability to maintain or expand services such as roads, emergency management, libraries, long term care, and waste diversion 	

With regard to the Town of Essex, Development Charges have been fully implemented in the Town for some time, creating a revenue stream for growth projects while ensuring a minimized burden to the taxpayer.

The proposed County DC, if fully implemented, would result in a charge of \$12,956 for single-detached dwellings and semis, \$7,845 for townhomes and other multiples, \$6,895 for apartment units, and \$46.34 per sq. meter for non-residential properties. This is in addition to the Town of Essex DC and

water/wastewater charges where applicable. We note that the County may phase in their proposed DCs.

As with lower tier municipalities, certain exemptions under the *Development Charges Act* (DCA) are mandatory for upper tier municipalities as well, being:

- Industrial building expansions
- Long term care homes
- Additional dwelling units (ADUs)
- Affordable housing
- Non-profit housing
- Municipalities and school boards

Reductions to DCs are also available for certain types of developments such as rental housing developments.

As mentioned, the Final DC By-law is planned to be presented to County Council on November 19, 2025. County Council is considering a Phased-In approach to implementing a County DC that incrementally introduces the charges by 25% over a four (4) year period. Although this approach may ease immediate financial pressures on developers, it will result in a revenue shortfall to fund the growth-related County capital projects thereby placing the burden on taxpayers.

Financial Impact

There is no financial impact to the Town as a result of this report.

Consultations

Kate Giurissevich, Chief Administrative Officer

Kevin Girard, Director, Infrastructure Services

Kate Rowe, Director, Corporate Services/Treasurer

Link to Strategic Priorities

- Embrace asset management best practices to build, maintain, and continuously improve our municipally owned infrastructure.
- Leverage our Town's competitive advantages to promote jobs and economic investment.
- Take care of our natural environment and strengthen the sense of belonging to everyone who makes Essex "home".
- Deliver friendly customer service in an efficient, effective, and transparent manner while providing an exceptional working environment for our employees.
- Build corporate-level and community-level climate resilience through community engagement and partnership and corporate objectives.

Report Approval Details

Document Title:	County of Essex Development Charges - Development Services-2025-07.docx
Attachments:	<ul style="list-style-type: none">- hemson_county-of-essex-development-charge-study.pdf- County DC Report Aug 2025 .pdf- Town of Essex Letter re County of Essex Development Charges Background Study.pdf- 2025-0917-FIN-R29-MR County Development Charges, Draft By-Law.pdf- Appendix A - 2025-XX_DRAFT DevelopmentChargesByLaw_UA.pdf
Final Approval Date:	Oct 15, 2025

This report and all of its attachments were approved and signed as outlined below:



Kate Giurissevich, Chief Administrative Officer - Oct 15, 2025 - 10:06 AM