



 **Watson  
& Associates**  
ECONOMISTS LTD.

# Addendum to 2024 Development Charges Background Study

## Municipality of Port Hope

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September 27, 2024

Watson & Associates Economists Ltd.  
905-272-3600  
[info@watsonecon.ca](mailto:info@watsonecon.ca)



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# 1. Background

Commensurate with the provisions of the *Development Charges Act, 1997* (D.C.A.), the Municipality of Port Hope (Municipality) has undertaken a Development Charges Background Study (D.C.B.S.) and has distributed the study and draft by-laws to the public. The following provides a summary of the key dates in the Development Charges (D.C.s) by-law process:

- May 10, 2024 – Release D.C.B.S. and draft by-laws;
- October 8, 2024 – Anticipated Public Meeting of Council;
- November 5, 2024 – Anticipated passage of the D.C. By-law; and
- November 6, 2024 – Anticipated date of by-law commencement.

On June 6, 2024, the *Cutting Red Tape to Build More Homes Act, 2024* (Bill 185) received Royal Assent and made the following changes to the D.C.A.:

- Removed the Mandatory Phase-in for D.C. by-laws passed after Bill 185 came into effect;
- Reduced the D.C. rate freeze applicability timeline for developments proceeding through site plan and zoning by-law amendment applications. Prior to Bill 185, for developments that were subject to a site plan or zoning by-law amendment application, D.C.s were ‘frozen’ at the rates that were in effect on the date the application was submitted, provided the building permit was issued within two (2) years of application approval. The rate freeze applicability timeline has been reduced to 18 months through Bill 185. Note that the two-year timeline will still apply to applications approved between January 1, 2020, and prior to Bill 185 receiving Royal Assent (i.e., June 6, 2024);
- Reinstated growth-related studies, including the D.C. background study, as D.C.-eligible costs;
- Introduced a provision permitting the repeal of the expiry date for existing D.C. by-laws (subject to the 10-year limitation provided in the D.C.A.); and
- Established a streamlined process for by-law amendments related to the imposition of development charges for studies, removal of the mandatory phase-in, and extension of by-law expiry dates. Under the streamlined process, a by-law amendment does not require the preparation of a D.C. background study, does not require the mandatory public meeting, and is not subject to Ontario Land



Tribunal appeals. For the removal of the phase-in provisions and the introduction of growth studies, the amendment must occur within six months of Bill 185 coming into effect and only applies to by-laws passed between November 28, 2022 and Bill 185 taking effect (i.e., June 6, 2024).

The purpose of the addendum to the May 10, 2024, D.C.B.S. is to reflect the changes in the D.C.A. as per Bill 185, and as detailed in section 7.3.9 of the D.C.B.S.

The refinements are detailed in the subsequent sections of this report and will form part of the D.C.B.S. for Council's consideration and approval prior to adoption of the D.C. by-law. A revised draft of the proposed by-law is included herein, which embraces the legislative changes and updates to the calculated charges.

## 2. Discussion

This section of the addendum report provides an explanation for the above-noted refinements.

### 2.1 Amendments in Response to Bill 185

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The changes to the D.C.B.S. in response to Bill 185, and as detailed in section 7.3.9 of the D.C.B.S, include:

- Consolidate proposed D.C. by-laws into a single D.C. by-law covering all eligible service, for ease of administration;
- Add to the by-law a charge for growth-related studies;
- Remove from the by-law reference to the mandatory phase-in of D.C.s; and
- Amend the timeline for the applicability of the "D.C. rate freeze" for developments that were subject to Site Plan or Zoning By-law Amendment planning approval from within 2 years of the application being approved to within 18 months of the application being approved (for applications approved after Bill 185 comes into force).



## **2.2 Services Related to a Highway**

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The capital project listing for Services Related to a Highway was amended to include a Transportation Master Plan, resulting in an additional \$120,000 in net growth-related costs.

## **2.3 Parks and Recreation Services**

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An Active Transportation and Trails Master Plan, as well as a Feasibility Study for the Jack Burger Sports Complex have been added to the capital project listing for Parks and Recreation Services. As a result, an additional \$100,000 has been included in the D.C. calculation.

## **2.4 Wastewater Services**

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Several studies, including a Wastewater Master Plan, Wastewater Modelling, and Wastewater Flow Monitoring, have been added to the capital project listing for Wastewater Services, resulting in an additional \$114,000 in D.C. recoverable costs.

## **2.5 Water Services**

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A Water Master Plan has been added to the capital project listing for Water Services, resulting in an additional \$48,000 in net growth-related costs.

## **2.6 Growth-related Studies**

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Growth-related Studies have been included as a class of service. These studies include the D.C. Background Study, an Official Plan Review, a Zoning By-law Review, Secondary Plans related to Wesleyville, and a Subwatershed Study. Including previously unfunded amounts (reserve fund adjustment), the gross capital costs total approximately \$763,500. After accounting for deductions related to services not included in the D.C. and benefits to existing development, approximately \$476,000 has been included in the calculation of the D.C.



## 2.7 Amendments Relating to Exemption of Affordable Units

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This addendum updates section 1.3.8 of the D.C.B.S. that details the exemptions for affordable and attainable units introduced to the D.C.A. through the *More Homes Built Faster Act, 2022* and modified by the *Affordable Homes and Good Jobs Act, 2023*.

On June 1, 2024 the “Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin” came into effect which details the purchase price and rental price thresholds for affordable units. Textual changes to the draft D.C. by-law reflect that these exemptions are now in force.

## 2.8 Other Matters

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The Municipality amended its original timeline with changes to the timing of the Public Meeting and anticipated by-law passage as follows:

- Public Meeting of Council – October 8, 2024 (originally June 18, 2024); and
- Passage of the D.C. By-law – November 5, 2024 (originally July 9, 2024).

## 2.9 Impacts on the Calculated D.C.

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Based on the changes identified above, the D.C.B.S. and D.C. calculations have been revised. The amended schedule of D.C.s is presented in Table 1.

Table 2 and Table 3 below provide a comparison of the Municipality’s current development charges, charges presented in the May 10, 2024 D.C.B.S., and the updated charges resulting from the changes outlined in this addendum report for residential and non-residential development, respectively.

As a result, the total calculated D.C. for a single-detached dwelling has increased by \$411 in the rural area, and \$493 in the urban area.

For industrial development, the total calculated D.C. (including the partial exemptions identified in subsection 7.3.4 of the May 10, 2024 D.C.B.S.) has increased by \$0.09 per square foot of gross floor area. For all other non-residential development, the total calculated D.C. has increased by \$0.16 per square foot of gross floor area in the rural area, and by \$0.25 per square foot of gross floor area in the urban area.



Table 1  
Amended Schedule of D.C.s

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care Dwelling Units	(per sq.ft. of Gross Floor Area)
<b>Municipal Wide Services/Class of Service:</b>						
Services Related to a Highway	\$ 9,103	\$ 6,700	\$ 6,661	\$ 5,349	\$ 4,333	\$ 3.80
Fire Protection Services	\$ 2,674	\$ 1,968	\$ 1,957	\$ 1,571	\$ 1,273	\$ 1.11
Parks and Recreation Services	\$ 3,944	\$ 2,903	\$ 2,886	\$ 2,318	\$ 1,877	\$ 0.39
Library Services	\$ 408	\$ 300	\$ 299	\$ 240	\$ 194	\$ 0.04
By-law Enforcement Services	\$ 7	\$ 5	\$ 5	\$ 4	\$ 3	\$ -
Growth-related Studies	\$ 271	\$ 199	\$ 198	\$ 159	\$ 129	\$ 0.11
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$ 16,407</b>	<b>\$ 12,075</b>	<b>\$ 12,006</b>	<b>\$ 9,641</b>	<b>\$ 7,809</b>	<b>\$ 5.45</b>
<b>Area Specific Services (Urban Area)</b>						
Policing Services (P.H.P.S.)	\$ 786	\$ 579	\$ 575	\$ 462	\$ 374	\$ 0.34
<b>Total Area Specific Services (Urban Area)</b>	<b>\$ 786</b>	<b>\$ 579</b>	<b>\$ 575</b>	<b>\$ 462</b>	<b>\$ 374</b>	<b>\$ 0.34</b>
<b>Urban Services</b>						
Wastewater	\$ 3,152	\$ 2,320	\$ 2,306	\$ 1,852	\$ 1,500	\$ 0.82
Wastewater Treatment Plants	\$ 7,321	\$ 5,389	\$ 5,357	\$ 4,302	\$ 3,485	\$ 6.96
Water Services	\$ 5,241	\$ 3,858	\$ 3,835	\$ 3,080	\$ 2,495	\$ 4.98
<b>Total Urban Services</b>	<b>\$ 15,714</b>	<b>\$ 11,567</b>	<b>\$ 11,498</b>	<b>\$ 9,234</b>	<b>\$ 7,480</b>	<b>\$ 12.76</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>\$ 16,407</b>	<b>\$ 12,075</b>	<b>\$ 12,006</b>	<b>\$ 9,641</b>	<b>\$ 7,809</b>	<b>\$ 5.45</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>\$ 32,907</b>	<b>\$ 24,221</b>	<b>\$ 24,079</b>	<b>\$ 19,337</b>	<b>\$ 15,663</b>	<b>\$ 18.55</b>



Table 2  
Comparison of Current and Calculated Residential (Single Detached) D.C.s

Service/Class of Service	Current	Calculated as per D.C. Background Study (May 10, 2024)	Calculated as per Addendum Report
<b>Municipal Wide Services/Classes:</b>			
Services Related to a Highway	\$ 8,484	\$ 9,034	\$ 9,103
Fire Protection Services	\$ 716	\$ 2,674	\$ 2,674
Parks and Recreation Services	\$ 1,767	\$ 3,877	\$ 3,944
Library Services	\$ 345	\$ 408	\$ 408
By-law Enforcement Services	\$ -	\$ 7	\$ 7
Growth-related Studies	\$ 226	\$ -	\$ 271
<b>Total Municipal Wide Services/Classes</b>	<b>\$ 11,538</b>	<b>\$ 16,000</b>	<b>\$ 16,407</b>
<b>Area Specific Services (Urban Area)</b>			
Policing Services (P.H.P.S.)	\$ 514	\$ 786	\$ 786
<b>Total Area Specific Services (Urban Area)</b>	<b>\$ 514</b>	<b>\$ 786</b>	<b>\$ 786</b>
<b>Urban Services</b>			
Wastewater	\$ 5,163	\$ 3,096	\$ 3,152
Wastewater Treatment Plants	\$ 7,041	\$ 7,321	\$ 7,321
Water Services	\$ 3,512	\$ 5,215	\$ 5,241
<b>Total Urban Services</b>	<b>\$ 15,716</b>	<b>\$ 15,632</b>	<b>\$ 15,714</b>
<b>Grand Total - Rural Area</b>	<b>\$ 11,538</b>	<b>\$ 16,000</b>	<b>\$ 16,407</b>
<b>Grand Total - Urban Area</b>	<b>\$ 27,768</b>	<b>\$ 32,418</b>	<b>\$ 32,907</b>





**Table 3**  
**Comparison of Current and Calculated Non-Residential D.C.s (per sq.ft. of G.F.A.)**

Service/Class of Service	All Other (per sq.ft. of G.F.A.)			Industrial (per sq.ft. of G.F.A.)		
	Current	Calculated as per D.C. Background Study (May 10, 2024)	Calculated as per Addendum Report	Current	Calculated as per D.C. Background Study (May 10, 2024)	Calculated as per Addendum Report
<b>Municipal Wide Services/Classes:</b>						
Services Related to a Highway	\$ 3.88	\$ 3.76	\$ 3.80	\$ -	\$ -	\$ -
Fire Protection Services	\$ 0.19	\$ 1.11	\$ 1.11	\$ -	\$ -	\$ -
Parks and Recreation Services	\$ 0.14	\$ 0.39	\$ 0.39	\$ -	\$ -	\$ -
Library Services	\$ 0.02	\$ 0.04	\$ 0.04	\$ -	\$ -	\$ -
By-law Enforcement Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Growth-related Studies	\$ 0.10	\$ -	\$ 0.11	\$ -	\$ -	\$ -
<b>Total Municipal Wide Services/Classes</b>	<b>\$ 4.33</b>	<b>\$ 5.30</b>	<b>\$ 5.45</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Area Specific Services (Urban Area)</b>						
Policing Services (P.H.P.S.)	\$ 0.19	\$ 0.34	\$ 0.34	\$ -	\$ -	\$ -
<b>Total Area Specific Services (Urban Area)</b>	<b>\$ 0.19</b>	<b>\$ 0.34</b>	<b>\$ 0.34</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Urban Services</b>						
Wastewater	\$ 0.84	\$ 0.75	\$ 0.82	\$ 0.84	\$ 0.75	\$ 0.82
Wastewater Treatment Plants	\$ 7.20	\$ 6.96	\$ 6.96	\$ 7.20	\$ 6.96	\$ 6.96
Water Services	\$ 3.59	\$ 4.96	\$ 4.98	\$ 3.59	\$ 4.96	\$ 4.98
<b>Total Urban Services</b>	<b>\$ 11.63</b>	<b>\$ 12.67</b>	<b>\$ 12.76</b>	<b>\$ 11.63</b>	<b>\$ 12.67</b>	<b>\$ 12.76</b>
<b>Grand Total - Rural Area</b>	<b>\$ 4.33</b>	<b>\$ 5.30</b>	<b>\$ 5.45</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total - Urban Area</b>	<b>\$ 16.15</b>	<b>\$ 18.31</b>	<b>\$ 18.55</b>	<b>\$ 11.63</b>	<b>\$ 12.67</b>	<b>\$ 12.76</b>



### 3. Changes to the D.C.B.S.

Based on the foregoing, the following revisions are made to the May 10, 2024 D.C.B.S. Accordingly, the amended pages are appended to this report.

Page Reference	Description of Revisions
Table of Contents	Updated to reflect the changes summarized below.
1-1 to 1-4 and 1-7	Updated text and Figure 1-1 related to the D.C. process, including the release date of this addendum, and legislative changes.
1-11 to 1-14	Updated text to reflect legislative changes.
4-5 to 4-6	Updated text and table to reflect the eligible funding of study costs.
4-7	Updated text to identify growth-related studies as a class of service.
4-12	Removed section pertaining to mandatory phase-in of D.C.s.
Chapter 5	Re-issued chapter to account for addition of studies.
Chapter 6	Re-issued chapter to account for addition of studies in the calculation of the D.C.s.
7-2	Updated text to reflect recommendations that the Municipality impose D.C.s through a single by-law.
7-4 to 7-8	Updated text to reflect legislative changes, the inclusion of growth-related studies as a class of service, this addendum, and the removal of a section pertaining to mandatory phase-in of D.C.s.
Appendix F	Updated proposed by-law to reflect the inclusion of growth-related study costs as a class of service and include other legislative changes, due to the enactment of Bill 185. Further, as noted all services and classes of service will now be contained in one by-law.
Appendices G to M	Appendices G through M, containing the draft by-laws for individual services, are removed, as all services and classes of service will now be contained in one by-law (as set out in revised Appendix F).



## 4. Process for Adoption of the D.C. By-law

The revisions provided herein form the basis for the D.C. by-law and will be incorporated into the D.C.B.S. to be provided to Council prior to Council's consideration and adoption of the proposed D.C. by-law.

If Council is satisfied with the above noted changes to the D.C.B.S. and proposed D.C. by-law, then the following steps must be taken to enact the new D.C. by-law:

- Approve the D.C.B.S., as amended;
- Determine that no further public meetings are required on the matter; and
- Adopt the new D.C. by-law.



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# 1. Introduction

## 1.1 Purpose of this Document

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This background study has been prepared pursuant to the requirements of the *Development Charges Act, 1997*, as amended, (D.C.A.) and, accordingly, recommends development charges (D.C.s) and policies for the Municipality of Port Hope (Municipality).

The Municipality retained Watson & Associates Economists Ltd. (Watson), in association with engineering consulting firm CIMA+, to undertake the D.C. study process in 2024. Watson worked with the Municipality's staff in preparing the D.C. analysis and policy recommendations.

This D.C. background study, containing the proposed D.C. by-law, will be distributed to members of the public in order to provide interested parties with sufficient background information on the legislation, the study's recommendations, and an outline of the basis for these recommendations.

This report has been prepared, in the first instance, to meet the statutory requirements applicable to the Municipality's D.C. background study, as summarized in Chapter 4. The forecast amount, type, and location of development is summarized in Chapter 3, with technical details provided in Appendix A. Chapters 5 and 6 identify the increase in need by service, calculate the D.C. recoverable capital costs and schedule of charges by type of development. The requirement for "rules" governing the imposition of the D.C. is provided in Chapter 7. The proposed D.C. by-law, to be made available to the public as part of the approval process, are included as Appendix F.

The background study is designed to set out sufficient background on the legislation, the Municipality's current D.C. policies (Chapter 2), and the policies underlying the proposed by-law, to make the exercise understandable to those who are involved. The D.C. background study addresses post-adoption implementation requirements (Chapter 8) which are critical to the successful application of the new policy. The chapters in the report are supported by appendices containing the data required to explain and substantiate the calculation of the charge.



## 1.2 Summary of the Process

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The public meeting required under Section 12 of the D.C.A. is scheduled for October 8, 2024. Its purpose is to present the background study and draft D.C. by-law to the public and to solicit public input on the matter. The public meeting is also being held to answer any questions regarding the study's purpose, methodology, and the proposed policies contained within the draft D.C. by-law. In accordance with the legislation requiring that the D.C. background study and draft by-law be made available the public at least two weeks prior to the public meeting, the D.C. Background Study and proposed D.C. By-law will be available for public review on May 10, 2024. This timing of release also complies with the legislative requirement for the background study to be available for public review at least 60 days prior to by-law passage. The Municipality anticipates Council consideration of the D.C. By-law for adoption on November 5, 2024.

The process to be followed in finalizing the report and recommendations includes:

- Municipality's consideration of responses received prior to, at, or immediately following the public meeting;
- Finalization of the D.C. Background Study and By-Law to address any required changes; and
- Council consideration of the D.C. By-law, anticipated to occur on November 5, 2024.

Table 1-1 outlines the study process to date and the proposed schedule to be followed with respect to the D.C. by-law adoption process.



Table 1-1  
Schedule of Key D.C. Process Dates

Process Steps	Dates
1. Data collection, staff review, D.C. calculations and policy work	February 2024 to May 2024
2. Council information meeting	May 7, 2024
3. Public release of final D.C. Background Study and proposed by-law	May 10, 2024
4. Public release of addendum to D.C. Background Study	September 27, 2024
5. Public meeting advertisement placed in newspaper(s)	By September 17, 2024
6. Public meeting of Council	October 8, 2024
7. Council considers adoption of background study and passage of by-law	November 5, 2024
8. Newspaper notice given of by-law(s) passage	By 20 days after passage
9. Last day for by-law(s) appeal	40 days after passage
10. Municipality makes pamphlet available (where by-law(s) not appealed)	By 60 days after in force date

### 1.3 Changes to the Development Charges Act, 1997

Over the past several years, a number of changes to the Development Charges Act, 1997 have been introduced through various legislation including the following:

- *More Homes, More Choice Act, 2019;*
- *Plan to Build Ontario Together Act, 2019;*
- *COVID-19 Economic Recovery Act, 2020;*
- *Better for People, Smarter for Business Act, 2020;*



- *More Homes for Everyone Act, 2022*;
- *More Homes Built Faster Act, 2022*;
- *Helping Homebuyers, Protecting Tenants Act, 2023*; and
- *Affordable Homes and Good Jobs Act, 2023*.

The following provides an overview of the amendments to the D.C.A. that each of these pieces of legislation provided.

### **1.3.1 *More Homes, More Choice Act, 2019***

The Province introduced the *More Homes, More Choice Act* (Bill 108) which proposed changes to the D.C.A. as part of the province's "*More Homes, More Choice: Ontario's Housing Supply Action Plan*." The *More Homes, More Choice Act* received Royal Assent on June 6, 2019. At that time many of the amendments to the D.C.A. did not come into effect, awaiting proclamation by the Lieutenant Governor. On January 1, 2020, the following provisions were proclaimed:

- A D.C. for rental housing and institutional developments will be payable in six equal annual installments, with the first payment commencing on the date of occupancy. Non-profit housing developments will pay D.C.s in 21 equal annual payments (note, that further changes related to non-profit housing have been made under the *More Homes Built Faster Act*, as summarized below). Any unpaid D.C. amounts may be added to the tax roll and collected in the same manner as taxes.
- For all developments triggering a D.C. within two years of a Site Plan or Zoning By-law Amendment planning approval, the D.C. shall be determined based on the charges that were in effect on the date the planning application was submitted to the municipality. These provisions only apply to Site Plan and Zoning By-law Amendment planning applications received on or after January 1, 2020. These amendments do not affect developments approved under other planning application types (e.g., plan of subdivision, minor variance, etc.).
- The removal of the 10% statutory deduction for soft services, i.e., services limited to a 10-year forecast period.



residential units have been made under the *More Homes Built Faster Act*, as summarized in subsection 1.3.6 below.

### **1.3.4 Better for People, Smarter for Business Act, 2020**

On December 8, 2020, the *Better for People, Smarter for Business Act, 2020* (Bill 213) received Royal Assent. One of the changes of this Act amended the *Ministry of Training, Colleges and Universities Act* by exempting the development of land intended for use by a university that receives operating funds from the Government from the payment of D.C.s. As a result, this mandatory exemption is included in the Municipality's draft D.C. by-law.

### **1.3.5 More Homes for Everyone Act, 2022**

On April 14, 2022, the *More Homes for Everyone Act, 2022* (Bill 109) received Royal Assent. One of the D.C.A. amendments, and O. Reg. 438/22, prescribed additional information to be included in the annual Treasurer's Statement on D.C. reserve funds and its publication. The following additional information must be provided for each service for which a D.C. is collected for during the year:

- a) whether, as of the end of the year, the municipality expects to incur the amount of capital costs that were estimated, in the relevant development charge background study, to be incurred during the term of the applicable development charge by-law;
- b) if the answer to a) is no, the amount the municipality now expects to incur and a statement as to why this amount is expected; and
- c) if no money was spent from the reserve fund during the year, a statement as to why there was no spending during the year.

These requirements have been further amended to require that the annual Treasurer's Statement be made available to the public on the municipality's website, or in the municipal office.

### **1.3.6 More Homes Built Faster Act, 2022**

The *More Homes Built Faster Act, 2022* (Bill 23) received Royal Assent on November 28, 2022. This Act amends several pieces of legislation including the *Planning Act* and the D.C.A. The following provides a summary of the amendments to the D.C.A.:



### **1.3.7 Helping Homebuyers, Protecting Tenants Act, 2023**

The *Helping Homebuyers, Protecting Tenants Act* (Bill 97) received Royal Assent on June 8, 2023. This bill extends the mandatory exemption from payment of D.C.s for additional residential units in new residential buildings or in existing houses to all lands versus just urban lands.

### **1.3.8 Affordable Homes and Good Jobs Act, 2023**

The exemption for affordable residential units was included in the *More Homes Built Faster Act* enacted by the Province on November 28, 2022. Under this legislation, affordable residential units were defined within subsection 4.1 of the D.C.A. and exemptions for D.C.s were provided in respect of this definition. While the legislation was enacted in November 2022, the ability for municipalities to implement the exemptions required the Minister of Municipal Affairs and Housing to publish an “Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin.” This bulletin would inform the average market rent and purchase price to be used in determining which developments qualify as affordable residential units. The bulletin was published by the Minister on May 1, 2024 with an effective date of June 1, 2024.

The *Affordable Homes and Good Jobs Act, 2023* (Bill 134) received Royal Assent on December 4, 2023 and provides for a modification to the affordable residential unit definition by:

- Introducing an income-based test for affordable rent and purchase price; and
- Increasing the threshold for the market test of affordable rent and purchase price.

This change provides the exemption based on the lesser of the two measures.

Moreover, the rules in section 4.1 of the D.C.A. are unchanged with respect to:

- The tenant and purchaser transacting the affordable unit being at arm’s length;
- The intent of maintaining the affordable residential unit definition for a 25-year period, requiring an agreement with the municipality (which may be registered on title); and
- Exemptions for attainable residential units and associated rules (requiring further regulations).



The following table provides the definitions provided through Bill 134 (underlining added for emphasis).

Item	Bill 134 Definition (Current D.C.A. Definition)
Affordable residential unit rent (subsection 4.1 (2), paragraph 1)	The rent is no greater than <u>the lesser of</u> , <ul style="list-style-type: none"> <li>i. the <u>income-based affordable rent</u> for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (5), and</li> <li>ii. the <u>average market rent</u> identified for the residential unit set out in the Affordable Residential Units bulletin.</li> </ul>
Average market rent/rent based on income (subsection 4.1 (5)) for the purposes of subsection 4.1 (2), paragraph 1	The Minister of Municipal Affairs and Housing shall, <ul style="list-style-type: none"> <li>(a) determine the <u>income of a household</u> that, in the Minister's opinion, is <u>at the 60<sup>th</sup> percentile of gross annual incomes for renter households in the applicable local municipality</u>; and</li> <li>(b) identify the <u>rent</u> that, in the Minister's opinion, is <u>equal to 30 per cent of the income of the household</u> referred to in clause (a).</li> </ul>
Affordable residential unit ownership (subsection 4.1 (3), paragraph 1)	The price of the residential unit is no greater than <u>the lesser of</u> , <ul style="list-style-type: none"> <li>i. the <u>income-based affordable purchase price</u> for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (6), and</li> <li>ii. <u>90 per cent of the average purchase price</u> identified for the residential unit set out in the Affordable Residential Units bulletin.</li> </ul>
Average market purchase price/purchase price based on income (subsection 4.1 (6)) for the purposes of subsection 4.1 (3), paragraph 1	The Minister of Municipal Affairs and Housing shall, <ul style="list-style-type: none"> <li>(a) determine the <u>income of a household</u> that, in the Minister's opinion, is at the <u>60<sup>th</sup> percentile of gross annual incomes for households in the applicable local municipality</u>; and</li> <li>(b) identify the <u>purchase price</u> that, in the Minister's opinion, <u>would result in annual accommodation costs equal to 30 per cent of the income of the household</u> referred to in clause (a)</li> </ul>

As noted above, the bulletin came into effect on June 1, 2024, which provides the information for the Municipality to measure against for determining the applicability of the exemption from the D.C. (as well as C.B.C. and Parkland requirements). The bulletin provides the following information for the Municipality (it is noted that the bulletin will be updated annually):



- For Affordable Ownership Units: the income-based affordable purchase price provides the relevant threshold for the affordable residential units exemption, as it is lower than 90% of the average market purchase price for all unit types. The income-based affordable purchase prices and 90% of average market purchase prices for the Municipality, as established through the most recent bulletin, are summarized by unit type in the table below:

Unit Type	Income-based Affordable Purchase Price	90% of Average Market Purchase Price
Detached House	<b>\$377,300</b>	\$738,000
Semi-Detached House	<b>\$377,300</b>	\$513,000
Row/townhouse	<b>\$377,300</b>	\$495,000
Condominium Apartment	<b>\$377,300</b>	\$459,000

- For Affordable Rental Units: the average market rent provides the relevant threshold for the affordable residential units exemption for bachelor and 1-bedroom unit apartments, as it is lower than the income-based affordable rent for these unit types. For 2-bedroom and 3 or more bedroom unit apartments, the income-based affordable rent provides the threshold for affordable residential units. The income-based affordable rents and average market rents for the Municipality, as established through the most recent bulletin, are summarized in the table below:

Unit Type	Income-based Affordable Rent	Average Market Rent
Bachelor unit	\$1,560	<b>\$1,044</b>
1-Bedroom unit	\$1,560	<b>\$1,548</b>
2-Bedroom unit	<b>\$1,560</b>	\$1,570
3 or more Bedrooms	<b>\$1,560</b>	\$1,851





### **1.3.9 Cutting Red Tape to Build More Homes Act, 2024**

The *Cutting Red Tape to Build More Homes Act, 2024* (Bill 185) came into effect on June 6, 2024 and amends the D.C.A. as follows:

- Reintroduces studies as an eligible cost for services, including a D.C. background study;
- Removes the mandatory phase-in of a D.C. by-law;
- Reduces the D.C. rate freeze timelines for developments proceeding through site plan and zoning by-law amendment applications, whereby the time allowed between building permit issuance and planning application approval in order for the DC freeze to apply is reduced from two years to 18 months (note, the two-year time period still applies to applications received between January 1, 2020 and June 6, 2024);
- Permits the repeal of expiry clauses in D.C. by-laws (allowing for the 10-year by-law term provided in the D.C.A.);
- Allows minor D.C. by-law amendments related to the inclusion of studies, removal of the mandatory phase-in of a D.C. by-law and removal of expiry date for by-laws passed between November 28, 2022 and June 6, 2024; and
- Permits municipalities to publish D.C. public notices on municipal websites where newspapers of general circulation are not available.

As Bill 185 has been enacted, this D.C. Background Study includes the cost of studies and reflects the other amendments made to the D.C.A. as noted above.



Categories of Municipal Services	Inclusion in the D.C. Calculation	Service Components
17. Services Related to Emergency Preparedness	No No	17.1 Emergency Preparedness Space 17.2 Equipment
18. Services Related to Airports	n/a Ineligible	18.1 Airports (in the Regional Municipality of Waterloo) 18.2 Other Airports
19. Other	Yes Yes	19.1 Interest on money borrowed to pay for growth-related capital 19.2 Growth Studies, including the D.C. background study cost

Table 4-2  
Categories of Municipal Services to be Addressed as Part of the Calculation – Eligibility Legend

Eligibility for Inclusion in the D.C. Calculation	Description
Yes	Municipality provides the service – service has been included in the D.C. calculation.
No	Municipality provides the service – service has not been included in the D.C. calculation.
n/a	Municipality does not provide the service.
Ineligible	Service is ineligible for inclusion in the D.C. calculation.

## 4.4 Local Service Policy

Some of the need for services generated by additional development consists of local services related to a plan of subdivision. As such, they will be required as a condition of subdivision agreements or consent conditions. The Municipality’s Local Service Policy is included in Appendix D.

## 4.5 Capital Forecast

Paragraph 7 of subsection 5 (1) of the D.C.A. requires that “the capital costs necessary to provide the increased services must be estimated.” The Act goes on to require two



potential cost reductions and the regulation sets out the way in which such costs are to be presented. These requirements are outlined below.

These estimates involve capital costing of the increased services discussed above. This entails costing actual projects or the provision of service units, depending on how each service has been addressed.

The capital costs include:

- a) costs to acquire land or an interest therein (including a leasehold interest);
- b) costs to improve land;
- c) costs to acquire, lease, construct or improve buildings and structures;
- d) costs to acquire, lease or improve facilities, including rolling stock (with a useful life of 7 or more years), furniture and equipment (other than computer equipment), materials acquired for library circulation, reference, or information purposes;
- e) interest on money borrowed to pay for the above-referenced costs; and
- f) costs to undertake studies in connection with the above-referenced matters (including costs of the D.C. background study).

In order for an increase in need for service to be included in the D.C. calculation, municipal Council must indicate “that it intends to ensure that such an increase in need will be met” (paragraph 3 of subsection 5 (1)). This can be done if the increase in service forms part of a Council-approved Official Plan, capital forecast, or similar expression of the intention of Council (O. Reg. 82/98 section 3). The capital program contained herein reflects the Municipality’s approved and proposed capital budgets and master servicing/needs studies.

## 4.6 Treatment of Credits

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Section 8, paragraph 5, of O. Reg. 82/98 indicates that a D.C. background study must set out “the estimated value of credits that are being carried forward relating to the service.” Subsection 17, paragraph 4, of the same regulation indicates that, “...the value of the credit cannot be recovered from future D.C.s,” if the credit pertains to an ineligible service. This implies that a credit for eligible services can be recovered from future D.C.s. As a result, this provision should be made in the calculation, in order to avoid a funding shortfall with respect to future service needs.

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The Municipality currently has an agreement with AON Inc. (AON) for the provision of services on behalf of the Municipality. Under the terms of the agreement, AON is responsible for the emplacement of specific road, wastewater, and water service infrastructure. In return, AON receives development charge credits (including interest) against future payments. The outstanding D.C. credit obligations (including accrued interest) included in the calculation of the charge are summarized as follows:

<b>Class of Service</b>	<b>Credit Amount (\$)</b>
Wastewater	\$2,868,324

## **4.7 Classes of Services**

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Section 7 of the D.C.A. states that a D.C. by-law may provide for any D.C. eligible service or the capital costs with respect to those services. Further, a class may be composed of any number or combination of services and may include parts or portions of each D.C. eligible services. With respect to growth-related studies, Section 7(3) of the D.C.A. states that:

“For greater certainty, a development charge by-law may provide for a class consisting of studies in respect of any service listed in subsection 2 (4) whose capital costs are described in paragraphs 5 and 6 of subsection 5 (3)”.

These provisions allow for services or portions of services to be included in a class for the purposes of the D.C. by-law and D.C. reserve funds. The D.C. calculations and draft by-law provided herein include three classes of service – growth-related studies, as well as “Wastewater” and “Wastewater Treatment Plants” to align with the Municipality’s historical practice of managing those respective service components.

## **4.8 Eligible Debt and Committed Excess Capacity**

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Section 66 of the D.C.A. states that for the purposes of developing a D.C. by-law, a debt incurred with respect to an eligible service may be included as a capital cost, subject to any limitations or reductions in the Act.

In order for such costs to be eligible, two conditions must apply. First, they must have funded excess capacity which is able to meet service needs attributable to the anticipated development. Second, the excess capacity must be “committed,” that is,



## 4.13 Mandatory Discount for Rental Housing Development

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For all rental housing developments that are subject to D.C.s, where a by-law is passed after November 28, 2022, the charge is discounted for the rental housing development relative to the maximum charge that could be imposed under the by-law. The amount of the discount is dependent on the number of bedrooms in each unit, as follows:

- 1) Residential units intended for use as a rented residential premises with three (3) or more bedrooms – 25% discount.
- 2) Residential units intended for use as a rented residential premises with two (2) bedrooms – 20% discount.
- 3) Residential units intended for use as a rented residential premises not referred to 1) or 2) above – 15% discount.

Note that these discounts are not part of the methodology required for calculating the charge, but a rule that has to be included in the by-laws which informs implementation.



# Chapter 5

## Development Charge Eligible Cost Analysis by Service



## 5. Development Charge Eligible Cost Analysis by Service

### 5.1 Introduction

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This chapter outlines the basis for calculating eligible costs for the D.C.s to be applied on a uniform basis. In each case, the required calculation process set out in subsection 5 (1) paragraphs 2 to 7 of the D.C.A. and described in Chapter 4 herein was followed in determining D.C. eligible costs.

The nature of the capital projects and timing identified in the Chapter reflects Council's current intention. Over time, however, a municipality's projects and Council priorities may shift; accordingly, Council's intentions may change, and different capital projects (and timing) may be necessary to meet the need for services required by new growth.

A map showing the location of projects related to services related to a highway, water services, and wastewater services included in the calculation of the charge is included on the next page.







## 5.2 Service Levels and 10-Year Capital Costs for D.C. Calculation

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This section evaluates the development-related capital requirements for all of the Municipality-wide services assessed over a 10-year planning period (2024-2034).

### 5.2.1 Services Related to a Highway

The Municipality has a road network spanning approximately 103 kilometres. In addition, the Municipality's public works department utilizes 41,053 square feet of facility space and operates a fleet of 36 vehicles and equipment. This historical level of service equates to approximately \$10,298 per capita, resulting in a D.C.-eligible cap of approximately \$33.7 million.

CIMA+ reviewed the Municipality's roads needs for the forecast period and identified approximately \$19.4 million in gross capital costs. These capital needs consist of various road construction, reconstruction, widening, oversizing, and urbanization projects, as well as various intersection signalization and improvement projects, watercourse crossings, active transportation projects, and a master plan to address the needs of future development. Deductions of approximately \$3.5 million have been included in recognition of benefits to existing, in addition to \$40,000 to recognize other contributions attributable to development. Furthermore, approximately \$140,200 has been deducted to reflect the funds available in the D.C. reserve fund. As a result, approximately \$15.7 million in capital needs has been included in the D.C. calculation.

The net growth-related costs for services related to a highway have been allocated between future residential and non-residential development on the basis of incremental population to employment growth over the forecast period (i.e., 82% residential/ 18% non-residential).

### 5.2.2 Fire Protection Services

The Municipality currently owns and operates three fire stations which provide a combined 15,218 square feet of floor space. The fire department also has a current inventory of 19 vehicles and large equipment, 75 sets of equipment for firefighter outfitting, and 119 items of various equipment and gear for firefighters. In total, the



inventory of fire protection assets provides a historical average level of service of \$1,412 per capita. The historical level of investment in fire services provides for a D.C. eligible amount over the forecast period of approximately \$4.6 million.

Based on the Municipality's latest Fire Master Plan, capital plan, and discussions with staff, additional fire hall space, additional equipment and vehicles, and additional training space have been included in the development charge. The gross capital costs for these needs total approximately \$17.5 million. Deductions of approximately \$4.9 million in recognition of post period benefits and \$7.7 million to recognize the benefits to the existing community have been provided. Furthermore, approximately \$229,300 has been deducted to reflect the existing D.C. reserve fund balance for Fire Protection Services. As a result, approximately \$4.6 million in capital needs has been included in the D.C. calculation.

These costs are shared between residential and non-residential development based on the ratio of incremental growth in population to employment over the forecast period, resulting in 82% being allocated to residential development and 18% being allocated to non-residential development.

### **5.2.3 Parks and Recreation Services**

The Municipality currently maintains approximately 386 acres of developed parkland and 70 kilometres of trails within its jurisdiction. Furthermore, the Municipality operates 121,850 square feet of indoor recreation facility space and maintains an inventory of 46 vehicles and equipment. The Municipality's level of service over the historical 15-year period averaged \$8,373 per capita. In total, the maximum D.C. eligible amount for parks and recreation services over the 10-year forecast period is approximately \$27.4 million based on the established level of service standards.

Based on the Municipality's Leisure Services Master Plan, Waterfront and Riverwalk Master Plan, and discussion with staff, the 10-year capital needs for Parks and Recreation Services to accommodate growth have a total gross capital cost of approximately \$36.0 million. These capital needs include the development of new trails and parks, a new tractor, several studies, and projects improving the waterfront and riverwalk areas. Additionally, outstanding debt servicing costs and previously unfunded debt payment amounts associated with the Jack Burger Sports Complex have been



included. A deduction of approximately \$27.7 has been included to reflect the benefit to the existing population, and a further \$2.3 million has been deducted for post period benefits. Additionally, approximately \$137,200 has been deducted in recognition of the D.C. reserve fund balance. As a result, approximately \$5.9 million in capital needs has been included in the D.C. calculation.

As the predominant users of Parks and Recreation Services tend to be residents of the Municipality, the forecast growth-related costs have been allocated 95% to residential and 5% to non-residential development.

#### **5.2.4 Library Services**

The Municipality's Library Services are provided through 20,200 square feet of library space, 51,613 circulation and reference materials, and access to e-books and databases. The average level of service over the past 15 years was approximately \$1,359 per capita. Based on the application of this level of service to the incremental forecast population growth, the Municipality would be eligible to collect approximately \$4.4 million from D.C.s for library services over the forecast period.

The capital needs required to accommodate growth have a total gross capital cost estimate of approximately \$685,800, which consists of a provision for expansion of the library's collection materials. Approximately \$78,400 has been deducted from the calculation of the charge in recognition of existing reserve fund balances, resulting in net growth-related capital costs for inclusion in the calculation of approximately \$607,300.

As with Parks and Recreation Services, the predominant users of Library Services are residents of the Municipality, and therefore, the forecast growth-related costs have been allocated 95% to residential and 5% to non-residential.

#### **5.2.5 By-law Enforcement Services**

The Municipality's By-law Enforcement Services operates a fleet of one vehicle. The average level of service over the past 15 years was approximately \$4 per capita, resulting in a D.C.-eligible cap of approximately \$11,700.



The capital needs required to accommodate growth have a total gross capital cost estimate of \$60,000, consisting of a new vehicle. Approximately \$48,300 has been deducted from the calculation of the charge in recognition of post period benefits, resulting in net growth-related capital costs for inclusion in the calculation of approximately \$11,700.

These costs are shared between residential and non-residential development based on the ratio of incremental growth in population to employment over the forecast period, resulting in 82% being allocated to residential development and 18% being allocated to non-residential development.

### **5.2.6 Growth-related Studies**

Section 7 of the D.C.A. states that a D.C. by-law may provide for any D.C. eligible service or the capital costs with respect to those services. Further, a class may be composed of any number or combination of services and may include parts or portions of each D.C. eligible services. With respect to growth-related studies, subsection 7 (3) of the D.C.A. states that:

“For greater certainty, a development charge by-law may provide for a class consisting of studies in respect of any service listed in subsection 2 (4) whose capital costs are described in paragraphs 5 and 6 of subsection 5 (3)”.

These provisions allow for services to be grouped together to create a class for the purposes of the D.C. by-law and D.C. reserve funds. The D.C. calculations and draft by-law provided herein include a class for growth-related studies, which are allocated based on each service to which the study relates.

For planning related studies, a deduction of 5% has been applied to recognize the extent to which the studies relate to non-D.C.-eligible services. This deduction was estimated based on the share of replacement value of assets related to services included in the D.C. Background Study relative to the total replacement value of all of the Municipality’s assets, as identified in the Municipality’s Asset Management Plans. Planning studies, secondary plans, and D.C. background studies have been allocated across the different services based on the proportion of the total net growth-related capital costs. The following provides a breakdown of these allocations:



- Policing Services (P.H.P.S.) – 2%
- Wastewater Services – 32%
- Water Services – 17%
- Services Related to a Highway – 28%
- Fire Protection Services – 8%
- Parks and Recreation Services – 10%
- Library Services – 1%
- By-law Enforcement Services – >0%

Any other service specific growth-related studies have been allocated to their respective service areas.

The total gross cost of these studies and previously unfunded studies totals approximately \$763,500. Deductions of \$125,000 in recognition of existing benefit and \$20,100 recognizing the portion of studies related to D.C.-ineligible services have been made. As a result, approximately \$468,400 in growth-related studies have been included in the D.C. calculation.

Costs relating to studies have been allocated 82% residential and 18% non-residential based on the incremental growth in population to employment for the 10-year forecast period.



**Table 5-1  
Infrastructure Costs covered in the D.C Calculation – Services Related to a Highway**

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2034	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 82%	Non-Residential Share 18%
	<b>Reconstruction &amp; Widening</b>										
R2	Lavinia Street (Toronto Road to Victoria Street North)		1,205,960	-		1,205,960	383,800		822,160	674,171	147,989
R3	Victoria Street (Strachan Street to Ridout Street)		967,532	-		967,532	212,200		755,332	619,372	135,960
R4	Victoria Street (Trafalgar Street to Strachan Street)		975,663	-		975,663	201,500		774,163	634,814	139,349
R5	Trafalgar Street (Victoria Street South to Dorset Street)		764,302	-		764,302	163,100		601,202	492,986	108,216
R6	Cavan Street (Walton Street to Highland Drive)		2,627,087	-		2,627,087	1,013,600		1,613,487	1,323,060	290,428
R7a	Cavan Street (Highland Drive to Old Cavan Street)		1,220,128	-		1,220,128	634,500		585,628	480,215	105,413
R29	Croft Street (Rose Glen Road to 90m West of Rose Glen Road)		292,719	-		292,719	66,200		226,519	185,746	40,773
	<b>Collector Road Oversizing</b>										
R9b	Strachan Street (25m North Lakeshore Road to Future Lavinia Street)		566,211	-		566,211	-		566,211	464,293	101,918
R9c	Lavinia Street (West Urban Limit to Toronto Road)		629,909	-		629,909	-		629,909	516,526	113,384
R10b	Pemberton Drive (Henderson Street to 300m East of Henderson Street)		116,692	-		116,692	-		116,692	95,688	21,005
R10d	Henderson Street (Jocelyn Street to North End)		217,825	-		217,825	-		217,825	178,617	39,209
	<b>Urbanization</b>										
R14	Pemberton Drive (300m East of Henderson Street to Victoria Street North)		410,174	-		410,174	-		410,174	336,343	73,831
	<b>Widen &amp; Resurface</b>										
R11	Mill Street (Garden Hill) (7th Line to Ganaraska Road (County Road 9))		1,848,047	-		1,848,047	393,000		1,455,047	1,193,139	261,908
R12	7th Line (Mill Street (Garden Hill) to County Road 10)		882,372	-		882,372	189,100		693,272	568,483	124,789
	<b>Collector Road Top Lift Asphalt</b>										
R13b	Strachan Street (25m East of Potts Lane to 25m North Lakeshore Road)		82,718	-		82,718	-		82,718	67,829	14,889
R13c	Strachan Street (25m East of Potts Lane to Victoria Street South)		186,406	-		186,406	-		186,406	152,853	33,553
	<b>Road Construction</b>										
R25	Croft Street (Deblaquire Street North to 172m East of Deblaquire Street North)		564,320	-		564,320	-		564,320	462,743	101,578



**Table 5-1 (continued)**  
**Infrastructure Costs covered in the D.C Calculation – Services Related to a Highway**

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2034	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 82%	Non-Residential Share 18%
R26	<b>Active Transportation</b> Croft Street (172m East of Deblaire Street North to 90m West of Rose Glen Road )		177,818	-		177,818	-		177,818	145,811	32,007
R27	Victoria Street (Klein Street to Jocelyn )		162,635	-		162,635	-		162,635	133,360	29,274
R28	Croft Steet (Ontario Street to 57m West of Deblaire Street North)		86,979	-		86,979	-		86,979	71,322	15,656
R19	<b>Intersection Signalization</b> Jocelyn Street & Victoria Street Intersection		559,334	-		559,334	70,600		488,734	400,762	87,972
R15	Lavinia Street & Victoria Street North Intersection		328,802	-		328,802	31,100		297,702	244,116	53,586
R16	Lavinia Street & Toronto Road Intersection		256,095	-		256,095	-		256,095	209,998	46,097
R17	<b>Intersection Improvements</b> Ridout Street/Lakeshore Road & Victoria Street/Toronto Road Intersection		271,017	-		271,017	19,600		251,417	206,162	45,255
R23	Rose Glen Road & Ward Street Intersection		183,782	-		183,782	-	40,000	143,782	117,901	25,881
R24	Croft Street & Ontario Street Intersection		270,342	-		270,342	-		270,342	221,680	48,661
R20	<b>Watercourse Crossing</b> Croft Street		135,963	-		135,963	-		135,963	111,489	24,473
R21	Lavinia Street		3,165,124	-		3,165,124	-		3,165,124	2,595,402	569,722
1	<b>Studies</b> Transportation Master Plan	2027	200,000	-		200,000	80,000		120,000	98,400	21,600
	Reserve Fund Adjustment								(140,246)	(115,002)	(25,244)
	<b>Total</b>		<b>19,355,958</b>	<b>-</b>	<b>-</b>	<b>19,355,958</b>	<b>3,458,300</b>	<b>40,000</b>	<b>15,717,412</b>	<b>12,888,277</b>	<b>2,829,134</b>



**Table 5-2  
Infrastructure Costs covered in the D.C Calculation – Fire Protection Services**

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2034	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 82%	Non-Residential Share 18%
1	Station 2 Generator	2024	30,000	-		30,000	25,300		4,700	3,854	846
2	Station 3 Outdoor Training Area	2025	25,000	-		25,000	-		25,000	20,500	4,500
3	Fire Station 2 Relocation & Expansion	2028	10,595,000	3,737,280		6,857,720	2,772,900		4,084,820	3,349,553	735,268
4	Dry Hydrant	2024	20,000	-		20,000	-		20,000	16,400	3,600
5	New Breathing Apparatuses (13)	2024-2034	239,200	143,500		95,700	-		95,700	78,474	17,226
6	UTV Upgrade	2024	65,000	-		65,000	21,700		43,300	35,506	7,794
7	New Trailer (for UTV)	2024	10,000	-		10,000	3,300		6,700	5,494	1,206
8	Tanker Upgrade (Station 2)	2025	1,300,000	-		1,300,000	1,083,300		216,700	177,694	39,006
9	Tanker Upgrade (Station 3)	2030	1,300,000	216,700		1,083,300	1,083,300		-	-	-
10	Mini Pumper Upgrade (Station 2)	2026	750,000	-		750,000	575,000		175,000	143,500	31,500
11	Mini Pumper Upgrade (Station 3)	2026	750,000	-		750,000	575,000		175,000	143,500	31,500
12	Pumper Upgrade (Station 1)	2028	1,200,000	400,000		800,000	800,000		-	-	-
13	Pumper Upgrade (Station 2)	2029	1,200,000	400,000		800,000	800,000		-	-	-
	Reserve Fund Adjustment								(229,315)	(188,038)	(41,277)
	<b>Total</b>		<b>17,484,200</b>	<b>4,897,480</b>	<b>-</b>	<b>12,586,720</b>	<b>7,739,800</b>	<b>-</b>	<b>4,617,605</b>	<b>3,786,436</b>	<b>831,169</b>





**Table 5-3**  
**Infrastructure Costs covered in the D.C Calculation – Parks and Recreation Services**

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2024 to 2034									95%	5%
1	<b>Paved Trails</b> From Rapley park south to lakeshore road as part of future development of Mason Homes (688m)		120,400	40,841		79,559	60,200		19,359	18,391	968
2	<b>Gravel Trails</b> Welcome (500m)	2024-2026	43,800	14,858		28,942	21,900		7,042	6,690	352
3	Jack Burger Sports Complex (1,858m)	2024-2026	162,600	55,156		107,444	81,300		26,144	24,837	1,307
4	<b>Parks</b> Pump Park Development		250,000	-		250,000	-		250,000	237,500	12,500
5	Lions Park Playground Equipment		100,000	-		100,000	-		100,000	95,000	5,000
6	Canton Hub Park Playground Equipment		100,000	-		100,000	-		100,000	95,000	5,000
7	<b>Vehicles &amp; Equipment</b> Tractor for Winter Trail Maintenance	2024	110,000	-		110,000	-		110,000	104,500	5,500
8	<b>Debt Payments</b> Jack Burger Sports Complex (Future Debt Payments)		1,870,442	-		1,870,442	1,393,000		477,442	453,570	23,872
9	Jack Burger Sports Complex (Previously Unfunded Debt Payments)		467,193	-		467,193	-		467,193	443,833	23,360
10	<b>Studies</b> Active Transportation & Trails Master Plan	2027	100,000	-		100,000	50,000		50,000	47,500	2,500
11	Jack Burger Feasibility Study	2029	100,000	-		100,000	50,000		50,000	47,500	2,500



**Table 5-3 (continued)**  
**Infrastructure Costs covered in the D.C Calculation – Parks and Recreation Services**

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2024 to 2034								95%	5%	
	<b>Riverwalk &amp; Waterfront</b>										
	<u>Central Waterfront</u>										
CW1.1	Harbour Trail - Waterside Promenade	2030-2034	7,390,500	787,956		6,602,544	6,229,100		373,444	354,772	18,672
CW1.3.1	Harbour Trail - East Channel Replace and Extend Existing Boardwalk	2030-2034	2,359,500	125,782		2,233,718	2,174,100		59,618	56,637	2,981
CW1.3.2	Harbour Trail - Waterside Open Space	2030-2034	5,687,500	-		5,687,500	5,240,600		446,900	424,555	22,345
CW1.3.3	Harbour Trail - East Channel Existing Path Upgrades	2024-2029	91,500	4,878		86,622	84,300		2,322	2,206	116
CW2.2	Inner Harbour Plaza	2030-2034	3,185,000	-		3,185,000	2,684,500		500,500	475,475	25,025
CW2.6	Lookout Park	2030-2034	5,687,500	-		5,687,500	4,793,700		893,800	849,110	44,690
	<u>East Beach Programmed Beach Amenities</u>										
EB1.1	Washrooms (Incl. demo)	2024-2034	290,000	-		290,000	145,000		145,000	137,750	7,250
EB1.2	Waterside Trail	2030-2034	760,500	515,944		244,556	-		244,556	232,329	12,228
EB1.3	Water Access	2030-2034	195,000	-		195,000	-		195,000	185,250	9,750
EB1.4.1	Playground	2030-2034	162,500	-		162,500	81,300		81,200	77,140	4,060
EB1.4.2	Splash Pad	2030-2034	130,000	-		130,000	-		130,000	123,500	6,500
EB1.4.3	Exercise Equipment	2030-2034	32,500	-		32,500	-		32,500	30,875	1,625
EB1.5.1	Seating Areas	2030-2034	32,500	-		32,500	-		32,500	30,875	1,625
EB1.5.2	Amenity Lawn	2030-2034	19,500	-		19,500	9,800		9,700	9,215	485
EB1.5.3	Picnic / BBQ	2030-2034	19,500	-		19,500	9,800		9,700	9,215	485
	<u>East Beach - A.K. Sculthorpe Marsh</u>										
EB2.1	Trails & Boardwalk	2030-2034	195,000	132,293		62,707	-		62,707	59,571	3,135
EB2.2	Lake Street Trail	2030-2034	901,875	96,156		805,719	760,100		45,619	43,338	2,281



**Table 5-3 (continued)**  
**Infrastructure Costs covered in the D.C Calculation – Parks and Recreation Services**

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
2024 to 2034									95%	5%	
	<u>West Beach</u>			-							
WB1.2	Dune System	2024-2034	79,688	-		79,688	67,200		12,488	11,863	624
WB1.3	Raised Boardwalk	2030-2034	1,462,500	155,928		1,306,572	1,232,700		73,872	70,178	3,694
WB2.1	West Beach (West) - Public Amenities (Washrooms)	2030-2034	260,000	-		260,000	219,100		40,900	38,855	2,045
WB2.2	West Beach (West) - Gazebo / Event Space (powered)	2030-2034	195,000	-		195,000	164,400		30,600	29,070	1,530
WB2.3	West Beach (West) - All-Ages Play Spaces	2030-2034	162,500	-		162,500	149,700		12,800	12,160	640
WB2.4.1	West Beach (West) - Amenity Lawn	2030-2034	19,500	-		19,500	18,000		1,500	1,425	75
WB2.4.2	West Beach (West) - Low Impact Multi-use Games Courts	2030-2034	16,250	-		16,250	13,700		2,550	2,423	128
WB3.1	West Beach (East) - Public Amenities	2030-2034	260,000	-		260,000	219,100		40,900	38,855	2,045
WB3.2.1	West Beach (East) - Seating Areas	2030-2034	32,500	-		32,500	27,400		5,100	4,845	255
WB3.2.2	West Beach (East) - Grass Courts	2030-2034	111,638	-		111,638	94,100		17,538	16,661	877
WB3.3	West Beach (East) - Boardwalk	2030-2034	1,306,500	139,296		1,167,204	1,101,200		66,004	62,704	3,300
	<u>Ganaraska River and Riverwalk</u>										
GR4.1	Riverwalk Improvements	2024-2029	721,500	-		721,500	360,800		360,700	342,665	18,035
GR4.2	Hiking Trails	2024-2029	306,750	104,054		202,696	153,400		49,296	46,831	2,465
GR4.4	Washrooms	2030-2034	260,000	-		260,000	-		260,000	247,000	13,000
GR4.6	Choate Road Multi-Use Path	2024-2029	135,000	91,588		43,412	-		43,412	41,242	2,171
	<u>Streetscape Improvements</u>										
ST4	Lent Lane Improvements	2024-2029	75,000	-		75,000	-		75,000	71,250	3,750
	Reserve Fund Adjustment								(137,213)	(130,352)	(6,861)
	<b>Total</b>		<b>35,969,135</b>	<b>2,264,728</b>	<b>-</b>	<b>33,704,407</b>	<b>27,689,500</b>	<b>-</b>	<b>5,877,694</b>	<b>5,583,810</b>	<b>293,885</b>



Table 5-4  
Infrastructure Costs covered in the D.C Calculation – Library Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2024 to 2034									95%	5%
1	Library Collection Additions	2024-2034	685,798	-		685,798	-		685,798	651,508	34,290
	Reserve Fund Adjustment								(78,449)	(74,526)	(3,922)
	<b>Total</b>		<b>685,798</b>	<b>-</b>	<b>-</b>	<b>685,798</b>	<b>-</b>	<b>-</b>	<b>607,349</b>	<b>576,982</b>	<b>30,367</b>





**Table 5-5  
Infrastructure Costs covered in the D.C Calculation – Growth-related Studies**

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2024 to 2034									82%	18%
1	Development Charges Study (2)	2024/2029	124,000	-		124,000	-		124,000	101,680	22,320
2	Official Plan Review and Update	2025	150,000	-	7,500	142,500	75,000		67,500	55,350	12,150
3	Comprehensive Zoning By-Law Review and Update	2027	100,000	-	5,000	95,000	50,000		45,000	36,900	8,100
4	Secondary Plan Wesleyville	2028	75,000	-	3,800	71,200	-		71,200	58,384	12,816
5	Secondary Plan Major Employment Area (Hwy 28)	2027	75,000	-	3,800	71,200	-		71,200	58,384	12,816
6	Secondary Plan Servicing Studies for Urban Boundary Expansion	2028	150,000	150,000		-	-		-	-	-
7	Subwatershed Study - Osaca	2024-2025	75,000	-		75,000	-		75,000	61,500	13,500
	Previously Unfunded Amounts		14,509	-		14,509	-		14,509	11,898	2,612
	<b>Total</b>		<b>763,509</b>	<b>150,000</b>	<b>20,100</b>	<b>593,409</b>	<b>125,000</b>	<b>-</b>	<b>468,409</b>	<b>384,096</b>	<b>84,314</b>



## 5.3 10-Year Capital Costs for Area-Specific D.C. Calculation

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This section evaluates the development-related capital requirements for area-specific services assessed over a 10-year planning period (2024-2034).

The anticipated development-related capital requirements for Wastewater and Water Services have been developed by CIMA+, in consultation with the Municipality's staff.

### 5.3.1 Policing Services (P.H.P.S.)

The P.H.P.S. provides policing services in the Municipality's urban area. P.H.P.S. operates out of an 11,000 square foot police station and garage, in addition to providing outfitting and equipment for 32 uniformed officers, 2 automatic license plate readers, and 13 vehicles. In total, the inventory of police assets provides a historical average level of service of \$410 per capita. The historical level of investment in police services provides for a D.C. eligible amount over the forecast period of approximately \$1.2 million.

Based on the Municipality's P.H.P.S. Strategic Plan and discussion with staff, the 10-year capital needs to accommodate growth have a total gross capital cost of approximately \$4.8 million. These costs include approximately \$707,700 in unfunded debt payments related to the construction of the police station in 2016 and \$206,000 in previously acquired but unfunded growth-related capital. Furthermore, these costs include future debt payments related to the construction of the police station in 2016 (i.e. committed excess capacity), additional police station and storage facilities, additional police officer equipment, and a police vehicle. Deductions of approximately \$2.6 million for post period benefits related to the police station expansion and police station debenture repayments and \$902,400 for the benefit to existing development have been applied. As a result, approximately \$1.2 million of growth-related costs have been included in the calculation of the charge for the 10-year forecast period.

The D.C. recoverable capital costs have been allocated 83% residential and 17% non-residential based on the incremental growth in population to employment within the urban area for the 10-year forecast period.



### **5.3.2 Wastewater**

Wastewater includes wastewater pumping stations and sanitary sewers. The capital program includes upgrades to the pumping station access road and the Mill Street Pumping Station, additional wastewater equipment, and wastewater studies.

Furthermore, outstanding credits and associated financing costs related to the works replaced by AON will continue to be recovered through the D.C.

In total, the gross capital cost estimates amount to approximately \$4.6 million, including \$1.0 million in unfunded D.C. recoverable costs previously incurred. A Deduction of \$92,000 for benefit to existing development has been included. The net capital costs identified for inclusion in the calculation of the charge total approximately \$4.5 million.

Costs related to wastewater pumping stations were allocated 95% to residential and 5% to non-residential development, due to this service being fundamentally directed towards residential users. For all other projects, the costs have been allocated 69% residential and 31% non-residential, based on contributing equivalent-population flows.

### **5.3.3 Wastewater Treatment Plants**

The Municipality will continue to recover committed excess capacity for new development within the wastewater treatment plant. This committed excess capacity is included within unfunded growth-related debt payments and future debt payments for the Wastewater Treatment Plant upgrades and expansion, totaling approximately \$15.0 million. Approximately \$1.4 million has been deducted in recognition of the D.C. reserve fund balance, resulting in \$13.6 million in capital needs being included in the D.C. calculation.

The allocation of this cost to residential and non-residential development is 69% and 31% respectively, based on contributing equivalent-population flows.

### **5.3.4 Water Services**

Similar to the wastewater treatment plant, the Municipality will continue to recover the committed excess capacity within the water treatment plant available to service new development. These costs include unfunded growth-related debt payments of the Water Treatment Plant upgrades and expansion. Furthermore, the capital program





includes the replacement, oversizing, and construction of watermains, a master plan, as well as upgrades to pumping stations and unfunded D.C. recoverable costs previously incurred. In total, the gross capital cost estimates over the forecast period total approximately \$20.2 million. Deductions of approximately \$1.4 million in recognition of post period benefits and \$9.1 million to recognize the benefits to the existing community have been provided. As a result, approximately \$9.8 million in capital needs has been included in the D.C. calculation.

These D.C. recoverable capital costs have been allocated 69% to residential development, and 31% to non-residential development, based on contributing equivalent-population flows.



**Table 5-6**  
**Infrastructure Costs covered in the D.C Calculation – Policing Services (P.H.P.S.)**

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2034	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 83%	Non-Residential Share 17%
1	Additional Officer Outfitting (5)		62,000	-		62,000	-		62,000	51,460	10,540
2	C8 Carbine		3,500	-		3,500	-		3,500	2,905	595
3	External Storage Building		144,000	-		144,000	-		144,000	119,520	24,480
4	Police Station Expansion	2028	2,000,000	2,000,000		-	-		-	-	-
5	Additional Police Vehicle		75,000	-		75,000	-		75,000	62,250	12,750
	<b>Debt Payments</b>										
6	New Police Station (Future Debt Payments)		1,558,702	640,153		918,549	902,400		16,149	13,404	2,745
7	New Police Station (Previously Unfunded Debt Payments)		707,671	-		707,671	-		707,671	587,367	120,304
	Previously Unfunded Amounts		206,031	-		206,031	-		206,031	171,006	35,025
	<b>Total</b>		<b>4,756,904</b>	<b>2,640,153</b>	<b>-</b>	<b>2,116,751</b>	<b>902,400</b>	<b>-</b>	<b>1,214,351</b>	<b>1,007,911</b>	<b>206,440</b>



**Table 5-7  
Infrastructure Costs covered in the D.C Calculation – Wastewater**

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2034 (Urban)	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	<b>Pumping Stations</b>										
SP1	Pumping Station Access Road (South of Lakeshore Road)		424,114	-		424,114	-		424,114	402,908	21,206
SP2	Mill Street (Mill Street Pumping Station)		106,029	-		106,029	-		106,029	100,727	5,301
	<b>Equipment</b>										
WW2	Additional Portable Sewer Camera System		12,000	-		12,000	6,000		6,000	4,135	1,865
WW3	Upgraded Vehicle based Sewer Inspection Camera System		20,000	-		20,000	10,000		10,000	6,892	3,108
	<b>Studies</b>										
1	Wastewater Master Plan	2028	90,000	-		90,000	36,000		54,000	37,218	16,782
2	Wastewater Modelling	2027	50,000	-		50,000	20,000		30,000	20,677	9,323
3	Wastewater Flow Monitoring	2026	50,000	-		50,000	20,000		30,000	20,677	9,323
4	AON Growth-Related Outstanding Credits and Net Financing Costs (Sewers)		679,206	-		679,206	-		679,206	468,124	211,082
5	AON Growth-Related Outstanding Credits and Net Financing Costs (Pumping Stations)		2,189,118	-		2,189,118	-		2,189,118	2,079,662	109,456
	Previously Unfunded Amounts		1,012,365	-		1,012,365	-		1,012,365	901,201	111,164
	<b>Total</b>		<b>4,632,832</b>	<b>-</b>	<b>-</b>	<b>4,632,832</b>	<b>92,000</b>	<b>-</b>	<b>4,540,832</b>	<b>4,042,222</b>	<b>498,610</b>



**Table 5-8**  
**Infrastructure Costs covered in the D.C Calculation – Wastewater Treatment Plants**

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2034 (Urban)	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 69%	Non-Residential Share 31%
1	<b>Debt Payments</b> WWTP Upgrades & Expansion (Growth Share of Future Debt Payments)		8,150,315	-		8,150,315	-		8,150,315	5,617,378	2,532,937
2	WWTP Upgrades & Expansion (Previously Unfunded Debt Payments)		6,879,590	-		6,879,590	-		6,879,590	4,741,566	2,138,024
	Reserve Fund Adjustment								(1,407,012)	(969,744)	(437,268)
	<b>Total</b>		<b>15,029,905</b>	<b>-</b>	<b>-</b>	<b>15,029,905</b>	<b>-</b>	<b>-</b>	<b>13,622,892</b>	<b>9,389,200</b>	<b>4,233,693</b>



**Table 5-9  
Infrastructure Costs covered in the D.C Calculation – Water Services**

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2034 (Urban)	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 69%	Non-Residential Share 31%
W1	<b>Watermain Replacement</b> Victoria Street South (Ridout Street to Strachan Street)		395,643	-		395,643	311,500		84,143	57,993	26,150
W2	Toronto Road (Fraser Street to Ridout Street)		1,652,495	-		1,652,495	929,700		722,795	498,166	224,629
W3a	<b>Watermain Oversizing</b> Ontario Street (Croft Street to Walton Street)		130,750	-		130,750	95,700		35,050	24,157	10,893
W3b	Croft Street (200m West of Rose Glen Road to Deblaquiere Street)		39,067	-		39,067	28,600		10,467	7,214	3,253
W4c	Pemberton Drive (Henderson Street to 300m East of Henderson Street)		35,659	-		35,659	-		35,659	24,577	11,082
W4d	<b>Watermain Construction</b> Pemberton Drive (300m East of Henderson Street to Victoria Street North)		195,410	-		195,410	-		195,410	134,681	60,729
W7	<b>Pumping Upgrades</b> Victoria Street Booster Pumping Station		286,002	-		286,002	57,200		228,802	157,696	71,107
W8	Future Zone 1 Floating Storage Site		12,120,789	1,425,200		10,695,589	7,607,300		3,088,289	2,128,517	959,772
1	<b>Debt Payments</b> WTP Upgrades & Expansion (Previously Unfunded Debt Payments)		3,960,396	-		3,960,396	-		3,960,396	2,729,593	1,230,803
2	<b>Studies</b> Water Master Plan	2028	80,000	-		80,000	32,000		48,000	33,083	14,917
	Previously Unfunded Amounts		1,343,006	-		1,343,006	-		1,343,006	925,630	417,376
	<b>Total</b>		<b>20,239,217</b>	<b>1,425,200</b>	<b>-</b>	<b>18,814,017</b>	<b>9,062,000</b>	<b>-</b>	<b>9,752,017</b>	<b>6,721,306</b>	<b>3,030,710</b>



# Chapter 6

## D.C. Calculation



## 6. D.C. Calculation

This chapter presents the D.C. calculations for the growth-related capital costs identified in Chapter 5. Table 6-1 calculates the proposed area-specific D.C. to be imposed on anticipated development in the urban area over the 10-year forecast period. Table 6-2 calculates the proposed Municipality-wide D.C.s to be imposed on anticipated development in the Municipality over the 10-year forecast period.

The calculation for residential development is generated on a per capita basis and is based upon five forms of housing types (single and semi-detached, apartments 2+ bedrooms, bachelor and 1-bedroom apartments, all other multiples, and special care dwelling units). The non-residential D.C.s have been calculated on a per square foot of gross floor area basis for non-residential development.

The D.C. eligible costs for each service component are provided in Chapter 5 for all municipal services, based on their proposed capital programs.

For the residential calculations, the total cost is divided by the population associated with new units to determine the per capita amount. The eligible-D.C. cost calculations set out in Chapter 5 are based on the forecast new unit population less any decline in the existing population, where applicable. The cost per capita is then multiplied by the average occupancy of the new units (Appendix A, Schedule 4) to calculate the charges in Table 6-1 to Table 6-2.

With respect to non-residential development, the total costs in the uniform charge allocated to non-residential development (based on need for service) have been divided by the anticipated development over the respective planning periods to calculate a cost per sq.ft. of G.F.A.

Table 6-3 summarizes the calculated schedule of charges, reflecting the maximum D.C.s by residential dwelling unit type and non-residential G.F.A. for municipal-wide and area-specific services.

Table 6-4 and Table 6-5 compare the existing charges to the charges proposed for a single detached residential dwelling unit and per square foot of G.F.A. for non-residential development, respectively. Table 6-5 provides the comparison separately for industrial and all other non-residential, in order to capture the Municipality's historical



practice of only charging the water and wastewater components of the charge to industrial development.

In total, the proposed charge for a single detached dwelling unit would increase by 42% (+ \$4,869) in the rural area and would increase by 19% (+ \$5,139) in the urban area.

For industrial development, the proposed D.C. in the urban area would increase by 10% (+ \$1.13 per sq.ft. of G.F.A.) relative to the current charge.

For all other non-residential development, the proposed D.C. in the rural area would increase by 26% (+ \$1.12 per sq.ft. of G.F.A.) relative to the current charge. In the urban area, the proposed D.C. would increase by 15% (+ \$2.40 per sq.ft. of G.F.A.) relative to the current charge.





Table 6-1  
Area-Specific Services D.C Calculation – Urban Area  
2024-2034

SERVICE/CLASS OF SERVICE	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
1. Policing Services (P.H.P.S.)	1,007,911	206,440	786	0.34
2. Wastewater Services				
2.1 Wastewater	4,042,222	498,610	3,152	0.82
2.2 Wastewater Treatment Plants	9,389,200	4,233,693	7,321	6.96
3. Water Services	6,721,306	3,030,710	5,241	4.98
<b>TOTAL</b>	<b>\$21,160,639</b>	<b>\$7,969,453</b>	<b>\$16,500</b>	<b>\$13.10</b>
D.C.-Eligible Capital Cost	\$21,160,639	\$7,969,453		
10-Year Urban Gross Population/GFA Growth (sq.ft.)	2,964	608,400		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$7,139.22</b>	<b>\$13.10</b>		
<b><u>By Residential Unit Type</u></b>	<b><u>P.P.U.</u></b>			
Single and Semi-Detached Dwelling	2.311	\$16,499		
Other Multiples	1.701	\$12,144		
Apartments - 2 Bedrooms +	1.691	\$12,072		
Apartments - Bachelor and 1 Bedroom	1.358	\$9,695		
Special Care Dwelling Units	1.100	\$7,853		



Table 6-2  
Municipality-wide Services D.C Calculation  
2024-2034

SERVICE/CLASS OF SERVICE	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
4. Services Related to a Highway	12,888,277	2,829,134	9,103	\$3.80
5. Fire Protection Services	3,786,436	831,169	2,674	1.11
6. Parks and Recreation Services	5,583,810	293,885	3,944	0.39
7. Library Services	576,982	30,367	408	0.04
8. By-law Enforcement Services	9,602	2,108	7	-
9. Growth-related Studies			271	0.11
9.1 Policing Services (P.H.P.S.)	7,000	1,537		
9.2 Wastewater Services	104,706	22,984		
9.3 Water Services	117,716	25,840		
9.4 Services Related to a Highway	90,604	19,889		
9.5 Fire Protection Services	26,618	5,843		
9.6 Parks and Recreation Services	33,882	7,438		
9.7 Library Services	3,501	769		
9.8 By-law Enforcement Services	68	15		
<b>TOTAL</b>	<b>23,229,204</b>	<b>\$4,070,977</b>	<b>\$16,407</b>	<b>\$5.45</b>
D.C.-Eligible Capital Cost	\$23,229,204	\$4,070,977		
10-Year Gross Population/GFA Growth (sq.ft.)	3,272	746,400		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$7,099.39</b>	<b>\$5.45</b>		
<b>By Residential Unit Type</b>	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	2.311	\$16,407		
Other Multiples	1.701	\$12,076		
Apartments - 2 Bedrooms +	1.691	\$12,005		
Apartments - Bachelor and 1 Bedroom	1.358	\$9,641		
Special Care Dwelling Units	1.100	\$7,809		



Table 6-3  
Calculated Schedule of D.C. Charges

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care Dwelling Units	(per sq.ft. of Gross Floor Area)
<b>Municipal Wide Services/Class of Service:</b>						
Services Related to a Highway	\$ 9,103	\$ 6,700	\$ 6,661	\$ 5,349	\$ 4,333	\$ 3.80
Fire Protection Services	\$ 2,674	\$ 1,968	\$ 1,957	\$ 1,571	\$ 1,273	\$ 1.11
Parks and Recreation Services	\$ 3,944	\$ 2,903	\$ 2,886	\$ 2,318	\$ 1,877	\$ 0.39
Library Services	\$ 408	\$ 300	\$ 299	\$ 240	\$ 194	\$ 0.04
By-law Enforcement Services	\$ 7	\$ 5	\$ 5	\$ 4	\$ 3	\$ -
Growth-related Studies	\$ 271	\$ 199	\$ 198	\$ 159	\$ 129	\$ 0.11
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$ 16,407</b>	<b>\$ 12,075</b>	<b>\$ 12,006</b>	<b>\$ 9,641</b>	<b>\$ 7,809</b>	<b>\$ 5.45</b>
<b>Area Specific Services (Urban Area)</b>						
Policing Services (P.H.P.S.)	\$ 786	\$ 579	\$ 575	\$ 462	\$ 374	\$ 0.34
<b>Total Area Specific Services (Urban Area)</b>	<b>\$ 786</b>	<b>\$ 579</b>	<b>\$ 575</b>	<b>\$ 462</b>	<b>\$ 374</b>	<b>\$ 0.34</b>
<b>Urban Services</b>						
Wastewater	\$ 3,152	\$ 2,320	\$ 2,306	\$ 1,852	\$ 1,500	\$ 0.82
Wastewater Treatment Plants	\$ 7,321	\$ 5,389	\$ 5,357	\$ 4,302	\$ 3,485	\$ 6.96
Water Services	\$ 5,241	\$ 3,858	\$ 3,835	\$ 3,080	\$ 2,495	\$ 4.98
<b>Total Urban Services</b>	<b>\$ 15,714</b>	<b>\$ 11,567</b>	<b>\$ 11,498</b>	<b>\$ 9,234</b>	<b>\$ 7,480</b>	<b>\$ 12.76</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>\$ 16,407</b>	<b>\$ 12,075</b>	<b>\$ 12,006</b>	<b>\$ 9,641</b>	<b>\$ 7,809</b>	<b>\$ 5.45</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>\$ 32,907</b>	<b>\$ 24,221</b>	<b>\$ 24,079</b>	<b>\$ 19,337</b>	<b>\$ 15,663</b>	<b>\$ 18.55</b>



Table 6-4  
Comparison of Current and Proposed Residential (Single Detached) D.C.s

Service/Class of Service	Current	Proposed	Difference
<b>Municipal Wide Services/Classes:</b>			
Services Related to a Highway	\$ 8,484	\$ 9,103	\$ 619
Fire Protection Services	\$ 716	\$ 2,674	\$ 1,958
Parks and Recreation Services	\$ 1,767	\$ 3,944	\$ 2,177
Library Services	\$ 345	\$ 408	\$ 63
By-law Enforcement Services	\$ -	\$ 7	\$ 7
Growth-related Studies	\$ 226	\$ 271	\$ 45
<b>Total Municipal Wide Services/Classes</b>	<b>\$ 11,538</b>	<b>\$ 16,407</b>	<b>\$ 4,869</b>
<b>Area Specific Services (Urban Area)</b>			
Policing Services (P.H.P.S.)	\$ 514	\$ 786	\$ 272
<b>Total Area Specific Services (Urban Area)</b>	<b>\$ 514</b>	<b>\$ 786</b>	<b>\$ 272</b>
<b>Urban Services</b>			
Wastewater	\$ 5,163	\$ 3,152	\$ (2,011)
Wastewater Treatment Plants	\$ 7,041	\$ 7,321	\$ 280
Water Services	\$ 3,512	\$ 5,241	\$ 1,729
<b>Total Urban Services</b>	<b>\$ 15,716</b>	<b>\$ 15,714</b>	<b>\$ (2)</b>
<b>Grand Total - Rural Area</b>	<b>\$ 11,538</b>	<b>\$ 16,407</b>	<b>\$ 4,869</b>
<b>Grand Total - Urban Area</b>	<b>\$ 27,768</b>	<b>\$ 32,907</b>	<b>\$ 5,139</b>



Table 6-5  
Comparison of Current and Proposed Non-Residential D.C. (per sq.ft. of G.F.A.)

Service/Class of Service	All Other (per sq.ft. of G.F.A.)			Industrial (per sq.ft. of G.F.A.)		
	Current	Proposed	Difference	Current	Proposed	Difference
<b>Municipal Wide Services/Classes:</b>						
Services Related to a Highway	\$ 3.88	\$ 3.80	\$ (0.08)	\$ -	\$ -	\$ -
Fire Protection Services	\$ 0.19	\$ 1.11	\$ 0.92	\$ -	\$ -	\$ -
Parks and Recreation Services	\$ 0.14	\$ 0.39	\$ 0.25	\$ -	\$ -	\$ -
Library Services	\$ 0.02	\$ 0.04	\$ 0.02	\$ -	\$ -	\$ -
By-law Enforcement Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Growth-related Studies	\$ 0.10	\$ 0.11	\$ 0.01	\$ -	\$ -	\$ -
<b>Total Municipal Wide Services/Classes</b>	<b>\$ 4.33</b>	<b>\$ 5.45</b>	<b>\$ 1.12</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Area Specific Services (Urban Area)</b>						
Policing Services (P.H.P.S.)	\$ 0.19	\$ 0.34	\$ 0.15	\$ -	\$ -	\$ -
<b>Total Area Specific Services (Urban Area)</b>	<b>\$ 0.19</b>	<b>\$ 0.34</b>	<b>\$ 0.15</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Urban Services</b>						
Wastewater	\$ 0.84	\$ 0.82	\$ (0.02)	\$ 0.84	\$ 0.82	\$ (0.02)
Wastewater Treatment Plants	\$ 7.20	\$ 6.96	\$ (0.24)	\$ 7.20	\$ 6.96	\$ (0.24)
Water Services	\$ 3.59	\$ 4.98	\$ 1.39	\$ 3.59	\$ 4.98	\$ 1.39
<b>Total Urban Services</b>	<b>\$ 11.63</b>	<b>\$ 12.76</b>	<b>\$ 1.13</b>	<b>\$ 11.63</b>	<b>\$ 12.76</b>	<b>\$ 1.13</b>
<b>Grand Total - Rural Area</b>	<b>\$ 4.33</b>	<b>\$ 5.45</b>	<b>\$ 1.12</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total - Urban Area</b>	<b>\$ 16.15</b>	<b>\$ 18.55</b>	<b>\$ 2.40</b>	<b>\$ 11.63</b>	<b>\$ 12.76</b>	<b>\$ 1.13</b>



## 7.2 D.C. By-law Structure

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### It is recommended that:

- the Municipality impose a Municipality-wide D.C. calculation for all municipal services, except for P.H.P.S., wastewater services, and water services;
- the Municipality impose D.C.s for P.H.P.S. in the urban area only;
- the Municipality impose D.C.s for wastewater and water services in the water and wastewater serviced areas only; and
- the Municipality use one D.C. by-law be used for all services and classes of service to be recovered through D.C.s.

## 7.3 D.C. By-law Rules

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The following sets out the recommended rules governing the calculation, payment, and collection of D.C.s in accordance with section 6 of the D.C.A.

### It is recommended that the following provides the basis for the D.C.s:

#### **7.3.1 Payment in any Particular Case**

In accordance with the D.C.A., subsection 2 (2), a D.C. be calculated, payable and collected where the development requires one or more of the following:

- (a) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
- (b) the approval of a minor variance under section 45 of the *Planning Act*;
- (c) a conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act* applies;
- (d) the approval of a plan of subdivision under section 51 of the *Planning Act*;
- (e) a consent under section 53 of the *Planning Act*;
- (f) the approval of a description under section 9 of the *Condominium Act, 1998*; or
- (g) the issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.



### 7.3.4 Exemptions (full or partial)

a) Statutory exemptions include the following:

- Partial exemption for industrial building additions of up to and including 50% of the existing G.F.A. (defined in O. Reg. 82/98, section 1) of the building; for industrial building additions that exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50% is subject to D.C.s (subsection 4 (3) of the D.C.A.);
- Full exemption for buildings or structures owned by and used for the purposes of any municipality, local board, or Board of Education;
- Full exemption for additional residential development within or ancillary to existing buildings: development that results only in the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units (based on limits set out in subsection 2 (3.2) of the Act);
- Full exemption for additional residential development within or ancillary to new dwellings: development that includes the creation of up to two additional dwelling units (based on limits set out in subsection 2 (3.3) of the Act);
- Full exemption for the creation of the greater of one residential unit or 1% of the existing residential units in an existing rental residential building;
- Full exemption for a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario;
- Full exemption for affordable units;
- Full exemption for affordable units and attainable units, (in effect on a day to be named by proclamation of the Lieutenant Governor);
- Full exemption for affordable inclusionary zoning units;
- Full exemption for non-profit housing developments; and
- Partial exemption through a discount for rental housing units based on bedroom size as prescribed (i.e., three or more bedrooms - 25% discount, two bedrooms - 20% discount, and all others - 15% discount).

b) Non-statutory exemptions included for consideration in the draft by-law include:

- Lands, buildings or structures used or to be used for a place of worship or for the purposes of a churchyard or cemetery exempt from taxation under the *Assessment Act*;
- The construction of a non-residential farm building or structure constructed for a bona fide farm operation;
- Buildings used as hospitals as governed by the *Public Hospitals Act*, and



- For industrial uses, only the water and wastewater portions of the development charge are applicable.

### **7.3.5 Timing of Collection**

The D.C.s for all services and classes are payable upon issuance of a building permit for each dwelling unit, building, or structure, subject to early or late payment agreements entered into by the Municipality and an owner under section 27 of the D.C.A.

Rental housing and institutional developments will pay D.C.s in six equal annual payments commencing at occupancy. Moreover, the D.C. amount for all developments occurring within two (2) years of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted after January 1, 2020 and before June 7, 2024), shall be determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application was deemed complete. The D.C. amount for all developments occurring within eighteen (18) months of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted after June 6, 2024), shall be determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application.

Installment payments and payments determined at the time of Site Plan or Zoning By-law Amendment application are subject to annual interest charges. The interest rate the Municipality can impose is governed by the Municipality's Council approved Development Charges Interest Policy.

### **7.3.6 Indexing**

Indexing of the D.C.s shall be implemented on a mandatory basis annually on January 1<sup>st</sup> of each year, in accordance with the Statistics Canada Quarterly, Non-Residential Building Construction Price Index for Toronto (currently Table 18-10-0276-02) for the most recent year-over-year period.

### **7.3.7 D.C Spatial Applicability**

The D.C.A. historically has provided the opportunity for a municipality to impose municipal-wide charges or area specific charges. Subsections 2 (7) and 2 (8) of the D.C.A. provide that a D.C. by-law may apply to the entire municipality or only part of it





and more than one D.C. by-law may apply to the same area. The D.C.A. now requires municipalities to consider the application of municipal-wide and area-specific D.C.s. Subsection 10 (2), clause (c.1) requires Council to consider the use of more than one D.C. by-law to reflect different needs from services in different areas. Most municipalities in Ontario have established uniform, municipal-wide D.C.s. When area-specific charges are used, it is generally to underpin master servicing and front-end financing arrangements for more localized capital costs.

Based on the foregoing and historical practice in the Municipality, it is proposed that uniform Municipality-wide D.C.s for all services excluding P.H.P.S., wastewater services, and water services be imposed. Wastewater and water services D.C.s will continue to be imposed on an area-specific basis for development in the wastewater and water serviced areas. P.H.P.S. D.C.s will continue to be imposed on an area-specific basis for development in the urban area.

## **7.4 Other D.C. By-law Provisions**

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**It is recommended that:**

### ***7.4.1 Categories of Services for Reserve Fund and Credit Purposes***

It is recommended that the Municipality's D.C. collections be contributed into ten (10) separate reserve funds, including:

- Services Related to a Highway;
- Fire Protection Services;
- Parks and Recreation Services;
- Library Services;
- By-law Enforcement Services;
- Growth-related Studies;
- Policing Services (P.H.P.S.);
- Wastewater;
- Wastewater Treatment Plants; and
- Water Services.



### **7.4.2 By-law In-force Date**

It is proposed that the new D.C. by-law will come into force on November 6, 2024 (i.e., ahead of the expiry date of the Municipality's current D.C. by-law).

### **7.4.3 Minimum Interest Rate Paid on Refunds and Charged for Inter-Reserve Fund Borrowing**

The minimum interest rate is the Bank of Canada rate on the day on which the by-law come into force (as per section 11 of O. Reg. 82/98).

## **7.5 Other Recommendations**

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### **It is recommended that Council:**

“Whenever appropriate, request that grants, subsidies and other contributions be clearly designated by the donor as being to the benefit of existing development or new development, as applicable;”

“Adopt the assumptions contained herein as an ‘anticipation’ with respect to capital grants, subsidies, and other contributions;”

“Adopt the D.C. approach to calculate the charges on a uniform -wide basis for all services, except for police services which will be imposed in the urban area, and water and wastewater services which will be imposed in the urban serviced areas;”

“Approve the capital project listing set out in Chapter 5 of the D.C. Background Study dated May 10, 2024, as amended, subject to further annual review during the capital budget process;”

“Approve the D.C. Background Study dated May 10, 2024, as amended;”

“Determine that no further public meeting is required;” and

“Approve the D.C. By-law as set out in Appendix F.”



# Appendix F

## Proposed D.C. By-law



THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE

BY-LAW NO. XX/2024

*Being a By-law for the Imposition of Development Charges*

WHEREAS the Municipality of Port Hope is expected to experience growth through development and redevelopment;

AND WHEREAS development and redevelopment require the provision of physical and social services by the Corporation of the Municipality of Port Hope, hereinafter referred to as the "Municipality";

AND WHEREAS Council desires to ensure that the capital cost of meeting growth-related demands for, or burden on, municipal services does not place an excessive financial burden on the Municipality of Port Hope or its existing taxpayers while at the same time ensuring new taxpayers contribute no more than the net capital cost attributable to providing the current level of municipal services;

AND WHEREAS the *Development Charges Act, 1997* (the "Act") as amended provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services;

AND WHEREAS Council retained the services of Watson & Associates Economists Ltd. to prepare a Development Charge Background Study and make recommendations with respect to a development charge policy;

AND WHEREAS Council has received and studied a report "Municipality of Port Hope 2024 Development Charge Background Study" prepared by Watson & Associates Economists Ltd., dated May 10, 2024, as amended (hereinafter referred to as the "Watson Report");

AND WHEREAS the Council of The Corporation of the Municipality of Port Hope has given notice of, and held, a public meeting on the 8<sup>th</sup> day of October 2024 in accordance with the Act and the Regulations thereto;



AND WHEREAS Council has considered the comments of people at the said public meeting and comments subsequently received;

AND WHEREAS Council has complied with the pre-enactment requirements set out in sections 10, 11 and 12 of the Act;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE ENACTS AS FOLLOWS:

## 1. DEFINITIONS

1.1 In this By-law, unless a contrary intention appears, a term has the same meaning as that which exists in the Act or any Regulation made pursuant to sections 60 or 68 of the Act, both as amended from time to time.

1.2 In this by-law:

"Act" means the *Development Charges Act, 1997*, as amended, or any successor thereof.

"Accessory use" shall mean a use customarily incidental and subordinate to, and exclusively devoted to the principle or main use of the lot, building or structure and located on the same lot as such principal or main use.

"Accessory building or structure" shall mean a detached building or structure that is not used for human habitation and the use of which is customarily incidental and subordinate to a principal use, building or structure and located on the same lot therewith.

"Additional dwelling unit" means a dwelling unit, whether contained within a proposed single detached dwelling, semi-detached dwelling or row dwelling, or ancillary to a single detached dwelling, a semi-detached dwelling, or a row dwelling including but not limited to a coach house, laneway suite or structure constructed above an existing garage or other structure separate from the primary dwelling unit, and which is not capable of being legally conveyed as a separate parcel of land from the primary dwelling unit.



"Advance services" means services identified within the by-law relating to water services, wastewater services and services related to a highway.

"Affordable Residential Unit" means a residential unit that meets the criteria set out in section 4.1 of the Act.

"Agricultural use" means the use of land and/or buildings for the cultivation or foraging of crops, livestock or poultry production, raising or training of horses, and orchards, market gardening, maple sugar bushes, tobacco crops or other forms of specialized crop production.

"Attainable Residential Unit" means a residential unit that meets the criteria set out in section 4.1 of the Act.

"Bank of Canada rate" means the policy interest rate established by the Bank of Canada.

"Bedroom" means a room over 4.65 square metres in area, used for sleeping, a computer room, den, recreation room, and a sunroom (more than 7 square metres in area), study or other similar area, but does not include a room with kitchen or sanitary facilities if such room is not used for sleeping.

"Board of education" has the same meaning as set out in the *Education Act*, as amended, or any successor thereof.

"Bona fide farm operation" means the proposed development will qualify as a farm business operating with a valid Farm Business Registration Number issued by the Ontario Ministry of Agriculture, Food and Rural Affairs and be assessed in the Farmland Realty Tax Class by the Municipal Property Assessment Corporation.

"Building Code Act" means the *Building Code Act, 1992*, as amended, or any successor thereof.

"Capital cost" means capital costs as defined in subsection 5 (3) of the Act.

"Commercial use" means any use of land, structures or buildings for the purposes of buying or selling commodities and services, including hotels, motels,



motor inns and boarding, lodging and rooming houses. Commercial use does not include industrial uses, agricultural uses, or home occupations as defined in the applicable zoning by-law.

"Council" means the Council of the Municipality of Port Hope.

"Development" means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure with the effect of increasing the size of usability thereof, and includes redevelopment. Development is residential, non-residential or mixed.

"Development charge" means a charge imposed with respect to this by-law.

"Dwelling unit" means a suite operated as a housekeeping unit, used or intended to be used as a domicile by 1 or more persons and usually containing cooking, eating, living, sleeping and sanitary facilities for their exclusive use, and includes:

1. a basement apartment;
2. a park model home;
3. a bedroom in a students' or seniors' residence; and
4. a building, or portion of a building, used for residential purposes as defined by residential use in this by-law.

"Existing" means the number, use and size that existed as of the date this by-law was passed.

"Farm building" means that part of a bona fide farming operation encompassing barns, silos and other ancillary development to an agricultural use, but excluding a residential use.

"Grade" means the average level of proposed or finished ground adjoining a building or structure at all exterior walls.



"Gross floor area" means:

1. in the case of a residential building or structure, the total area of all floors above grade of a dwelling unit measured between the outside surfaces of exterior walls or between the outside surfaces of exterior walls and the centre line of party walls dividing the dwelling unit from any other dwelling unit or other portion of a building; and
2. in the case of a non-residential building or structure, or in the case of a mixed-use building or structure in respect of the non-residential portion thereof, the total area of all building floors above or below grade measured between the outside surfaces of the exterior walls, or between the outside surfaces of exterior walls and the centre line of party walls dividing a non-residential use and a residential use, except for:
  - a. a room or enclosed area within the building or structure above or below that is used exclusively for the accommodation of heating, cooling, ventilating, electrical, mechanical or telecommunications equipment that service the building;
  - b. loading facilities above or below grade; and
  - c. a part of the building or structure below grade that is used for the parking of motor vehicles or for storage or other accessory use.

"Inclusionary zoning residential unit" means residential units that are affordable housing units required to be included in a development or redevelopment pursuant to a by-law passed under section 34 of the *Planning Act* to give effect to the policies described in subsection 16 (4) of that Act.

"Industrial" means lands, buildings or structures used or designed or intended for use for manufacturing, processing, fabricating or assembly of raw goods, warehousing or bulk storage of goods, and includes office uses and the sale of commodities to the general public where such uses are accessory to an industrial use, but does not include the sale of commodities to the general public through a warehouse club or an agricultural use.





"Institutional" means land, buildings, structures or any part thereof used by any organization, group or association for promotion of charitable, educational or benevolent objectives and not for profit or gain. For the purposes of section 3.19 institutional means development of a building or structure intended for use:

1. as a long-term care home within the meaning of subsection 2 (1) of the *Long-Term Care Homes Act, 2007*;
2. as a retirement home within the meaning of subsection 2 (1) of the *Retirement Homes Act, 2010*.
3. By any institution of the following post-secondary institutions for the objects of the institution:
  - a. a university in Ontario that receives direct, regular and ongoing operation funding from the Government of Ontario;
  - b. a college or university federated or affiliated with a university described in subclause a; or
  - c. an Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institute Act, 2017*;
4. as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion; or
5. as a hospice to provide end of life care.

"Local Board" means a school board, public utility, commission, transportation commission, public library board, board of park management, local board of health, board of commissioners of police, planning board, or any other board, commission, committee, body or local authority established or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes, including school purposes, of the Municipality of Port Hope or any part or parts thereof.

"Local services" means those services, facilities or things which are under the jurisdiction of the Municipality and are related to a plan of subdivision or within



the area to which the plan relates in respect of the lands under sections 41, 51 or 53 of the *Planning Act*, as amended, or any successor thereof.

"Mixed use building" means a building, structure or development with portions which are to be used for residential development and other portions for non-residential development.

"Non-profit housing" means a development of a building or structure intended for use as residential premises by:

1. a corporation without share capital to which the *Corporations Act* applies, that is in good standing under that Act and whose primary objective is to provide housing;
2. a corporation without share capital to which the *Canada Not-for-profit Corporation Act* applies, that is in good standing under that Act and whose primary objective is to provide housing; or
3. a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act*;

"Non-residential development" means development other than residential development as defined below, and includes development for agricultural, commercial, industrial and institutional uses.

"Official Plan" means the Official Plan adopted for the Municipality, as amended and approved.

"Owner" means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed.

"Place of worship" means that part of a building or structure that is exempt from taxation as a place of worship under the *Assessment Act*, as amended, or any successor thereof.

"Regulation" means any regulation made pursuant to the Act.



“Rental housing” means development of a building or structure with four or more dwelling units all of which are intended for use as rented residential premises.

"Residential use" means designed, adopted or used as a home or residence of one or more individuals who reside or dwell there permanently or for a considerable period of time and includes:

1. "apartment dwelling" means any dwelling unit within a building containing four or more dwelling units, which is not a single detached dwelling, a semi-detached dwelling, a row dwelling, a special care dwelling, hotel, motel, tourist home, student residence, barracks, or any other development included in non-residential development;
2. "multiple dwellings" means all dwellings other than an apartment dwelling, a semi-detached dwelling, a single detached dwelling, and a special care dwelling;
3. "row dwelling" means a residential building containing not less than three dwelling units with each unit separated by a common or party wall or walls with a separate outside entrance to each unit. For the purposes of this definition, a row dwelling with up to two additional dwelling units as defined in this by-law is deemed to be a row dwelling;
4. "semi-detached dwelling" means a residential building that is divided vertically into two dwelling units. For the purposes of this definition, a semi-detached dwelling with up to two additional dwelling units as defined in this by-law is deemed to be a semi-detached dwelling;
5. "single detached dwelling" means a residential building consisting of one dwelling unit and not attached to another structure. For the purposes of this definition, a single detached dwelling with up to two additional dwelling units as defined in this by-law is deemed to be a single detached dwelling;
6. "special care dwelling" means a building not otherwise defined herein containing more than four dwelling units: where the occupants have the right to use in common, halls, stairs, yards, common rooms and accessory buildings; which dwelling units may or may not have exclusive sanitary and/or culinary facilities; that is designed to accommodate individuals with



specific needs, where meals are provided within the development on a regular basis and includes a bedroom, student residence, retirement home and lodge, nursing home, granny flat, accessory dwelling and group home.

"Residential development" means development used, or intended to be used, in the whole or in part for residential uses and includes: a special care dwelling, the residential portion of a mixed development, and an apartment building but does not include a place of worship, hotel, motel, bed and breakfast where people typically stay less than one week.

"Residential unit" means the same as dwelling unit as defined in this by-law.

"Service" means a service designed in section 2.1 to this by-law, and "services" shall have a corresponding meaning.

"Suite" means one or more rooms used or capable of being used for human habitation.

"Urban service area" means that area within the Municipality of Port Hope delineated on Schedule "B".

"Use" means occupation and utilization for a particular purpose, practice or benefit. For the purposes of this by-law uses are either residential or non-residential.

## **2. DESIGNATION OF SERVICES**

2.1 The categories of services for which development charges are imposed under this by-law are as follows:

1. Services Related to a Highway;
2. Fire Protection Services;
3. Parks and Recreation Services;
4. Library Services;
5. By-law Enforcement Services;
6. Growth-related Studies;



7. Policing Services (Port Hope Police Services (P.H.P.S.)) (within the urban area only);
8. Wastewater (within the wastewater serviced area only);
9. Wastewater Treatment Plants (within the wastewater serviced area only);  
and
10. Water Services (within the water serviced area only).

### **3. APPLICATION OF BY-LAW RULES**

- 3.1 Development charges shall be payable by the Owner in the amounts set out in this by-law where:
1. the lands are located in the area described in section 3.2; and
  2. the development of the lands requires any of the approvals set out in subsection 3.4 (1).

#### **Area to Which By-law Applies**

- 3.2 Subject to section 3.3, this by-law applies to all lands in the Municipality of Port Hope whether or not the land or use thereof is exempt from taxation under section 13 of the *Assessment Act*.
- 3.3. Notwithstanding section 3.2 above, this by-law shall not apply to lands that are owned by and used for the purposes of:
1. the Municipality or a local board thereof;
  2. a board of education;
  3. the Corporation of the County of Northumberland or a local board thereof;  
or
  4. a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education.



## **Approvals for Development**

- 3.4 1. Development charges shall be imposed on all lands, buildings or structures that are developed for residential or non-residential uses if the development requires:
- a. the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*,
  - b. the approval of a minor variance under section 45 of the *Planning Act*;
  - c. a conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act* applies;
  - d. the approval of a plan of subdivision under section 51 of the *Planning Act*,
  - e. a consent under section 53 of the *Planning Act*,
  - f. the approval of a description under section 9 of the *Condominium Act, 1998*, or any successor thereof; or
  - g. the issuing of a permit under the *Building Code Act* in relation to a building or structure.
2. No more than one development charge for each service designated in section 2.1 shall be imposed upon any lands, buildings or structures to which this by-law applies even though two or more of the actions described in subsection (1) are required before the lands, buildings or structures can be developed.
3. Despite subsection (2), if two or more of the actions described in subsection (1) occur at different times, additional development charges shall be imposed if the subsequent action has the effect of increasing the need for services.



## **Exemptions**

### **Residential Units in Existing Residential**

3.5 This by-law shall not apply to that category of exempt development described in subsections 2 (3), 2 (3.1), and 2 (3.2) of the Act, namely:

1. An enlargement to an existing dwelling unit;
2. A second residential unit in an existing detached house, semi-detached house, or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the existing detached house, semi-detached house or rowhouse cumulatively contain no more than one residential unit;
3. A third residential unit in an existing detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units;
4. One residential unit in a building or structure ancillary to an existing detached house, semi-detached house or rowhouse on a parcel of residential land, if the existing detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units; or
5. In an existing rental residential building, which contains four or more residential units, the creation of the greater of one residential unit or one per cent of the existing residential units.

### **Residential Units in New Residential**

3.6 This by-law shall not apply to that category of exempt development described in subsection 2 (3.3) of the Act, namely:



1. A second residential unit in a new detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the new detached house, semi-detached house or rowhouse cumulatively will contain no more than one residential unit;
2. A third residential unit in a new detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the new detached house, semi-detached house or rowhouse contains any residential units; or
3. One residential unit in a building or structure ancillary to a new detached house, semi-detached house or rowhouse on a parcel of residential land, if the new detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the new detached house, semi-detached house or rowhouse contains any residential units.

### Enlargement of an Existing Industrial Development

- 3.7 This by-law does not apply to that category of exempt development described in section 4 of the Act, namely:
1. the enlargement of the gross floor area of an existing industrial building, if the gross floor area is enlarged by 50 percent or less;
  2. for the purpose of subsection (1) the terms “gross floor area” and “existing industrial building” shall have the same meaning as those terms have in O. Reg. 82/98 made under the Act.
  3. Notwithstanding subsection (1), if the gross floor area of an existing industrial building is enlarged by more than 50 percent, development charges shall be calculated and collected in accordance with Schedule “A” on the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement.





4. For the purpose of the application of section 4 of the Act to the operation of this by-law:
  - a. the gross floor area of an existing industrial building shall be calculated as it existed prior to the first enlargement in respect of that building for which an exemption under section 4 of the Act is sought; and
  - b. the enlargement of the gross floor area of the existing building must:
    - i. be attached to the existing industrial building;
    - ii. not be attached to the existing industrial building by means only of a tunnel, bridge, canopy, corridor or other passageway, shared below-grade connection, foundation, footing, parking facility, service tunnel or service pipe;
    - iii. be for use or in connection with an industrial purpose as set out in this by-law; and
    - iv. constitute a bona fide increase in the size of the existing building.

#### Non-Profit, Inclusionary Zoning, Affordable, and Attainable

- 3.8 This by-law shall not apply to that category of exempt development described in section 4.2 of the Act, namely that development charges shall not be imposed with respect to non-profit housing development.
- 3.9 This by-law shall not apply to that category of exempt development described in section 4.3 of the Act, namely that development charges shall not be imposed with respect to inclusionary zoning residential unit development.
- 3.10 This by-law shall not apply to that category of exempt development described in section 4.1 of the Act, namely that development charges shall not be imposed with respect to affordable residential units and attainable residential units.



## Other Exemptions

- 3.11 Notwithstanding the provisions of this by-law, development charges shall not be imposed with respect to:
1. Lands, buildings or structures used or to be used for a place of worship or for the purposes of a churchyard or cemetery exempt from taxation under the *Assessment Act*.
  2. The construction of a non-residential farm building or structure constructed for a bona fide farm operation.
  3. Buildings used as hospitals as governed by the *Public Hospitals Act*.
  4. For industrial uses, only the water and wastewater portions of the development charge identified in Schedule “A” are applicable.

## Amount of Charges

### Residential

- 3.12 The development charges set out in Schedule “A” to this by-law shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed-use building or structure, on the residential uses in the mixed-use building or structure, according to the type of residential unit, and calculated with respect to each of the services according to the type of residential use.

### Non-Residential

- 3.13 The development charges described in Schedule “A” to this by-law shall be imposed on non-residential uses of lands, buildings or structures, and, in the case of a mixed-use building or structure, on the non-residential uses in the mixed-use building or structure, and calculated with respect to each of the services according to the total floor area of the non-residential use.



## **Reduction of Development Charges for Redevelopment**

3.14 Despite any other provisions of this by-law, where, as a result of the redevelopment of land, a building or structure existing on the same land within 60 months prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another principal use on the same land, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

1. in the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under section 312 by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and
2. in the case of a non-residential building or structure or, in the case of mixed-use building or structure, the non-residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charges under section 3.13, by the gross floor area that has been or will be demolished or converted to another principal use;

provided that:

- (a) no credit or reduction shall be given for the components pertaining to Wastewater Treatment Plants and Water Services, and;
  - (b) such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.
- 3.15 Notwithstanding section 3.14, a full development charge credit (including Wastewater Treatment Plants and Water Services) will be provided for redevelopments where no additional residential units or non-residential gross floor area are created.



### **Rebated Components – Urban Service Area**

- 3.16 Where a development charge is paid pursuant to this by-law for development located within the Urban Service Area and:
1. land is not within a plan, or pending plan of subdivision under section 51 of the *Planning Act* registered after September 10, 1973;
  2. there is no Municipal water service and/or Municipal wastewater service feasibly available within five hundred feet of the front lot line;
  3. no Municipal water service and/or Municipal wastewater service is scheduled to service the subject lands within five years of the date of approval of the building itself, and
  4. the current registered owner(s) of the land who applies within 24 months of the date of payment of the applicable development charge and provides proof that adequate private water and/or sanitary services, as the case may be, have been installed and are properly functioning so as to provide service to the subject lands satisfactory to the Director of Municipal Engineering Services.

The Treasurer of the Municipality shall rebate to the then current registered owner(s) the Municipal water services component and/or the Municipal wastewater service component of the development charge for the service(s) which is not available.

### **Timing of Payment of Development Charges**

- 3.17 Development charges imposed under this by-law are calculated, payable, and collected on the date a building permit is issued in relation to the development; except for advance services (i.e. services related to a highway, wastewater and water services) where at the discretion of Council shall be payable immediately upon the owner entering into subdivision agreement or in instances where a plan of subdivision has not been pursued development charges are payable prior to the release of holding provisions on the implementing zoning by-law amendment.



- 3.18 Where development charges apply to land in relation to which a building permit is required, the building permit shall not be issued until the development charge has been paid in full.
- 3.19 Notwithstanding section 3.17 and 3.18, development charges for rental housing and institutional developments are due and payable in 6 installments commencing with the first installment payable on the date of occupancy, and each subsequent installment, including interest as provided in the Municipality's Council approved Development Charge Interest Policy, payable on the anniversary date each year thereafter.
- 3.20 Where the development of land results from the approval of a Site Plan or Zoning By-law Amendment made on or after January 1, 2020, and the approval of the application occurred within the prescribed amount of time from the building permit issuance, the development charges under sections 3.17 and 3.19 shall be calculated based on the rates set out in Schedule "A" on the date the planning application was made, including interest as provided in the Municipality's Council approved Development Charge Interest Policy. Where both planning applications apply, Development Charges under sections 3.17 and 3.19 shall be calculated based on the rates, including interest as provided in the Municipality's Council approved Development Charge Interest Policy, set out in Schedule "A" on the date of the later planning application.
- 3.21 Despite sections 3.17, 3.19, and 3.20, Council from time to time, and at any time, may enter into agreements providing for all or any part of a development charge to be paid before or after it would otherwise be payable, in accordance with section 27 of the Act.

### **Development Charge Reductions**

- 3.22 Notwithstanding the provisions of this by-law, development charges for rental housing developments will be reduced based on the number of bedrooms in each unit as follows:
1. Three or more bedrooms – 25% reduction;
  2. Two bedrooms – 20% reduction; and



3. All other bedroom quantities – 15% reduction.

#### **4. PAYMENT BY SERVICES**

4.1 Despite the payment required under sections 3.12 and 3.13, Council may, by agreement, give a credit towards a development charge in exchange for work that relates to a service to which a development charge relates under this by-law.

#### **5. INDEXING**

5.1 Development charges imposed pursuant to this by-law shall be adjusted annually on January 1<sup>st</sup>, without amendment to this by-law, in accordance with the most recent available twelve month change in the Toronto series of the prescribed index in the Act (currently Statistics Canada Table 18-10-0276-02).

#### **6. CONFLICTS**

6.1 Where the Municipality and an owner or former owner have entered into an agreement with respect to land within the area to which this by-law applies, and a conflict exists between the provisions of this by-law and such agreement, the provisions of the agreement shall prevail to the extent that there is a conflict.

6.2 Notwithstanding section 6.1, where a development which is the subject of an agreement to which section 6.1 applies, is subsequently the subject of one or more of the actions described in subsection 3.4 (1), an additional development charge in respect of the development permitted by the action shall be calculated, payable and collected in accordance with the provisions of this by-law if the development has the effect of increasing the need for services, unless such agreement provides otherwise.

#### **7. BY-LAW AMENDMENT OR REPEAL**

7.1 Where this by-law or any development charge prescribed there under is amended or repealed by order of the Ontario Land Tribunal or by resolution of the Municipal Council, the Municipal Treasurer shall calculate forthwith the amount of any overpayment to be refunded as a result of said amendment or repeal.



- 7.2 Refunds that are required to be paid under section 7.1 shall be paid to the registered owner of the land on the date on which the refund is paid.
- 7.3 Refunds that are required to be paid under section 7.1 shall be paid with interest to be calculated as follows:
1. interest shall be calculated from the date on which the overpayment was collected to the day on which the refund is paid;
  2. the refund shall include the interest owed under this section;
  3. interest shall be paid at the Bank of Canada rate in effect on the date of enactment of this by-law.

## **8. SEVERABILITY**

- 8.1 In the event any provision, or part thereof, of this by-law is found, by a court of competent jurisdiction, to be ultra vires, such provision, or part thereof, shall be deemed to be severed, and the remaining portion of such provision and all other provisions of the by-law shall remain in full force and effect.

## **9. HEADINGS FOR REFERENCE ONLY**

- 9.1 The headings inserted in this by-law are for convenience of reference only and shall not affect the construction or interpretation of this by-law.

## **10. SCHEDULES**

- 10.1 The following schedules shall form part of this by-law:

Schedule A – Schedule of Development Charges

Schedule B – Urban Service Area (Map)

## **11. DATE BY-LAW IN FORCE**

- 11.1 This By-law shall come into effect at 12:01 AM on November 6, 2024.



**12. DATE BY-LAW EXPIRES**

12.1 This By-law will expire at 12:01 AM on November 6, 2034 unless it is repealed by Council at an earlier date.

**13. REPEAL FORMER DEVELOPMENT CHARGES BY-LAW**

13.1 Upon the passing of this by-law, By-law 53/2019 being a By-law for the Imposition of Development Charges is hereby repealed.

READ a FIRST, SECOND and THIRD time and finally passed on this 5<sup>th</sup> day of November, 2024.

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Mayor

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Clerk





**SCHEDULE "A" TO BY-LAW \_\_\_/24**

**SCHEDULE OF DEVELOPMENT CHARGES**

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care Dwelling Units	(per sq.ft. of Gross Floor Area)
<b>Municipal Wide Services/Class of Service:</b>						
Services Related to a Highway	\$ 9,103	\$ 6,700	\$ 6,661	\$ 5,349	\$ 4,333	\$ 3.80
Fire Protection Services	\$ 2,674	\$ 1,968	\$ 1,957	\$ 1,571	\$ 1,273	\$ 1.11
Parks and Recreation Services	\$ 3,944	\$ 2,903	\$ 2,886	\$ 2,318	\$ 1,877	\$ 0.39
Library Services	\$ 408	\$ 300	\$ 299	\$ 240	\$ 194	\$ 0.04
By-law Enforcement Services	\$ 7	\$ 5	\$ 5	\$ 4	\$ 3	\$ -
Growth-related Studies	\$ 271	\$ 199	\$ 198	\$ 159	\$ 129	\$ 0.11
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$ 16,407</b>	<b>\$ 12,075</b>	<b>\$ 12,006</b>	<b>\$ 9,641</b>	<b>\$ 7,809</b>	<b>\$ 5.45</b>
<b>Area Specific Services (Urban Area)</b>						
Policing Services (P.H.P.S.)	\$ 786	\$ 579	\$ 575	\$ 462	\$ 374	\$ 0.34
<b>Total Area Specific Services (Urban Area)</b>	<b>\$ 786</b>	<b>\$ 579</b>	<b>\$ 575</b>	<b>\$ 462</b>	<b>\$ 374</b>	<b>\$ 0.34</b>
<b>Urban Services</b>						
Wastewater	\$ 3,152	\$ 2,320	\$ 2,306	\$ 1,852	\$ 1,500	\$ 0.82
Wastewater Treatment Plants	\$ 7,321	\$ 5,389	\$ 5,357	\$ 4,302	\$ 3,485	\$ 6.96
Water Services	\$ 5,241	\$ 3,858	\$ 3,835	\$ 3,080	\$ 2,495	\$ 4.98
<b>Total Urban Services</b>	<b>\$ 15,714</b>	<b>\$ 11,567</b>	<b>\$ 11,498</b>	<b>\$ 9,234</b>	<b>\$ 7,480</b>	<b>\$ 12.76</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>\$ 16,407</b>	<b>\$ 12,075</b>	<b>\$ 12,006</b>	<b>\$ 9,641</b>	<b>\$ 7,809</b>	<b>\$ 5.45</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>\$ 32,907</b>	<b>\$ 24,221</b>	<b>\$ 24,079</b>	<b>\$ 19,337</b>	<b>\$ 15,663</b>	<b>\$ 18.55</b>



**SCHEDULE "B" TO BY-LAW \_\_\_/24  
URBAN SERVICE AREA**

