Development Framework Report

Executive Summary:

The development framework report is the culmination of a collaborative effort between staff, elected officials, citizens and industry stakeholders to identify opportunities to improve the development environment in Prince Edward County.

The attached framework document proposes a series of recommendations aimed at addressing process, policy and other challenges that exist in the County in order to foster a culture that encourages development and sends a message that Prince Edward County is open for business.

Recommendation:

THAT the report of the Community and Economic Development Commission dated March 30, 2017 regarding the development framework report be received;

THAT Council approves the Development Framework report and recommendations as attached; and

THAT subject to Council approval of the document, staff begin working with the Development Framework Subcommittee on the creation of an implementation plan for the recommendations.

Purpose:

The purpose of this report is to recommend that the Council accepts the Development Framework as attached and refer it to staff and the Development Framework Subcommittee for the development of an implementation plan for the recommendations.

Background:

At the July 28, 2015 meeting of the Community and Economic Development Commission (CEDC) the most urgent priorities from the Community Development Strategic Plan were identified for 2016.

Of these identified priorities, #11 states:

Review the County’s development approvals process for new residential, commercial and industrial development. As part of this effort, the County should communicate its intent to the development community.

To begin addressing this priority, the CEDC passed the following Motion at their regular meeting on November 30, 2015:
Motion CDC-99-2015
Moved by Trevor Crowe
Seconded by Tim Ward

THAT the report of the Community Development Department dated November 30, 2015 regarding the establishment of a development framework process be received;

THAT the Community and Economic Development Commission approves the development framework process outlined herein; and

THAT the Community and Economic Development Commission forward the approved development framework process to Council for approval and support.

CARRIED

These recommendations were endorsed by the Committee of the Whole on March 10, 2016, and ratified by Council on March 22, 2016, allowing the Commission to proceed with establishment of the Development Framework Subcommittee.

The Development Framework Subcommittee met six times exploring the following overarching themes as identified by the development community and at the Mayor’s Development Forum in late 2015:

- Leveraging the County’s growing profile for resident attraction.
- Building infrastructure and resource capacity to meet market demand.
- Improve communication flows internally and with the development community.
- Establish clear development-friendly guidelines and policies.
- Review the County’s financial risks associated with development and provide options that seek to balance the County’s risk tolerance and the development community’s financial capacity.
- Promote a culture of development enablement, customer service and problem solving at all stages of the process.
- Identify opportunities to financially assist development.
- Identify County initiatives that encourage development.

The subcommittee was comprised of industry stakeholders, elected officials, citizens and staff, and it was charged with the task of establishing a series of recommendations that the municipality could undertake to support its efforts to be more development friendly.

Analysis/Comment:

Current real estate pressures, declining rental stock and a limited supply of affordable housing have created a number of challenges for Prince Edward County. The growth of the short-term accommodations rental market has also contributed to the decline of rental housing stock. This lack of affordable housing has made it increasingly difficult to recruit workers and families to the community. While new home builds have been increasing annually in the County, the supply continues to lag demand. Council has prioritized a need for more residential development in order to meet the needs of the community and economy.
The Development Framework report was created through consultation and collaboration between elected officials, Prince Edward County staff, citizens and development industry stakeholders. The document includes 34 recommendations for addressing the opportunities and concerns identified by the development community related to difficulties with bringing new residential development to Prince Edward County.

At the Mayors 2015 Development Forum, the high level challenges facing the development community were identified as:

- Current approvals process & communications with municipal officials
- Staffing resources & decision-making
- Infrastructure/land availability & fees
- Lack of clear engineering guidelines
- Affordable/Social Housing requirements
- Uncontrollable issues (hospital/wind turbines)

The subcommittee identified the following areas where processes or policies could be examined to address the identified challenges:

- Customer service
- Delegation and timelines
- County Development Resources
- Infrastructure
- Development climate
- Engineering guidelines
- Affordable housing
- Development fees and charges

**Strategic Plan/Priority Implications:**

**Prince Edward County Corporate Strategic Plan**

Corporate Priority 4 states its goal as “a community with stable employment and affordable housing.” The objective of this priority is to “create a community where all residents can work and afford to live” and among its six actions it lists the following to achieve the goal and objective in the context of development:

1. Promote the development of diverse housing options

**Prince Edward County Community Development Strategic Plan**

11. Review the County’s development approvals process for new residential, commercial and industrial development. Provide consideration to the Development Team approach modeled by other high functioning development communities. As part of this effort the County should communicate its intent to the development community.

11.1. Facilitate regular meetings between the planning department, Community development staff and the County’s development/investment community, as a way
to ensure an understanding of issues and challenges facing developers/investors in the County, and discuss opportunities to improve the overall investment climate.

**Financial Implications:**

The development framework recommendations generally fall into one of three categories:

1. Those that involve a change in policy, process or approach present perceived lower cost.

2. Those that involve a full cost recovery model, with the expenses being covered by fee or other revenue from applicants and developers

3. Those potential action items that have an identified cost associated with them and would be subject to the annual budget process and require Council approval in the future in order to move forward.

**Policy Implications:**

This activity supports the Prince Edward County Corporate Strategic Plan, the Prince Edward County Community Development Strategic Plan and Council’s commitment to be more development-friendly.

**Notice/Consultation:**

Subcommittee Members:

- Peter Moyer, Director of Development Services
- Diane O’Brien, Councillor
- Jamie Forrester, Councillor
- Gord Fox, Councillor
- David Cleave, Citizen Member
- Jason Elbourne, Citizen Member
- Stewart O’Brien, Citizen Member
- Stewart O’Brien, Citizen Member
- Graham Shannon, Citizen Member

Staff

- James Hepburn, CAO
- Robert McAuley, Commissioner of Engineering, Development and Works
- Paul Walsh, Manager of Planning

**Other Options:**

None identified for the recommendations of this report
Attachments:

1. Appendix A – Subcommittee Discussion Topics
   Appendix B – Development Framework Subcommittee Terms of Reference
   Appendix C – Development Forum Feedback Summary

2. Development Framework

Prepared by: Todd Davis  
Community Development Coordinator  
March 23, 2017

Director Approval: Neil Carbone  
Director of Community Development  
March 23, 2017

CAO Approval: James Hepburn  
Chief Administrative Officer  
March 23, 2017
## Appendix A – Subcommittee Discussion Topics

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<th>Topic</th>
<th>Discussion Points</th>
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<tr>
<td><strong>Development Fees</strong></td>
<td>Development Charges&lt;br&gt;Connection Fees&lt;br&gt;Payment timing/deferral&lt;br&gt;General Fee Schedule/comparison</td>
</tr>
<tr>
<td><strong>Customer Service</strong></td>
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<tr>
<td><strong>Critical Paths</strong></td>
<td>Creation of checklist and process documents&lt;br&gt;Online/developer portal&lt;br&gt;Meeting minutes/task assignments&lt;br&gt;Peer review process</td>
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<tr>
<td><strong>Engineering Guidelines</strong></td>
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<tr>
<td><strong>Delegation/Timelines</strong></td>
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</tr>
<tr>
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<tr>
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<td>GIS Information&lt;br&gt;Services modelling&lt;br&gt;Growth pressure and current/future capacities&lt;br&gt;Managing current demand within limited-capacity environment</td>
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<tr>
<td><strong>Affordable Housing/Rentals</strong></td>
<td>Developer observations&lt;br&gt;Incentives&lt;br&gt;Future planning tools and Municipal requirements&lt;br&gt;Rental market</td>
</tr>
<tr>
<td><strong>Development Culture</strong></td>
<td>Combat NIMBYism&lt;br&gt;Council and public attitudes/education&lt;br&gt;Public Consultation</td>
</tr>
<tr>
<td><strong>Current Policies/By-Laws</strong></td>
<td>Official Plan/ZBL&lt;br&gt;HCD&lt;br&gt;Other</td>
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Appendix B

Development Framework Subcommittee
Terms of Reference

Subcommittee Purpose:

The Corporation of the County of Prince Edward is committed to fostering an enabling approach to development for the benefit of the community. This benefit includes an ability to effectively address development pressures in order to grow the economy, build upon a unique and prized quality of place, and move the Municipality towards financial sustainability.

Through consultations with County developers, staff and the broader community, the County has identified the need for a more coordinated approach to various initiatives, standards and polices that affect development to improve its attractiveness as a development location – to be truly “open for business”.

To this end, the creation of a Development Framework has been endorsed by Council with the intent of exploring the following overarching themes as identified by the development community:

- Leveraging the County’s growing profile for resident attraction
- Building infrastructure and resource capacity to meet market demand
- Improving communication flows internally and with the development community
- Establishing clear development-friendly guidelines and policies
- Reviewing the County’s financial risks associated with development and providing options that seek to balance the County’s risk tolerance and the development community’s financial capacity
- Promote a culture of development enablement, customer service and problem solving at all stages of the process
- Identify opportunities to financially assist development
- Identify County initiatives, such as but not limited to, the Community Improvement Plan, reduced fees and charges and/or Cash in lieu provisions, and their impact on, or ability to encourage, development

The purpose of this subcommittee is to:

- Discuss and summarize the main issues and concerns respecting the County’s current development-related policies and practices;

- Identify best practices in other municipalities which align with the subcommittee’s identified focus areas;

- Develop recommendations to address identified issues and opportunities and to provide these in a report for submission to the Community and Economic Development Commission for approval and submission to County Council.
Sub-committee Duties:

- Review the overarching themes, challenges and opportunities identified through consultation with developers
- Identify the key policy or process areas related to challenges and opportunities in the service delivery.
- Research and compare techniques and best practices employed by other municipalities to understand potential approaches to addressing the identified issues.
- The subcommittee shall not attempt to formulate detailed process changes, formulas, timelines or financial incentives but rather to propose what type and the nature of the changes that could be made to achieve the goals of the development framework.
- Obtain feedback from the development community on the subcommittee’s proposed process and policy changes
- Present a report and draft development framework to the CEDC for review and endorsement

Sub-committee Members:

The Development Framework Subcommittee shall be organized as follows:

The subcommittee will consist of up to seven (7) voting members representing the following groups:

- One (1) member of the Community and Economic Development Commission
- The Director of Development Services
- Two (2) representatives of Municipal Council, to be identified by Council, in addition to any member appointed from the CEDC.
- Between two (2) and four (4) representatives from the development community

The subcommittee shall include the following staff as non-voting resources:

- The Director of Community Development
- Ex-officio:
  - Chief Administration Officer
  - Commissioner of Engineering, Development and Works
  - Commissioner of Corporate Services and Finance
- The subcommittee may request any other agency, organization, or expert resource be represented as required and as necessary, for local issues or special purposes.

Governance and Guidance:

The subcommittee shall be governed by:

- By-Law No. 3070-2012 Community and Economic Development Commission Terms of Reference
- The Municipal Procedural By-Law
- The Municipal Purchasing and Procurement By-Law
Development Framework Report - Appendices

- Any other applicable By-Laws or legislation

The subcommittee shall be guided by:

- The Official Plan, the Corporate Strategic Plan and priorities of Council, and the Community Development Strategic Plan.

Appointments, Term and Remuneration:

- The subcommittee is ad hoc and serves at the discretion of the Community and Economic Development Commission. Notwithstanding, the appointments shall expire at the end of term of the Community and Economic Development Commission.

- Subcommittee members shall serve without remuneration and shall not directly or indirectly receive any profit from his/her position as such, provided that a subcommittee member shall be paid reasonable expenses incurred in the performance of their duties in accordance with the approval of the Community and Economic Development Commission and Municipal Policy.

Declaration of Interest, Meetings and Place of Meeting:

- Members of the subcommittee shall be governed by the Municipal Procedure By-Law and Municipal Conflict of Interest Act.

- The subcommittee members will determine the appropriate dates and places for meetings providing duly advertised notice to the members and the Community and Economic Development Commission.

Budget:

- Any costs associated with the subcommittees work must be approved by and be funded through the Community and Economic Development Commission’s annual budget.
Appendix C

Development Forum Feedback Summary

November 25, 2015

1) Why develop in PEC?

<table>
<thead>
<tr>
<th>Quality of Place</th>
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<tbody>
<tr>
<td>• Want to live here</td>
</tr>
<tr>
<td>• Tourists drive interest, many news articles</td>
</tr>
<tr>
<td>• A lot of clients / people wanting to live here are from here, “invested interest”</td>
</tr>
<tr>
<td>• Desirable location</td>
</tr>
<tr>
<td>• Thriving community</td>
</tr>
<tr>
<td>• Where we live and love it</td>
</tr>
<tr>
<td>• Good community facilities but without growth in young families</td>
</tr>
<tr>
<td>• Diversity of landscapes to develop</td>
</tr>
<tr>
<td>• Quality of life</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Large market for development</td>
</tr>
<tr>
<td>• Underutilized, underdeveloped market</td>
</tr>
<tr>
<td>• Accessible to larger markets but still far enough away</td>
</tr>
<tr>
<td>• Seniors market - potential retirement destination 45 +</td>
</tr>
<tr>
<td>• Ontario’s premier retirement destination</td>
</tr>
<tr>
<td>• 2\textsuperscript{nd} homes and long term plans</td>
</tr>
<tr>
<td>• Waterfront opportunities still available</td>
</tr>
<tr>
<td>• Diverse price points and sizes available</td>
</tr>
<tr>
<td>• Belleville commuters Mid – high end rental opportunities</td>
</tr>
</tbody>
</table>
2) Current biggest challenge you face developing here?

### Approvals Process/Communication

- Ownership over the process
- Get rid of hassles and those that say nobody knows
- External bottle necks
- Word of mouth in the dev community keeps other developers away
- Legal
- Unnecessary studies
- Time / cost of peer reviews
- County using external review as a delaying tactic
- Frustration with the process
- Builds lost – Shire Hall problems
  - Even outside planners have problems
- Bureaucratic quagmire
- Pre-consultations should give more information about requirements
- Developer responsible for studies
- Too much time to have permits issued
- Communication problems
  - Basic and timely are not there

### Staffing/Decision Making

- DS group should report to the CAO
  - Peter should report directly to the CAO as well
  - Flatter org. structure
- Lack of technical support
  - Too many staff with technical and institutional knowledge left during restructuring
- Lack of support between senior and frontline staff causes people to spin their wheels
- Building department understaffed
- Approvals bottleneck
- Continuity in staffing
- Too much where one person / staff member has too much control x2
- Attract and retain good DS and CD service
- Risk aversion
- Role of CEDC enhanced and more flexible

### Infrastructure/Land/Fees

- Infrastructure – available services
- Fees too high
- Availability of developable lands
- Municipal infrastructure
Engineering Guidelines

- No set standard
- Don’t understand engineering requirements
- Development committee established as per HAC
  - Need guidelines for certainty
3) What changes would you make to the approvals process?

**Communications**
- Fix internal communications x3
- Need defined point person x2
- Website for developers with live updates and feedback
- Reasonable benchmarks communicated to developers
  - Engineered drawings, timeframe, targets
  - Don’t want to be taken by surprise

**Staffing**
- Less reliance on planning consultants
- Someone to cover decision making during commissioner holidays x2
- Consistent staffing
- Staff reviews of peer review comments when this is done.
- Educated DS and CD staff
- More review done in-house
- Eliminate bottlenecks
- One person cannot approve everything

**Enabling vs. Restrictive**
- Attitude change
- Adapt provincial policies to match County needs not the other way around
- Create a “red tape” rover to help negotiate the developer through quickly
- Stand ground with outside reviewers

**Systems/Process**
- Provide a tire kicking opportunity
  - What could we do?
  - How far can we push something?
- Consider team approach
- Changes with the DS group and Peter’s arrival considered positive
- Share in infrastructure costs
  - Extending w / ww services
- Greater council – staff cooperation in achieving goals Better GIS
- Readily available service infrastructure info
  - Provide engineering standards in advance
- Define the difference between major and minor site plan reviews
  - Minor – less $, time, council input, staff delegated the authority to review and forge agreement
  - Major – more onerous process
4) Greatest threats to development in PEC?

**County Requirements & Processes**

- 100% letters of credit required
- Too many steps in the process
- Poor investment in hamlet culture
  - Crappy sidewalks
- Unfair expectations
- Inconsistency with answers to developers questions
- Sense that County doesn’t want new development
  - Run around from staff and Council
  - Consistent discrimination of developers
- Infilling
  - Potential for too much nimbyism
  - Needs more meat – vision for infilling
- Dev / builder exit interviews?
- Stuck with traditional methods of developing rural areas
  - Need new development standards to match new housing forms

**Affordable/Social Housing**

- Assisted housing, come from housing authority
  - Not able to screen
  - Same cost to build
  - Residential tenancy act
- Affordable housing requirements

**Uncontrollable**

- Wind turbines
- No hospital = no development
Market/Environmental

- No real outside threats
- Neighbouring competition and cheaper costs
  - Costs today do not equal return on investments vs. 15%
  - $15,000 matters for non-Toronto buyers
- Risk – reward imbalance
- Long term rental stock is poor
- Time issues – one-off builders have other jobs and cannot be available during regular working hour.
- Sweet spot for development are subdivisions with 30 – 35 homes and then those with 55 + homes
- Easier to renovate than to build new these days
- 2 Million dollars for a subdivision that builds 15 homes per year
- Time / system issues
  - Greenfield

Overall Themes

<table>
<thead>
<tr>
<th>Why Develop?</th>
<th>Biggest Challenges</th>
<th>Needed Changes</th>
<th>Greatest Threats</th>
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<tr>
<td>Attractive quality of place</td>
<td>Approvals process &amp; communication</td>
<td>County communications</td>
<td>County Requirements &amp; Processes</td>
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<td>Staffing resources &amp; decision-making</td>
<td>Appropriate staffing/resources</td>
<td>Affordable/Social Housing requirements</td>
</tr>
<tr>
<td></td>
<td>Infrastructure/land availability &amp; fees</td>
<td>Enabling vs. Restrictive approach</td>
<td>Uncontrollable issues (hospital/wind turbines)</td>
</tr>
<tr>
<td></td>
<td>Lack of clear engineering guidelines</td>
<td>Systems/Process</td>
<td>Market/Environmental</td>
</tr>
</tbody>
</table>
ACKNOWLEDGEMENTS

The Development Framework Report was prepared through a consultative and collaborative process involving the Community and Economic Development Commission, the Development Framework Sub Committee, County staff, Development Forum attendees, industry stakeholders and members of the community.

SUB COMMITTEE MEMBERS
- David Cleave (Citizen Member)
- Jason Elbourne (Citizen Member)
- Jamie Forrester (Councillor)
- Gord Fox (Councillor)
- Peter Moyer (Director of Development Services)
- Stewart O’Brien (Citizen Member)
- Diane O’Brien (Councillor)
- Graham Shannon (Citizen Member)

COUNTY STAFF
- Neil Carbone (Director of Community Development)
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MESSAGE FROM THE MAYOR

Dear friends,

The release of this Development Framework marks a very proud moment in my tenure as Mayor. When first elected to office, I made a commitment to our community that the municipality would work with local developers to foster an environment that would promote development and growth in the County. As a municipality, we are undergoing a period of change—we are making great efforts to prioritize our activities and focus our resources on those goals that are most important to our residents, as outlined in our new Corporate Strategic Plan. Promoting development and growth is a key priority for the County, and this Framework is an important step along that path.

In the pages of this report you will find a series of findings and recommendations that are the product of a year and a half of investigation and collaboration between municipal staff, elected officials, and representatives from the construction and development industries in our region. All participants in this process recognized development as a key component of promoting economic growth and community well-being, and there was a shared sentiment that this process represented the beginning of a more collaborative relationship between developers and the municipality.

The process that led us to this series of recommendations was an honest, objective reflection of the state of affairs, and it has been incredibly informative and productive. It began in November 2015 at the Development Forum that I hosted to bring all parties together; it continued through the Development Framework Ad Hoc Committee that was established to drill down further into the challenges facing development and to recommend solutions to those issues. This process represents a much-needed conversation that succeeded in bringing developers and the municipality onto the same page.
The process is not yet complete. Over the years to come, it will take dedication from our elected representatives and municipal staff to implement the recommendations laid out in this Development Framework. It will also take patience and the collaboration from our local developers as we continue to take steps to improve the systems through which they must operate. However, I am confident that—as a result of these efforts—we will see a revitalized development process that will facilitate growth for our community.

Thank you,

**Mayor Robert Quaiff**
MESSAGE FROM THE DEVELOPERS

The Development Community in Prince Edward County is not a large one. There are only a few developers that are actively engaged in servicing new home projects and a number of others that have development projects at various stages of approval. A decision to proceed with a substantial project requires a long term view. There are significant up-front costs and the return on this investment is often many years away. Successful projects benefit from predictability and accountability on the part of municipalities as partners in these projects.

We appreciate the Mayor and Council asking us to participate in this process to identify the barriers we feel are preventing a positive and productive long term development atmosphere in Prince Edward County.

There are many opportunities to improve the development process as outlined in the report that follows; however, it is important to clearly understand the key concerns of our industry and how they impede development decisions. In our view they are as follows:

1) We feel the municipality should follow recognized municipal practices for levying development fees and charges. In particular, we feel the separation of connection fees from development charges and the associated legislated, and accountable process, needs review. Recent proposals would cause a 50% increases in these connection fees and this is a concern to developers with long term projects.

2) The municipality is receiving provincial and federal grant funding in the millions and should recognize these contributions when calculating development charges and connection fees. This inflates the cost of infrastructure and results in the shifting of actual costs from one user group to another. This does not create comfort for making long term investments.
3) It would be beneficial if the municipality followed standard municipal practices in our region for security deposits required to commence a new development and related maintenance periods for the release of these same securities; and

4) The municipality would benefit from creating more focus on customer service and communication competencies. Empowering key personnel to manage the development process would improve the development culture and would be a significant step in the right direction.

We are pleased and confident that this framework’s 36 recommendations will address these issues and look forward to working with Council and Staff to tackle the above challenges and others outlined here to create a positive environment that encourages development in Prince Edward County.
SECTION 1 – INTRODUCTION
The purpose of a development framework for Prince Edward County is to provide a vision, guiding principles and recommendations for making decisions related to development. After lengthy consultations with the development community and the engagement of our elected officials, this framework was developed to be brought forward over the next 24 months in an effort to establish a benchmark of development services delivery in Prince Edward County.

Through the feedback from the development community and review of development practices in other same size and structure communities the major issues and problems associated with the development of land in Prince Edward County were identified. Once the issues, challenges and problems were brought forward, municipal staff worked with our elected officials and industry stakeholders to craft 31 separate actionable solutions that they feel will work towards encouraging growth and creating stability in the development community.

There is no single solution, developer, member of staff or elected official that is going to solve the challenges Prince Edward County faces. A community that is encouraging, engaging, stabilizing and fostering development takes the efforts and commitments of each group working in concert towards a common goal. This framework while comprehensive and a departure from the ways we have traditionally handled developers and development speaks to a community that needs growth to offset the inevitable ongoing increase in services and costs. It is the vision of forward thinking councillors that listened to our development community and were willing to craft solutions to their issues, concerns and problems, acknowledging that to grow our population and tax base involves working with not against those that invest in our community.
1.1 Mayor’s Development Forum

On November 25th 2015, Mayor Robert Quaiff invited contractors, developers, planning/engineering consultants, and any other interested parties to attend an open house style forum so that elected officials, Development Services and Community Development staff could gain feedback and insight into the existing development process in Prince Edward County. Both on the campaign trail and once in office, the Mayor received a number of comments from local landowners and housing developers citing significant challenges associated with the development of new housing stock in the community, etc. Some of the issues and challenges are related to the cost of housing, product demand and the segment of the population demanding specific types of housing, economic development and the nature and number of jobs in the community, fees, service connections and overall financial sustainability.

The mayor viewed the forum as an opportunity to engage with the development community and as a first step in a series of making Prince Edward County development friendly. He acknowledged the need for a culture change from our elected officials, staff and even residents. He viewed the initial meeting as an opportunity to learn first-hand from those driving development in our community what the challenges were, thus helping staff and Council to improve on the services that we provide to developers.

The forum posed the following questions to the participants:

1. Why develop in Prince Edward County – what’s the best thing, advantage or opportunity?
2. Current or biggest challenge you face in developing here?
3. What changes would you make to the approvals process?
4. What is greatest threat to development in the County?

Mayor Quaiff hosted the forum as a response to feedback he received from the development community while campaigning in the most recent election. The meeting was well attended by local and regional developers, as well as many members of Council.
1.2 Community Development Strategic Plan

The Community Development Strategic Plan published in 2014 identified the review and possible improvement of the development approvals process as a priority of the municipality. The plan states:

Goal 2 – A Supportive Environment for Business and Investment

Objective: to enhance the County’s competitive advantage for attracting and retaining business and investment in our traditional and emerging sectors.

11. Review the County’s development approvals process for new residential, commercial and industrial development. Provide consideration to the Development Team approach modeled by other high functioning development communities. As part of this effort the County should communicate its intent to the development community.

11.1. Facilitate regular meetings between the planning department, Community development staff and the County’s development/investment community, as a way to ensure an understanding of issues and challenges facing developers/investors in the County, and discuss opportunities to improve the overall investment climate.

The need to review the process has been identified by stakeholders, staff, elected officials and the general public. Included in the departments 2016 – 2017 work plans, this project sets out as the culmination of a year of public consultation and feedback.
1.3 CORPORATE STRATEGIC PLAN

The Prince Edward County Corporate Strategic Plan was developed through Council, staff and general public input through-out the first three quarters of 2016. It was created in an effort to focus, Council and Staff activities across the corporation to well thought out strategic priorities that promote a strong community and stable economic future for the community.

“Our vision for the County is an ambitious one: “To be a County that is recognized as a welcoming, healthy, prosperous, safe and cohesive community with a strong, open municipal government that provides cost effective services and stable well-funded infrastructure.” To that end, the Corporate Strategic Plan contains objectives and related strategic priorities that provide a road map for how we can achieve this vision over the council term and beyond.”

In the plan it acknowledges that some of the challenges facing Prince Edward County are related to housing supply and affordability. The municipality and its strategic plan prioritize housing affordability as one of its top 5 priorities.

Corporate Priority 4 states its goal as “a community with stable employment and affordable housing.” The objective of this priority is to “create a community where all residents can work and afford to live” and among its six actions it lists the following to achieve the goal and objective in the context of development:

1. Promote the development of diverse housing options
2. Support existing businesses by encouraging succession planning and matching existing building space to potential employment generators.

“Development costs are too high which affect the cost per sq. ft. for young people trying to build here.”
1.4 Business Retention + Expansion Report

BR+E programs are often conducted on a sector by sector basis, with updates to each sector taking place every few years. The process involves conducting confidential interviews with businesses to gather insights into their needs, challenges and opportunities for growth. It’s focused on connecting with a large portion of the manufacturing and construction sectors, and has provided industry data specific to Prince Edward County.

The BR+E also follows the Mayor’s recent Development Forum in late 2015 and creation of a Development Framework Subcommittee in early 2016 and represents critical steps towards soliciting public feedback on development concerns from the construction industry.

This process has not only provided critical feedback for the Development Framework process, but has also provided an opportunity for the Community Development Department to connect with business owners in person and to help address any urgent matters they might be facing.

The primary issues identified by the business community in the BR + E process are the perceived lack of cooperation from Planning & Building Departments in the past, and the inability to attract a qualified workforce.

Many businesses have cited that the influx of new business and awareness is an opportunity that The County must take advantage of by fostering and facilitating this growth.

Quotes from the Development Community:

“Time and cost to go through development and permit process is hindering.”

“We need a smoother process for developers, reduced cost of development and a vision for the future.”

“Investors need reassurance that The County is a safe place to do business and develop.”
SECTION 2 – THE DEVELOPMENT FRAMEWORK PROCESS
2.1 **How did we get here?**

At the July 28, 2015 meeting of the Community and Economic Development Commission (CEDC) the most urgent priorities from the Community Development Strategic Plan were identified for 2016. Of these identified priorities, #11 which states:

Review the County’s development approvals process for new residential, commercial and industrial development. As part of this effort, the County should communicate its intent to the development community.

To begin addressing this priority, the CEDC passed the following Motion at their regular meeting on November 30, 2015:

**Motion CDC-99-2015**

Moved by Trevor Crowe

Seconded by Tim Ward

THAT the report of the Community Development Department dated November 30, 2015 regarding the establishment of a development framework process be received;

THAT the Community and Economic Development Commission approves the development framework process outlined herein; and

THAT the Community and Economic Development Commission forward the approved development framework process to Council for approval and support.

CARRIED
The Commission’s recommendation was endorsed by the Committee of the Whole on March 10, 2016, and ratified by Council on March 22, 2016, allowing the Commission to proceed with establishment of the Development Framework Subcommittee as outlined in the recommended process.

2.2 The Development Framework Sub-committee

The Mayor held a Development Forum on November 25, 2015 at the Essroc Centre where he invited members of the development, building and construction trade’s communities to participate in giving feedback on the current state of the development process in Prince Edward County. Information gathered at that meeting provided the basis for discussions of the Development Framework Subcommittee.

Through the consultations with County developers, staff and the broader community, the County identified the need for a more coordinated approach to various initiatives, standards and polices that affect development to improve its attractiveness as a development location. The priority of Council and staff is for Prince Edward County to be viewed by developers as truly “open for business”.

To this end, the creation of a Development Framework was endorsed by Council with the intent of exploring the following overarching themes as identified by the development community:

- Leveraging the County’s growing profile for resident attraction.
- Building infrastructure and resource capacity to meet market demand.
- Improve communication flows internally and with the development community.
- Establish clear development-friendly guidelines and policies.
- Review the County’s financial risks associated with development and provide options that seek to balance the County’s risk tolerance and the development community’s financial capacity.
• Promote a culture of development enablement, customer service and problem solving at all stages of the process.
• Identify opportunities to financially assist development.
• Identify County initiatives that encourage development

To assist with this work the CEDC struck a Development Framework Subcommittee that has met and discussed the topics. The subcommittee is comprised of industry stakeholders, elected officials, citizens and staff, charged with the task of reviewing forum feedback and providing a list of actions that the municipality can undertake in whole or in part to support its efforts to be more development friendly. This report is a result of those discussions and offers a high level framework that can direct council and staff in signaling to the development community that Prince Edward County is “open for business”.
SECTION 3 – CHANGING THE COUNTY’S DEVELOPMENT CULTURE
3.1 **LOOKING FORWARD**

3.1.1 **CHALLENGES**

The attendees at the Development Forum and the members of the Development Framework Sub-committee identified the following challenges to development in Prince Edward County:

- Current approvals process & communications with municipal officials
- Staffing resources & decision-making
- Infrastructure/land availability & fees
- Lack of clear engineering guidelines
- Affordable/Social Housing requirements
- Uncontrollable issues (hospital/wind turbines)

3.2.1 **OPPORTUNITIES**

The following opportunities were identified or suggested for the development process:

- Attractive quality of place
- Market demand
- Improved systems and processes
- Enabling culture and approach to development
### 3.2 Guiding Principles

**Council**

- Prioritize policies and initiatives that promote economic prosperity, foster employment growth and support development in the County.

- Support a cost-effective and sustainable approach to development.

- Preserve and enhance the quality of life for residents of Prince Edward County by maintaining a safe and attractive community with employment opportunities, housing choice, attractive parks and open spaces and varied community services and infrastructure.

- Strive to adhere to Council approved development policy, understand the rational and intent behind them, and consider the implications of decisions on the broader County, developers and our reputation.

- Consider industry standards and practices when setting development policy.

- Reevaluate the County’s considerable risk aversion and mitigation in setting development policy; consider accepting a degree of risk where appropriate to promote development.

**Staff**

- Adopt an attitude that developers are partners in growing the community; work with them to resolve issues and challenges rather than focusing only on the County’s regulatory role.

- Employ creative problem-solving while observing sound land use planning and/or engineering standards on a project.

- Strive to provide clear, consistent and standardized information, expectations, and other communications with every project/application.

- Emphasize customer service in everything that we do; make it a hallmark of the development experience in Prince Edward County.

- Balance regulatory requirements with the needs of the community while preserving and promoting economic prosperity and quality of life.
SECTION 4 – SERVICE DELIVERY AREAS & RECOMMENDATIONS
4.1 CUSTOMER SERVICE

Over the years the development community has indicated a growing level of frustration with the development approvals process in the County. With corporate restructuring and a diminished staff allocation in the planning and engineering divisions, a series of customer service issues were created. Unclear information and applications, limited staff with the ability to make decisions, the lack of formalized engineering standards, and basic response times for phone and email inquiries created the perception that the municipality was not interested in development or didn't value those seeking to develop in Prince Edward County.

In an effort to improve service levels the most basic thing the municipality can do is ensure that enough appropriately trained personnel are available to provide timely service to the development community. In the subcommittee’s discussions, this need was unanimously identified as a central need by citizen, Councillor and staff members.

Additional customer service issues that arose through discussion included the need for front line employee customer service excellence; the need for additional staff during periods of high volume, and the need for easier access to information.

With these concerns in mind, the Development Framework Subcommittee arrived at the following recommendations related to customer service that are critical to support the development community in Prince Edward County:

1. Ensure sufficient human resources in place to implement enhanced customer service initiatives and application processing targets.

2. Develop standardized engineering requirements and clear checklists for different application types
   a. Develop clear, written municipal guidelines, including rationale, for various applications and processes including but not limited to:
i. Plans of Subdivision
ii. Condominium/Condo Conversion
iii. Site Plans
iv. Heritage Applications

3. Revise forms/processes to allow for rejection of incomplete applications; avoid wasted time and encourage compliance by applicants

4. Continue to emphasize pre-consultation; provide sufficient staff resources to facilitate preconsultation in a timely fashion

5. Establish an ongoing consultative mechanism with the development community to obtain feedback and identify emerging challenges & opportunities

6. Establish target timelines for application processing and regularly report on metrics
   a) Consider a web portal for tracking applications, to promote accountability for staff and developers, and to allow for more efficient communications.
   b) Set targets and metrics for meetings and response times

7. Establish consistent approach to minute taking and development meeting follow-up to ensure all parties aware of next steps (development portal tie-in)

8. Provide easier access to information that developers need including but not limited to:
   a) Servicing information
   b) Application checklists
   c) Building permit information
   d) Economic and population data
4.2 Delegation and Timelines

One of the longest standing concerns voiced by the development community in Prince Edward County is their inability to get information about the status of a particular development application once it has been submitted. While the Planning Act provides specific guidelines for the consideration of a complete application, a significant challenge is the discretion Staff has deeming an application complete. Currently the time it takes to review and deem an application complete is neither standardized nor acceptable to developers.

Understanding the length of time it takes for an application to move from staff consultation to Council approval is often a key to the success or failure of any development. To create further issues, decisions often related to complex applications or small parts of applications are centralized in the hands of a limited number of individuals. Key decision makers in Development Services often have extremely large workloads that cripple abilities to make timely, consistent decisions on applications. This creates the perception that some decisions are at times hasty or most often too long in coming. The volume of work can also create situations where information requests from developers or the standards applied to applications are not consistent. This lack of consistency creates challenges that can turn what seems like a straightforward, cost certain application into a complex and less profitable project.

Opportunities to streamline development approvals should be considered by Staff and Council through the thoughtful delegation of tasks that are approved by Council but require subsequent technical elements to be completed or negotiated. Recommendations in this area include:

9. Ensure redundancy with decision-making resources to mitigate delays caused by staff absences
   a) Strive to develop an internal culture of empowerment for new and junior staff; foster confidence in their decision-making (develop within)
10. Identify and consider delegation of technical approvals to staff and/or legal counsel:
   a) Examine applicability and delegation of site plan approval for smaller developments
   b) Subdivision approval when draft conditions are satisfied on a draft approved subdivision already approved by Council.
   c) Consider taking Site Plan Control Approval (SPCA) directly to Council (or delegated approval authority) instead of Committee of the Whole (COTW) in order to reduce the time it takes for approval; staff has discretion to place SPCAs on COTW agenda’s if the projects are deemed sensitive
   d) Other approvals

11. Place a greater emphasis on internal review of all but specialized/unique engineering/planning applications

12. Retain an external consulting firm to serve as an extension of staff – to help with unique review or high volume periods rather than attempting to staff for the peaks.
   a) Have County staff serve as conduit with developer for peer review feedback; external opinions can and should be vetted by staff internally before being passed along
4.3 COUNTY DEVELOPMENT RESOURCES

Historically Prince Edward County has experienced challenges retaining staff in the Planning, Engineering and other departments. During restructuring activities in 2011 this issue was identified corporation wide and ideas were brought forward in an effort to retain good young staff. Competitive salaries (pegged at the 60th percentile for the non-union working group) and an award-winning Career Development Program are two examples of programs or changes to working conditions that were introduced with some success.

For the development community staff attrition has led to a myriad of challenges including timeline delays, customer service challenges and a lack of consistency in interpretation of policy. The ability to build capacity, undertake change initiatives or move forward with technological improvements has been compromised with so much staff turnover.

Access to information whether through technology or individual expertise builds on the municipality’s capacity to provide critical answers to potential developers in a complete and timely fashion. Adequate human resources are key to this end.

13. Ensure exit interview feedback is provided to managers and supervisors to aid in future recruitment & retention approaches.

14. Utilize staff resources in an efficient manner to alleviate administrative demands on engineers / senior staff.

15. Continue current GIS investment, data collection and modelling and associated budgets and personnel in upcoming budgets until sufficient capacity has been built in this area.
4.4 Infrastructure

Developers often cite that constraints to development in Prince Edward County settlement areas are often based on the lack of available water and waste water infrastructure. The huge upfront cost to developers to bring these necessary services to their development parcels makes the prospect of moving forward on a project often untenable.

The timely development and availability of key infrastructure has been identified by the development community as critical to the success and smooth timing of any project. Given the County’s limited financial resources, it is important that we invest in infrastructure at the appropriate time to facilitate development and/or facilitate efficient coordination of multiple developments needing to access services.

16. Facilitate coordination and cost sharing of new services to multiple developments; examine the opportunity to front-end fund infrastructure on behalf of multiple developments.

17. Consider incentivering development in desired areas by investing in services/infrastructure in advance of development applications (e.g. McFarland property, Port of Picton Industrial Park).
   a) Consider potential means of mitigating cash flow issues for developers resulting from high up-front costs of infrastructure including but limited to debenture of infrastructure debt.

18. Consider formal policy mechanism for the deferral of development and/or other charges until lots sell or are developed to alleviate the burden of high up-front costs and free up cash flow (rear-load again).

19. Consider permitting early phases of development to access existing infrastructure temporarily ahead of permanent infrastructure.
4.5 Development Climate

Poor customer service, a centralized decision making structure, lack of municipal resources, high staff turnover, uncertainty about how long development approvals will take and the state of critical infrastructure has created a climate in Prince Edward County that the community is a both a frustrating and risky place to do development. A corporate culture that encourages a proactive approach to development opportunities and empowers staff to confidently make decisions provides ideal circumstances for moving development forward in an environment with rapidly growing housing needs and business expansion.

Community friction between generational residents and relative newcomers has been further exacerbated by hot button issues out of the control of the municipality. Renewable Energy / potential Wind Turbine projects have worked to divide the community, making the community wary of change and of unknown outside developers.

Opportunities to provide information, education and advice to the public and key decision makers further the goals of a development friendly community.

20. Enhance customer service and communication competencies for all personnel in the development services group

21. Develop improved communication strategies for dissemination of development info to the public.

22. Develop a Planning education and outreach program for key stakeholders including the Business Associations, Realtors and construction sector

23. Consider briefings with Council as needed where the development services group can provide information on topics of current public interest
4.6 Engineering Guidelines

Next to fees and charges, clear and consistent guidelines required for timely planning submissions are of primary concern to the development community. Developers grow frustrated by the perception that guidelines change from project to project and the uncertainty this can create in the cost of bringing a project to completion. Often what seems a straightforward project becomes mired in costly redrafts from developer’s engineering consultants limiting the profitability and extending the timeline for application approval that can have significantly detrimental effect to a developer’s construction crew, ability to keep people employed and finite resources.

The ability to understand what is required or what the municipality expects from development proposal submissions creates certainty, confidence and the ability to control the use of resources for developers.

24. Provide a reasonable timeframe for implementation of design standards updates

25. Continue regular review of other jurisdiction’s standards, fees and methodologies to ensure the County’s approach remains competitive and in-line with industry standards and regional practices

4.7 Affordable Housing

Facilitating an appropriate and adequate mix of housing types is central to accommodating not only current housing needs but future growth in Prince Edward County. For many years development has been primarily restricted to the building of single family dwellings with little regard for the needs of the rental market and those seeking housing affordability. To further exacerbate the social problems in this community an influx of new residents from urban centres have brought spending power,
driving up the real estate market to levels that make housing affordability increasingly challenging for our lower income earners and senior populations.

The growth of the tourism sector has had a two pronged effect on the community. Firstly, it has created a number of jobs in the community that requires mostly unskilled labour and pays relatively low wages. Businesses in this sector struggle to attract employees to the community largely because there is limited supply of affordable accommodations for this group of people. Secondly, the limited supply of roofed accommodation and the growth of technology that supports the short-term rental business (eg. Air BnB) has had the effect of removing longer term rental units and many single family dwellings from the market converting them to short term holiday rentals.

Seniors who are some of our most vulnerable members in the community are forced to remain in their homes longer than they want because there is very limited rental stock or have to move out of the community all together to find accommodation that meets their lifestyle, mobility, health care requirements and fixed incomes.

Encouraging affordable housing in areas of very limited supply can be achieved through policies that are flexible yet within the boundaries of planning in Ontario.

26. Consider formal policy (or DC By-law revisions) to waive (defer) development charges and/or connection fees for affordable housing development, to be funded through associated new assessment revenue.

27. Continue using surplus land as part of the incentive for affordable housing; recognize that the relatively low cost of land means this is not sufficient on its own as an incentive.

28. Actively promote and support higher densities, Cash In Lieu of Parking (CILP) and other tools in exchange for affordable components in all new residential developments; thus lessening the impact of the affordable component on the developer.
a) Encourage mixed affordability multi-residential models, subdivisions and condominiums.

29. Engage the development community in the establishment of affordable housing incentives to ensure that County approaches are effective at creating affordable housing in the County.

30. Follow through with the recommendations of the Housing Policy Implementation Report that supports and encourages the development of affordable housing.
4.8 Development Fees and Charges

The most resounding message from across the development community is related to the cost associated with development in Prince Edward County. This issue has been identified as the single greatest concern and impediment to development by those developers on the subcommittee. As we compete to attract people to the municipality to live, work and build homes, high development costs coupled with other issues outlined in this report, significantly detracts from any efforts to bring new residents or developers to the community.

The development community is asking that the municipality commit to reviewing and where appropriate revising and / or limiting the fees it charges for the development of new homes in the community.

31. Review current deposit and other fee requirements for plans of subdivision, lot grading, etc. and adjust to bring in line with neighbouring jurisdictions.

32. Utilize pre-servicing and Subdivision agreements (and plan of condo) into a single, hybrid agreement in order to reduce legal costs, approval timelines and uncertainty for developers when entering into a pre-servicing agreement.

33. Consider the level of securities required for above and below ground works; assume realistic risk of damage/infrastructure failure.
34. Review formula for calculating development charges and connection fees, striving towards accountability, predictability and affordability for all stakeholders; current connection fee formula charges developers for non-growth (debt) related costs and bases this on replacement value rather than depreciated value.

*The above recommendation has been included by the subcommittee but identified as being under review by and within the mandate of Council’s Water & Waste Water Committee.

That Committee’s final report and recommendations to Council should be considered in concert with the recommendations here, to better understand developers’ concerns regarding connection fees.