

Town of Erin development charges likely to go up

Jesse Gault, Local Journalism Initiative Reporter GuelphToday.com

ERIN — With the increased cost of the wastewater treatment plant and wastewater collection system, development charges need to be increased to help cover the higher cost.

The wastewater treatment plant was \$67,208,500 in 2019 then became \$128,900,000 in 2022. The wastewater collection system was \$20,346,000 in 2019 then \$57,032,000 in 2022.

The current DC in the residential category has wastewater services at \$15,797 but the required, calculated wastewater services charge is \$28,729.

Gary Scandlan, a professional land economist, explained the DC changes for Erin council via Zoom, at its Thursday meeting.

The previous DCs in the wastewater category were established in 2020.

"I noted that the town's current bylaw does have a component for wastewater. It was put in place in 2020. And subsequent to that we did see increases in the cost of construction," Scandlan said.

The cost of the wastewater treatment facility and the wastewater collection system has significantly increased.

"You see at the very bottom, there is two components of the development charge. The wastewater treatment facility, originally that was estimated at \$67.2 million you can see now it's almost at \$129 million.

"Similarly we've seen increases in the wastewater collection system. So those are major trunks and pumping works for the system and originally that was at \$20 million and now it's at \$57 million," Scandlan said.

The DCs need to go up because the wastewater infrastructure has gone up.

"So the basis for our update is obviously to reflect higher charges due to the increased cost of the infrastructure," Scandlan said.

There are also several provisions from Bill 23 that are now incorporated into the Development Charges Act and became effective on Nov. 28.

Bill 23 provisions include a third residential dwelling on a property not having to pay DCs, a discount for rental properties, DC payment interest rate capped at 1 per cent plus the average prime rate, as well as several other provisions.

Coun. John Brennan inquired about one of the Bill 23 provisions, how DCs are allocated for specific uses.

“The allocation of funds, so if I’m understanding this correctly, we need to earmark those development charges for specific projects. And if so, how much, if any flexibility or do we know if future council would have any flexibility to spend that money different or not?” Brennan said.

Those funds are to be allocated for water, wastewater and roads.

“Well it’s gonna affect three different services,” Scandlan said.

Scandlan explained that as DCs go to reserve funds, there needs to be intention to allocate the money for an appropriate use.

“It just says you have to have a statement on allocating 60 per cent of your reserves, the reserve funds for those three services. It’s more of a statement than a mandatory commitment,” Scandlan said.

The process adds clarity for developers.

“But it’s a communication to the developers how the town is going to use those funds over the next, you know the shorter period of time,” Scandlan said.

The council received this information on Thursday. It is to consider a bylaw on the DC update in March.

Jesse Gault is the Local Journalism Initiative reporter for GuelphToday. LJI is a federally-funded program.

The Canadian Press. All rights reserved.