




**Development
Charges Across Canada**
*An
Underutilized
Growth
Management
Tool?*

Picture Source: Delbz via Flickr Creative Commons



“Fiscal policy, when uncoordinated with urban planning, is an element that could bring about an inefficient urban structure.”

-A. McFarlane, Taxes, Fees and Urban Development


- What are development charges?
- How do development charges affect urban growth?



Presentation Outline

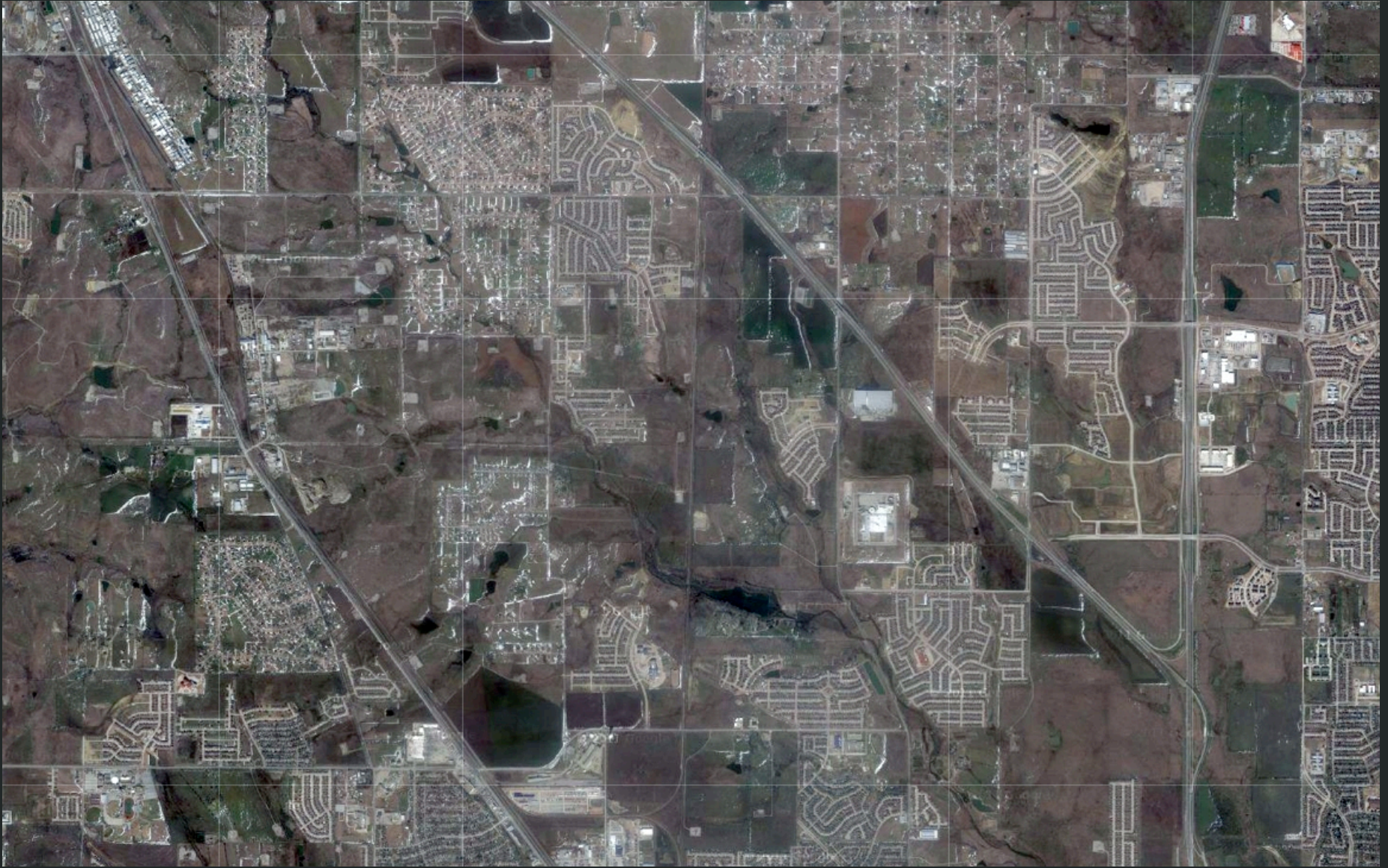
1. Growth Management, Sprawl and Development Charge Theory
2. Development Charges Across Canada
3. Survey Results
4. Research Observations and Findings
5. Recommendations

Growth Management, Sprawl and Development Charge Theory



“Sprawl is low density, auto-dependent land development taking place on the edges of urban centers, often “leapfrogging” away from current denser development nodes, to transform open, undeveloped land, into single-family residential subdivisions and campus-style commercial office parks and diffuse retail uses.”


-David Soule, *Urban Sprawl: A Comprehensive Reference Guide*



Source: Google Maps

*“While **sprawl** is typically believed to be a result of market forces expressing consumer preferences, in fact a web of local zoning ordinances, state policies, and federal laws and programs has encouraged sprawl to such a degree that it is often difficult to built anything else.”*

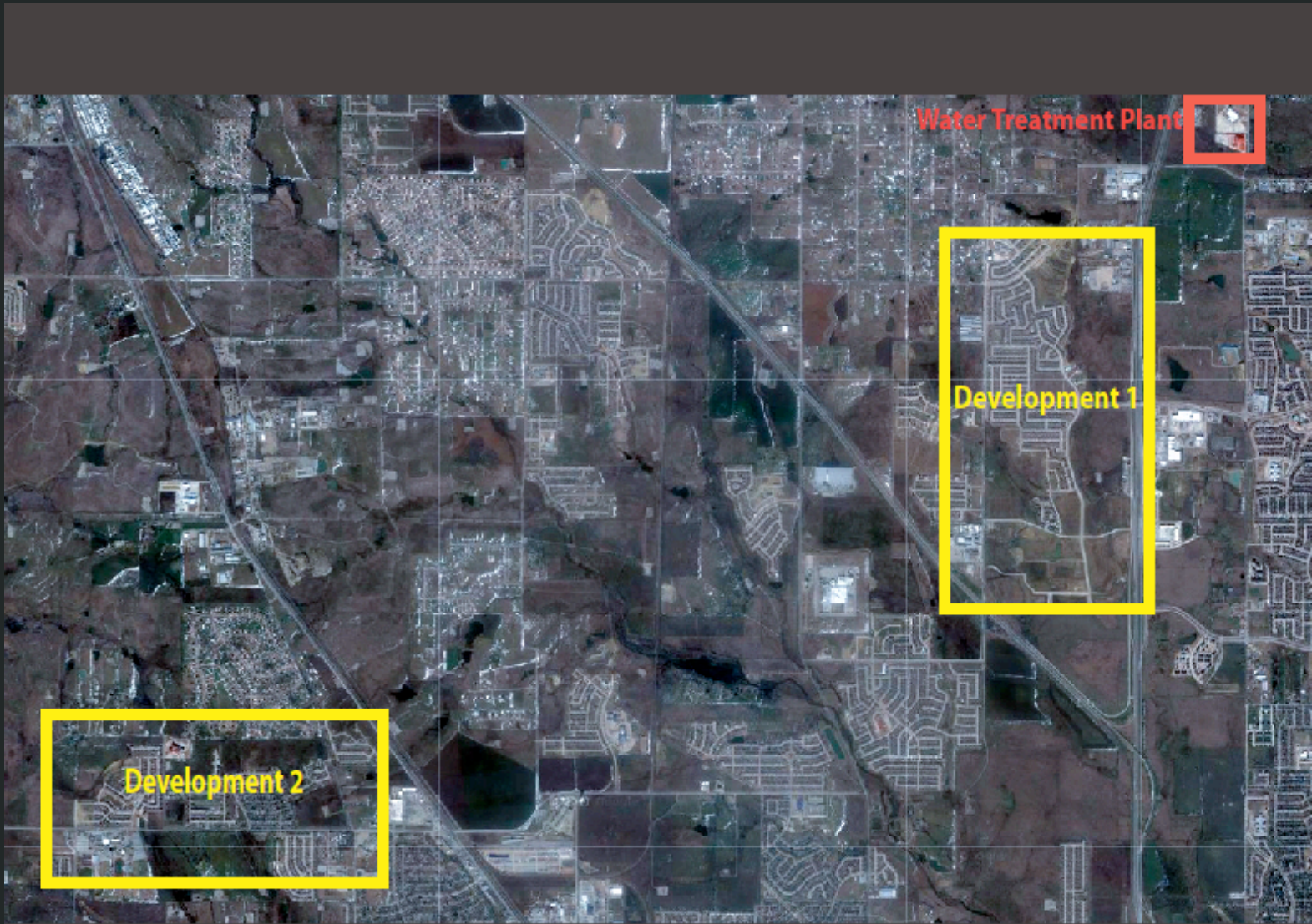
*-R. Burchell et al., *Sprawl Costs: Economic Impacts of Unchecked Sprawl**

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- Why is it important to shift the way cities grow and develop?
 - How are governments approaching growth management?



Growth Management, Sprawl and Development Charge Theory

- Why are development charges seen as a growth management tool?
- How can municipalities design their development charges effectively?
 - Area specific vs. uniform charges
 - Varying charges based on location, intensity or type
 - Linking fiscal goals to planning objectives



Water Treatment Plant

Development 1

Development 2

Source: Google Maps



Growth Management, Sprawl and Development Charge Theory

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...only 8% of surveyed planning officials reported using development charges or cost sharing agreements as a part of their growth management programs...

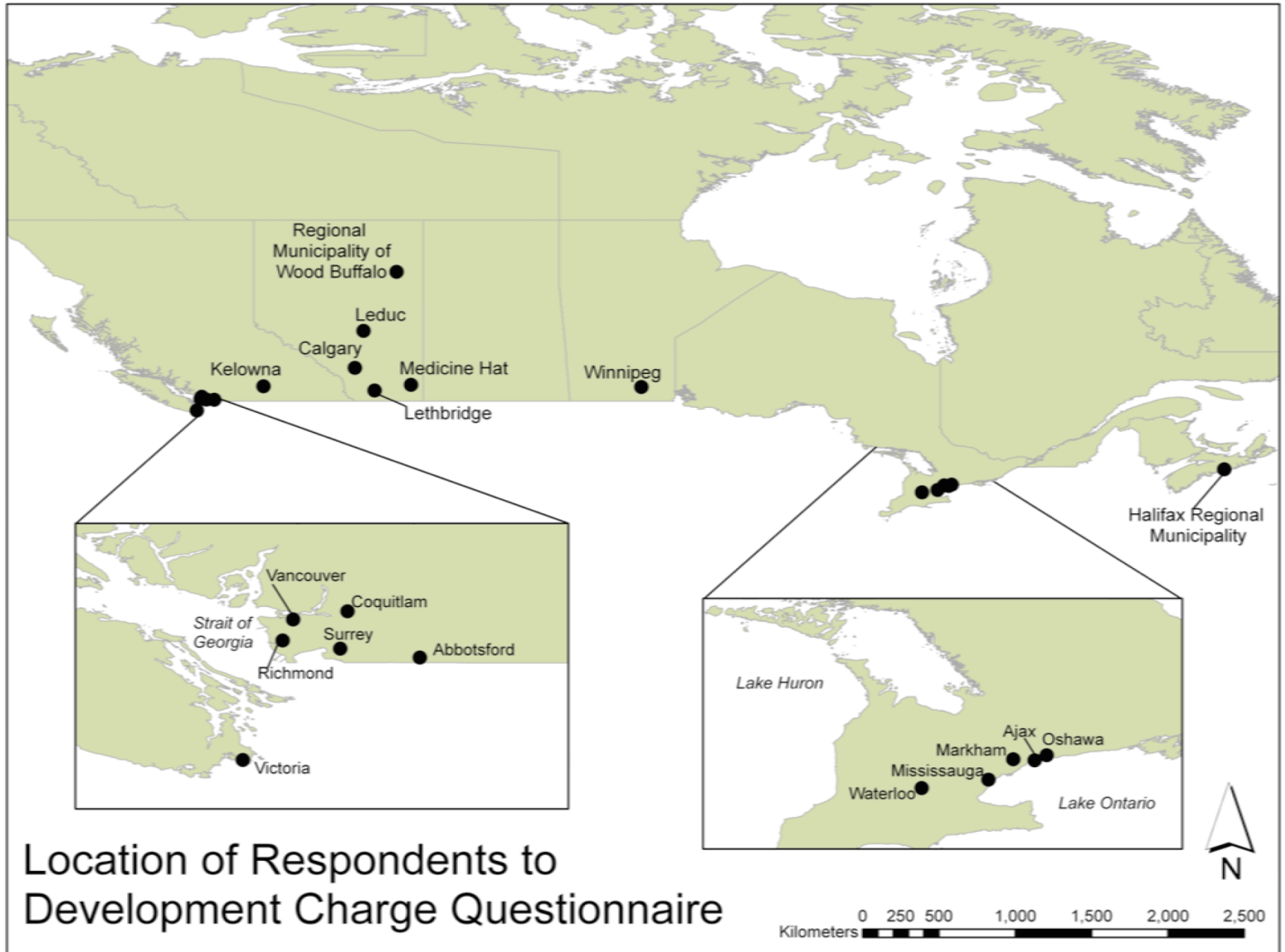
-Skaburskis and Brunner, *The Views of Canadian Planners on Growth Problems and Growth Management Strategies*

- Development Charges Across Canada
 - British Columbia
 - Alberta
 - Ontario
 - Halifax Regional Municipality



Survey Results

- Survey sent to 23 municipalities
 - 7 in British Columbia
 - 6 in Alberta
 - 8 in Ontario
 - The City of Winnipeg and the Halifax Regional Municipality
- 19 responses received
- 83% response rate



Location of Respondents to
Development Charge Questionnaire



Survey Results

- 6 of the 19 respondents reported that development charges were being used as a way to achieve more compact growth patterns.
- How did municipalities report they were using development charges proactively?
 1. Waiving or reducing charges
 2. Area specific charges
 3. Using a density gradient to vary charges



“There is a misconception that DCs [development charges] can/should be used to advance policy objectives.”

-Questionnaire Respondent

- Why did municipalities report they were unable to use development charges proactively?
 1. Not a viable option because revenue was needed to provide infrastructure/services.
 2. Saw development charges primarily as a finance tool.
 3. Were transitioning to using development charges more proactively.
- 7 of the 19 respondents reported that the impacts of development charges on the municipalities' growth patterns had been studied.

Research Observations and Findings

- What are the barriers to using development charges as a growth management tool?
 - Disconnect within the process
 - Planning Tool vs. Finance Tool
 - “Development charges do have a role as a planning tool as long as the municipality thinks of them this way.”





Research Observations and Findings

- What are the barriers to using development charges as a growth management tool?
 - Timing of the collection of development charges
 - Administration of development charges
 - Funding transit services



Recommendations

1. Provincial governments should amend development charge legislation to include the costs of providing transit services related to growth.
2. Municipalities should provide the option for delayed or staggered payment schedules for development charges.



Recommendations

3. Municipalities should remove internal barriers preventing development charges from being used as both a planning *and* finance tool.
4. Provincial governments should provide administrative support to municipalities and undertake the ongoing study of policy issues related to development charges.

