

# Addendum #2 to the May 3, 2019 Development Charges Background Study

Township of Hamilton

August 15, 2019

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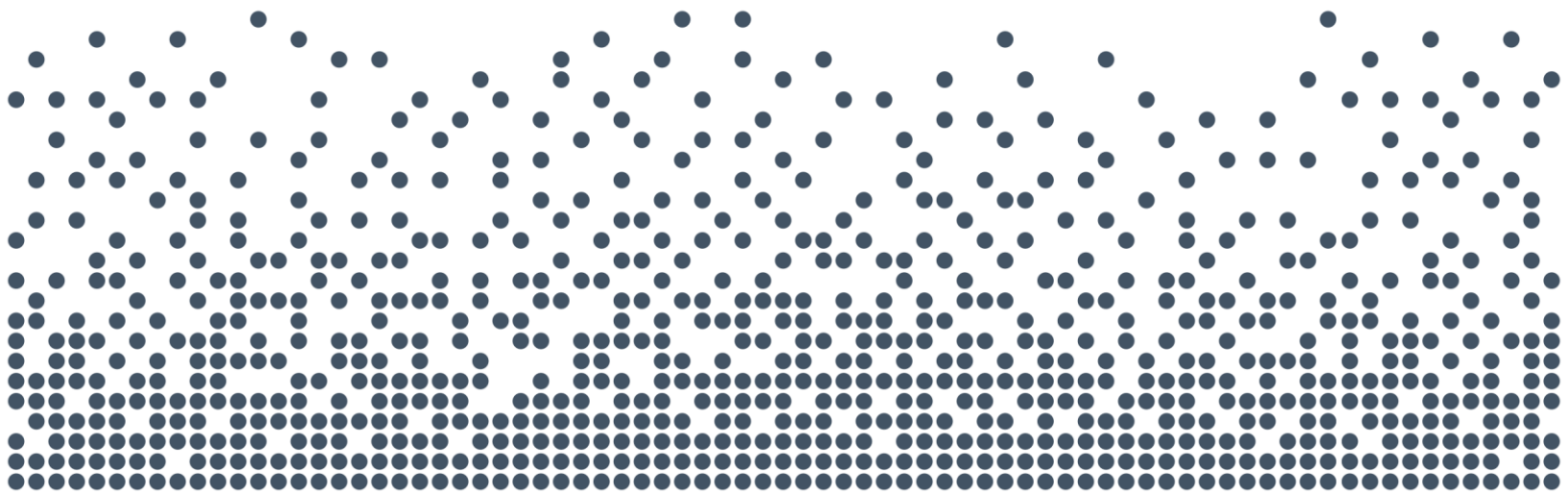
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## List of Acronyms and Abbreviations

<b>Acronym</b>	<b>Full Description of Acronym</b>
D.C.	Development Charges
D.C.A.	Development Charges Act
PV	Photovoltaic



Addendum Report to  
the May 3, 2019  
Development  
Charges Background  
Study





# 1. Background

Commensurate with the provisions of the Development Charges Act, 1997, as amended (D.C.A.), the Township has undertaken a Development Charges (D.C.) Background Study and released the study in accordance with the D.C.A. The following provides a summary of the key dates in the development charge by-law process:

February to April 2019 – Data collection, staff review, D.C. calculations and policy work

May 3, 2019 – Release of the D.C. Background Study and draft by-law

May 30, 2019 – Addendum #1 to the May 3<sup>rd</sup> report released

June 3, 2019 – Public Meeting #1 of Council

July 4, 2019 – Passage of D.C. By-law

August 7, 2019 – Council Meeting

August 15, 2019 – Addendum # 2 to the May 3<sup>rd</sup> report released

September 24, 2019 – Public Meeting #2 of Council

October 15, 2019 – Passage of a new D.C. By-law (to replace the by-law passed in July)

As per discussions with Township staff and Council during the August 7<sup>th</sup> meeting, it was identified that the D.C. rates for Fire Protection Services, Outdoor Recreation, and Library Services needed refinements to the capital identified. The D.C. by-law also needed to be refined to properly communicate the redevelopment clause and industrial expansion exemption.

In addition, a Part 12 by-law under the Municipal Act will be provided to supplement the D.C. by-law when charging for Wind Turbines, Solar PV installations, and Telecommunication Towers, as a standalone document. As some developments may not proceed via the 6 triggers identified within the D.C.A., a Municipal Act by-law would mirror the D.C. charge and allow the municipality to impose the charge based upon other municipal approvals.

The purpose of this addendum report is to provide for the above changes to the May 3, 2019 D.C. background study. These refinements will form part of the D.C. background study provided prior to new by-law adoption date in October, which will repeal and replace the current by-law in effect.



## 2. Discussion

This section of the addendum report provides an explanation for the above-noted refinements. It is noted that the refinements have resulted in an increase to the calculated development charges.

### 2.1 Refinements to Fire Protection Services

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Based on further review of the capital project listing for Fire Protection Services, the New station to replace Harwood and Bewdley had an incorrect benefit to existing allocation. The New station is to be located in a central location, which will provide more efficient response times, as well as being a more enhanced and upgraded station than the existing stations it is meant to replace. We have therefore made the following changes:

- Project 1: New Station (10,000 sqft) - replacing Harwood and Bewdley:
  - reduced the benefit to existing amount from \$3,293,291 (99%) to \$2,505,000 (75%);
  - provide a post period benefit amount of \$517,700 (62%) from 0.
  - These adjustments result in an updated net D.C. eligible amount of \$317,300

The above refinements result in an overall increase to the calculated development charges for Fire Protection Services. For single & semi-detached dwellings, the D.C. increases from \$490 per unit to \$750 per unit. For non-residential development, the D.C. increases from \$0.36/sq.ft. to \$0.55/sq.ft.

### 2.2 Refinements to Outdoor Recreation Services

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Based on further review of the capital project listing for Outdoor Recreation Services with staff, a provision for additional parkland capital is required to be added. This provision is expected to capture potential growth-related works within the latter half of the 10-year growth forecast that is not identified in the Township's 5-year capital plan. The following changes are presented below:

- NEW Project 6: Provision for additional parkland capital:
  - Add a gross capital amount of \$92,000;





- This result in the addition of a net D.C. eligible amount (after the 10% mandatory deduction) of \$82,800 to be included for recovery.

The above addition result in an overall increase to the calculated development charges for Outdoor Recreation Services. For single & semi-detached dwellings, the D.C. increases from \$233 per unit to \$460 per unit. For non-residential development, the D.C. increases from \$0.05/sq.ft. to \$0.10/sq.ft.

## 2.3 Refinements to Library Services

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Based on further review of the capital project listing for Library Services, the current provision for new collection material needed to be updated. We have therefore made the following changes:

- Project 1: Provision for new collection materials:
  - Increase the gross capital cost from \$25,000 to \$28,900.
  - This result in an updated net D.C. eligible amount (after the 10% mandatory deduction) of \$26,010 to be included for recovery

The above refinements result in an overall increase to the calculated development charges for Library Services. For single & semi-detached dwellings, the D.C. increases from \$62 per unit to \$71 per unit. For non-residential development, the D.C. increases from \$0.01/sq.ft. to \$0.02/sq.ft.

## 2.4 Refinements to the D.C. By-law

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Based on further discussions with staff and Council, we are providing the following revisions to the D.C. by-law in order to address the following areas:

- Identifying the type of demolition for redevelopment credits;
- Inclusion of the existing qualifier for industrial expansion exemptions;
- Basis for calculating solar PV installations and Wind Turbines; and
- Providing a Phase-in section to the D.C.

The revisions are presented below:



### **2.4.1 Demolition and Redevelopment Changes to the D.C. By-law:**

The current redevelopment section contained within the Township's D.C. by-law provides for redevelopment credits for properties that have undergone a demolition through a demolition permit but does not address properties that require development due to other factors (e.g. accidental damage, natural destruction, etc.). Therefore, we have provided for a definition of a demolition to include the other factors and revised the wording in the appropriate sections of the by-law.

Definitions to be added:

- “Demolition” means a demolition is deemed to have occurred on the date of issuance of a demolition permit, or in the case of accidental or natural destruction of the structure from the lands, the date of such occurrence;

Changes to Redevelopment Credits (Section 10):

- Current Section 10(2):
  - A credit in respect of any demolition under this section shall not be given unless a building permit has been issued or a subdivision agreement has been entered into with the Township for the development within 5 years from the date the demolition permit was issued;
- Proposed Section 10(2):
  - A credit in respect of any demolition under this section shall not be given unless a building permit has been issued or a subdivision agreement has been entered into with the Township for the development occurring within 5 years after the date the demolition occurred;

### **2.4.2 Industrial Expansion Exemption Changes to the D.C. By-law**

The current D.C. by-law provides for the mandatory 50% exemption to industrial expansions, but only defines the “existing industrial building” in the definitions section of the by-law. To ensure clarity of the application of the 50% industrial expansion exemption, we are adding similar wording of the existing industrial building from the definitions section into Section 3 of the D.C. by-law that deals with this exemption.

Changes to Applicable Lands (Section 3):

- Add the following as a new subsection (d) to Section 3(4):



- (d) where the building is existing as of the date of its first building permit issued.

### **2.4.3 Solar PV Installations and Wind Turbine D.C. Basis**

The current D.C. by-law provides for a D.C. rate for solar PV installations and wind turbines but does not specify the basis to be charged. This addition to Section 4 of the D.C. by-law will trigger the D.C. payable for solar PV and wind turbine installations based on a total generating capacity of per 500 kW for each unit.

Changes to Section 4:

- Add the following as a new subsection (3) to Section 4:
  - (3) The charge for solar PV installations and wind turbines will be based on the total generating capacity of the solar PV or wind turbine installation, per 500 kW of capacity produced.

### **2.4.4 Phase-In Addition to the D.C. By-law**

Through discussions with staff and Council, a phase-in of the calculated D.C.'s proposed in this addendum is recommended. The phase-in will be based on the incremental increase of the calculated charges from this addendum and the charges that were passed in July. The mechanism for the phase-in will be as follows:

- 50% of the increase of the charge will be imposed for Year 1 and Year 2 of the D.C. by-law; and
- 100% of the increase of the charge will be imposed for Year 3 onwards.

The above phasing will also be reflected in Schedule “B-1” and “B-2” of the D.C. by-law.

All other sections subsequent to this addition will be renumbered.

## **2.5 Overall Changes in the D.C. Calculation**

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Based on the changes noted above, the calculated development charge (single/semi-detached unit) has increased from \$6,185 to \$6,681. Regarding the non-residential charges, the calculated development charge (per sq.ft.) has increased from \$4.47 to \$4.72.



The above changes have been incorporated into the calculations. The summary below outlines the current charges vs. the charges as calculated in the May 3, 2019 and May 30, 2019 D.C. report and addendum #1, respectively, and the charges calculated in this addendum report.



### Residential (Single Detached) Comparison

Service	Calculated (May 3, 2019)	Calculated (May 30, 2019)	Calculated (August 13, 2019)
<b>Municipal Wide Services:</b>			
Services Related to a Highway	4,347	4,347	4,347
Police Protection	-	-	-
Fire Protection Services	490	490	750
Outdoor Recreation Services	233	233	460
Indoor Recreation Services	308	308	308
Library Services	62	62	71
General Government - Engineering Studies	745	441	441
General Government - Community Based Studies		304	304
<b>Total Municipal Wide Services</b>	<b>6,185</b>	<b>6,185</b>	<b>6,681</b>



### Non-Residential (per sq.ft.) Comparison

Service	Calculated (May 3, 2019)	Calculated (May 30, 2019)	Calculated (August 13, 2019)
<b>Municipal Wide Services:</b>			
Services Related to a Highway	3.17	3.17	3.17
Police Protection	-	-	-
Fire Protection Services	0.36	0.36	0.55
Outdoor Recreation Services	0.05	0.05	0.10
Indoor Recreation Services	0.07	0.07	0.07
Library Services	0.01	0.01	0.02
General Government - Engineering Studies	0.81	0.48	0.48
General Government - Community Based Studies		0.33	0.33
<b>Total Municipal Wide Services</b>	<b>4.47</b>	<b>4.47</b>	<b>4.72</b>



**Phase-In Schedule**

**Year 1 and Year 2 (October 16, 2019 - October 15, 2021)**

**Schedule of Development Charges (50% of the D.C. Increase)**

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Solar PV, Telecommunications Towers, and Wind Turbines	(per sq.ft. of Gross Floor Area)
<b>Municipal Wide Services:</b>						
Services Related to a Highway	4,347	2,971	2,557	1,878	4,347	3.17
Fire Protection Services	620	424	365	268	620	0.46
Outdoor Recreation Services	347	237	204	150	-	0.08
Indoor Recreation Services	308	210	181	133	-	0.07
Library Services	67	46	39	29	-	0.02
General Government - Engineering Studies	441	301	259	191	-	0.48
General Government - Community Based Studies	304	208	179	131	-	0.33
<b>Total Municipal Wide Services</b>	<b>6,433</b>	<b>4,396</b>	<b>3,784</b>	<b>2,780</b>	<b>4,967</b>	<b>4.60</b>



**Phase-In Schedule**

**Year 3 - 5 (October 16, 2021 - October 15, 2024)**

**Schedule of Development Charges (100% of the Charge)**

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Solar PV, Telecommunications Towers, and Wind Turbines	(per sq.ft. of Gross Floor Area)
<b>Municipal Wide Services:</b>						
Services Related to a Highway	4,347	2,971	2,557	1,878	4,347	3.17
Fire Protection Services	750	513	441	324	750	0.55
Outdoor Recreation Services	460	314	271	199	-	0.10
Indoor Recreation Services	308	210	181	133	-	0.07
Library Services	71	49	42	31	-	0.02
General Government - Engineering Studies	441	301	259	191	-	0.48
General Government - Community Based Studies	304	208	179	131	-	0.33
<b>Total Municipal Wide Services</b>	<b>6,681</b>	<b>4,566</b>	<b>3,930</b>	<b>2,887</b>	<b>5,097</b>	<b>4.72</b>





## 2.6 Changes to the Background Report

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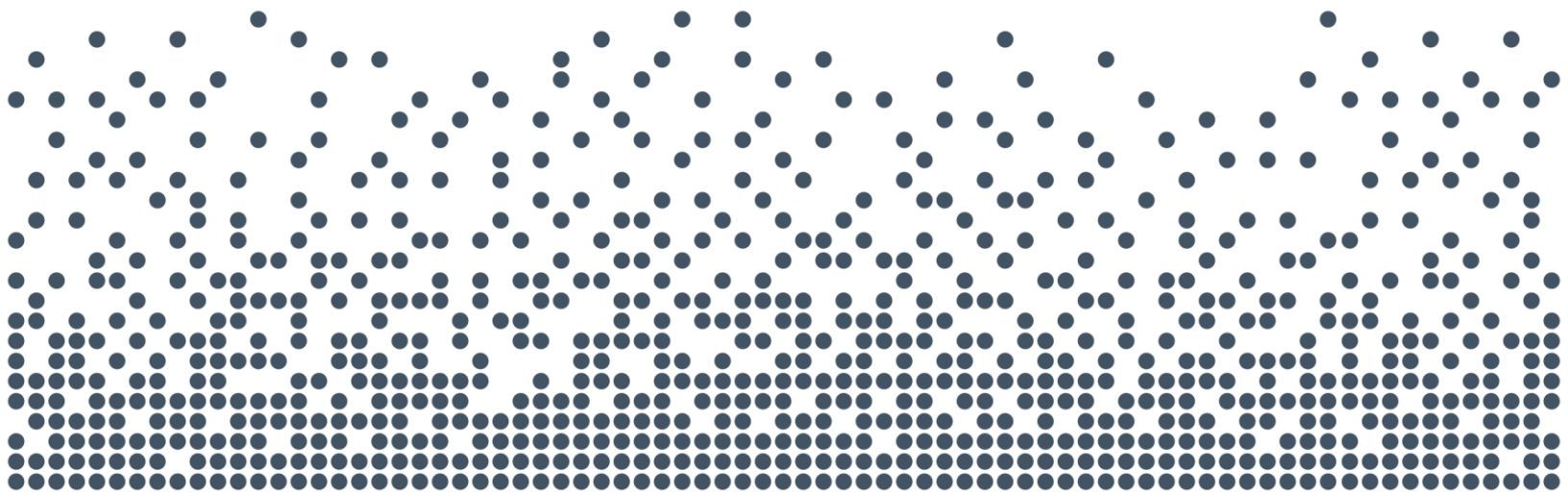
Based upon the above, the following revisions are made to the pages within the background study (new pages are appended to this report):

Page Reference	Description of Revisions
Table of Contents	Update table of contents for page numbering.
ES (iii)	Updates to the calculated D.C.s and amounts to be incurred over the life of the by-law.
ES (vi)	Revised Table ES-1, Schedule of Development Charges.
1-3	Revised dates in Figure 1-1 to include the release of this addendum report and another Public meeting and by-law passage.
5-6 to 5-7	Update to reflect refinements to the Outdoor Recreation project listing and costing.
5-10 to 5-11	Update to reflect refinements to the Library project costing.
5-15 to 5-16	Update to reflect refinements to the Fire Protection Services project benefit to existing and post period amounts.
6-2 to 6-5	Update calculations to reflect changes to Outdoor Recreation, Library, and Fire.
7-4	Update phase-in provision write-up to reflect the phase-in percentage recommended within this addendum.
7-5 to 7-8	Update page numbers due to shift in paragraphs from the addition of phase-in write-up. Also update other recommendations section to recognize addendum #2.
Appendix C	Update Long-Term Operating and Capital Expenditures based on revisions to projects identified in this addendum.
Appendix F	Update the asset management write-up due to the revisions to projects identified in this addendum.
Appendix G	Updated definitions, application of D.C.s for Wind Turbines and Solar PV installations, industrial expansion exemption, and Schedule B of the draft by-law to reflect the updated development charges table and phase-ins.



### 3. Process for the Adoption of the Development Charges By-law

Sections 1 & 2 provide for a summary of the revisions to the Township's D.C. Background Study. If Council is satisfied with the above changes to the Background Study and based on the public submissions made at the public meeting, this addendum report #2 will be considered for approval by Council.



# Amended Pages





residential and non-residential uses. The by-law will expire on July 8, 2019. The Township is undertaking a D.C. public process and anticipates passing a new by-law in advance of the expiry date. The mandatory public meeting has been set for June 3, 2019 with adoption of the by-law on July 4, 2019.

6. The Township's D.C.s currently in effect are \$6,101 for single detached dwelling units. Non-residential charges are \$0.63 per square foot. This report has undertaken a recalculation of the charge based on future identified needs (presented in Schedule ES-1 for residential and non-residential). Charges have been provided on a Township-wide basis for all services. The corresponding single detached unit charge is \$6,681. The non-residential charge is \$4.72 per square foot of building area. These rates are submitted to Council for its consideration.
7. The D.C.A. requires a summary be provided of the gross capital costs and the net costs to be recovered over the life of the by-law. This calculation is provided by service and is presented in Table 6-4. A summary of these costs is provided below:

Total gross expenditures planned over the next five years	\$ 2,705,250
Less:	
Benefit to existing development	\$ 296,250
Post planning period benefit	\$ -
Ineligible re: Level of Service	\$ -
Mandatory 10% deduction for certain services	\$ 49,320
Grants, subsidies and other contributions	\$ -
<b>Net Costs to be recovered from development charges</b>	<b>\$ 2,359,680</b>

This suggests that for the non-D.C. cost over the five-year D.C. by-law (benefit to existing development, mandatory 10% deduction, and the grants, subsidies and other contributions), \$0.35 million (or an annual amount of \$0.07 million) will need to be contributed from taxes and rates, or other sources.

Based on the above table, the Township plans to spend \$2.71 million over the next five years, of which \$2.36 million (87%) is recoverable from D.C.s. Of this net amount, \$1.93 million is recoverable from residential development and \$0.43 million from non-residential development. It is noted also that any exemptions or reductions in the charges would reduce this recovery further.



Table ES-1  
Summary of Development Charges

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Solar PV, Telecommunications Towers, and Wind Turbines	(per sq.ft. of Gross Floor Area)
<b>Municipal Wide Services:</b>						
Services Related to a Highway	4,347	2,971	2,557	1,878	4,347	3.17
Fire Protection Services	750	513	441	324	750	0.55
Outdoor Recreation Services	460	314	271	199	-	0.10
Indoor Recreation Services	308	210	181	133	-	0.07
Library Services	71	49	42	31	-	0.02
General Government - Engineering Studies	441	301	259	191	-	0.48
General Government - Community Based Studies	304	208	179	131	-	0.33
<b>Total Municipal Wide Services</b>	<b>6,681</b>	<b>4,566</b>	<b>3,930</b>	<b>2,887</b>	<b>5,097</b>	<b>4.72</b>



Figure 1-1  
Schedule of Key D.C. Process Dates for the Township of Hamilton

1. Data collection, staff review, engineering work, D.C. calculations and policy work	February to April 2019
2. Background study and proposed by-law available to public	May 3, 2019
3. Public meeting advertisement placed in newspaper(s)	No later than May 13, 2019
4. Addendum Report #1	May 30, 2019
5. Public meeting of Council	June 3, 2019
6. Council considers adoption of background study and passage of by-law	July 4, 2019
7. Addendum Report #2	August 15, 2019
8. Public meeting advertisement placed in newspaper(s)	No later than September 6, 2019
9. Public meeting #2 of Council	September 24, 2019
10. Council considers adoption of background study and passage of by-law	October 15, 2019
11. Newspaper notice given of by-law passage	By 20 days after passage
12. Last day for by-law appeal	40 days after passage
13. Township makes pamphlet available (where by-law not appealed)	By 60 days after in force date



### **5.2.2 Outdoor Recreation Services**

The Township currently has 33 acres of parkland within its jurisdiction. This parkland consists of various sized parkettes, parks, natural parks and open space area. The Township has sustained the current level of service over the historical 10-year period (2009-2018), with an average of 3.0 acres of parkland, 414.4 metres of trails, and 2.6 parkland amenities items per 1,000 population. Including parkland, parkland amenities (e.g. ball diamonds, playgrounds, tennis courts, etc.), and park trails, the level of service provided is approximately \$467 per capita. When applied over the forecast period, this average level of service translates into a D.C.-eligible amount of \$194,822.

In addition to parkland, the Township operates and maintains a total of 10 parks-related vehicles and equipment. The historical 10-year average level of service is \$32 per capita and provides a D.C.-eligible amount of \$13,548.

Therefore, the total D.C.-eligible for outdoor recreation is \$208,371.

Based on the projected growth over the 10-year forecast period, the Township has identified \$317,000 in future growth capital costs for parkland development. These projects include the development of additional parks, playgrounds, and outdoor equipment. After deductions for the reserve fund balance of \$117,359 and the mandatory 10% deduction, the net amount of \$167,941 has been included in the D.C.

As the predominant users of outdoor recreation tend to be residents of the Township, the forecast growth-related costs have been allocated 95% to residential and 5% to non-residential.





### Infrastructure Costs Included in the Development Charges Calculation

Township of Hamilton  
Service: Outdoor Recreation

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Subtotal	Less:	Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development		Other (e.g. 10% Statutory Deduction)	Total	Residential Share	Non-Residential Share
	2019-2028												
1	Harwood Parkland Development	2020-2024	25,000	-		25,000	-		25,000	2,500	22,500	21,375	1,125
2	Harwood Playground	2020-2024	50,000	-		50,000	-		50,000	5,000	45,000	42,750	2,250
3	Gores Landing Parkland Development	2020-2024	50,000	-		50,000	-		50,000	5,000	45,000	42,750	2,250
4	Gores Landing Playground	2020-2024	50,000	-		50,000	-		50,000	5,000	45,000	42,750	2,250
5	Baltimore RC outdoor fitness equipment	2021-2025	50,000	-		50,000	-		50,000	5,000	45,000	42,750	2,250
6	Provision for additional parkland capital	2025-2028	92,000	-		92,000	-		92,000	9,200	82,800	78,660	4,140
7	Reserve Fund Adjustment	Reserve	-	-		-	117,359		(117,359)	-	(117,359)	(111,491)	(5,868)
	<b>Total</b>		<b>317,000</b>	<b>-</b>	<b>-</b>	<b>317,000</b>	<b>117,359</b>	<b>-</b>	<b>199,641</b>	<b>31,700</b>	<b>167,941</b>	<b>159,544</b>	<b>8,397</b>



### **5.2.4 Library Services**

The Township currently operates out of 1,824 sq.ft. of library space. Over the past ten years, the average level of service was 0.17 sq.ft. of space per capita or an investment of \$48 per capita. Based on the service standard over the past ten years, the Township would be eligible to collect a total of \$19,958 from D.C.s for library space.

In addition to the facilities, the Township has an inventory of 3,651 library collection items. These collection items, which includes subscriptions, have a total value of approximately \$235,000. Over the past ten years, the average level of service was 0.34 collection items per capita or an investment of \$22 per capita. Based on this service standard, the Township would be eligible to collect approximately \$9,016 from D.C.s for library collection items (over the 10-year period).

Therefore, the total D.C.-eligible for library services is \$28,973.

Based on the projected growth over the 10-year forecast period (2019-2028), a provision to expand the collection materials have been identified. The net growth-related capital cost to be included in the D.C. is \$26,010 (after the mandatory 10% deduction).

While library usage is predominately residential based, there is some use of the facilities by non-residential users, for the purpose of research. To acknowledge this use, the growth-related capital costs have been allocated 95% residential and 5% non-residential.



**Infrastructure Costs Included in the Development Charges Calculation**

Township of Hamilton  
 Service: Library Services

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Subtotal	Less:	Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development		Other (e.g. 10% Statutory Deduction)	Total	Residential Share	Non- Residential Share
2019-2028											95%	5%	
1	Provision for new collection materials	2019-2028	28,900	-		28,900	-		28,900	2,890	26,010	24,710	1,301
	<b>Total</b>		<b>28,900</b>	<b>-</b>	<b>-</b>	<b>28,900</b>	<b>-</b>	<b>-</b>	<b>28,900</b>	<b>2,890</b>	<b>26,010</b>	<b>24,710</b>	<b>1,301</b>



### **5.3.2 Fire Services**

The Township of Hamilton's Fire Department currently operates out of 16,178 sq.ft. of facility space, providing for a per capita average level of service of 1.49 sq.ft. per capita or \$463 per capita. This level of service provides the Township with a maximum D.C.-eligible amount for recovery over the forecast period of \$596,151 for fire facilities.

The fire department has a current inventory of 16 vehicles and equipment consisting of pumpers, tankers, trailers, and other support vehicles. The total D.C.-eligible amount calculated for fire vehicles and equipment over the forecast period is \$751,922.

The fire department also maintains small equipment and gear totalling 210 items for its fire fighters. This results in a calculated average level of service for the historical 10-year period of \$131 per capita, providing for a D.C.-eligible amount over the forecast period of \$168,844 for small equipment and gear.

Therefore, the total D.C.-eligible amount is \$1,516,917.

Based on the growth forecast to 2041, the Township has identified \$4.1 million in growth related capital. These projects include a new station (which will replace two existing stations) and a provision for a new vehicle. Of this amount, \$2.5 million is attributable to benefit existing development and \$517,700 is related to post period benefit. A further reduction equal to \$265,313 has been made to recognize the reserve fund balance. Therefore, the net amount to be included in the D.C. is \$781,987.

These costs are shared between residential and non-residential based on the population to employment ratio over the forecast period, resulting in 80% being allocated to residential development and 20% being allocated to non-residential development.



### Infrastructure Costs Included in the Development Charges Calculation

Township of Hamilton  
Service: Fire Services

Prj .No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	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 80%	Non- Residential Share 20%
	<b>2019-2041</b>										
1	New Station (10,000 sqft) - replacing Harwood and Bewdley)	2030	3,340,000	517,700		2,822,300	2,505,000		317,300	253,840	63,460
2	Provision for New Vehicle	2030	730,000	-		730,000	-		730,000	584,000	146,000
3	Reserve Fund Adjustment	Reserve	-	-		-	265,313		(265,313)	(212,250)	(53,063)
	<b>Total</b>		<b>4,070,000</b>	<b>517,700</b>	<b>0</b>	<b>3,552,300</b>	<b>2,770,313</b>	<b>0</b>	<b>781,987</b>	<b>625,590</b>	<b>156,397</b>



Table 6-1  
Township of Hamilton  
Development Charge Calculations  
Municipal-Wide Services (2041)

SERVICE	2019\$ D.C.-Eligible Cost		2019\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
1. <u>Services Related to a Highway</u>				
1.1 Roads and Related	3,626,798	906,699	4,347	3.17
	3,626,798	906,699	4,347	3.17
2. <u>Fire Protection Services</u>				
2.1 Fire facilities, vehicles & equipment	625,590	156,397	750	0.55
	625,590	156,397	750	0.55
<b>TOTAL</b>	<b>\$4,252,387</b>	<b>\$1,063,097</b>	<b>\$5,097</b>	<b>\$3.72</b>
D.C.-Eligible Capital Cost	\$4,252,387	\$1,063,097		
2041 Gross Population/GFA Growth (sq.ft.)	2,480	285,500		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$1,715</b>	<b>\$3.72</b>		
<b><u>By Residential Unit Type</u></b>				
	<b><u>P.P.U.</u></b>			
Single and Semi-Detached Dwelling	2.972	\$5,097		
Apartments - 2 Bedrooms +	1.748	\$2,997		
Apartments - Bachelor and 1 Bedroom	1.284	\$2,202		
Other Multiples	2.031	\$3,482		



Table 6-2  
Township of Hamilton  
Development Charge Calculations  
Township-Wide Services (10-Year)

SERVICE	2019\$ D.C.-Eligible Cost		2019\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
3. <u>Outdoor Recreation Services</u>				
3.1 Parkland development, amenities, trails, vehicles & equipment	159,544	8,397	460	0.10
	159,544	8,397	460	0.10
4. <u>Indoor Recreation Services</u>				
4.1 Recreation facilities, vehicles and equipment	106,875	5,625	308	0.07
	106,875	5,625	308	0.07
5. <u>Library Services</u>				
5.1 Library facilities, materials and vehicles	24,710	1,301	71	0.02
	24,710	1,301	71	0.02
6. <u>General Government</u>				
6.1 Engineering Studies	153,577	38,394	441	0.48
6.2 Community Based Studies	105,421	26,355	304	0.33
<b>TOTAL</b>	<b>\$550,126</b>	<b>\$80,072</b>	<b>\$1,584</b>	<b>\$1.00</b>
D.C.-Eligible Capital Cost	\$550,126	\$80,072		
10-Year Gross Population/GFA Growth (sq.ft.)	1,032	80,000		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$533</b>	<b>\$1.00</b>		
<b><u>By Residential Unit Type</u></b>	<b><u>P.P.U.</u></b>			
Single and Semi-Detached Dwelling	2.972	\$1,584		
Apartments - 2 Bedrooms +	1.748	\$932		
Apartments - Bachelor and 1 Bedroom	1.284	\$684		
Other Multiples	2.031	\$1,083		



Table 6-3  
Township of Hamilton  
Development Charge Calculations  
Total D.C. Eligible Cost

	2019\$ D.C.-Eligible Cost		2019\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
<b>Municipal-wide Services 2041</b>	\$ 4,252,387	\$ 1,063,097	\$ 5,097	\$ 3.72
<b>Municipal-wide Services 10 Year</b>	550,126	80,072	1,584	1.00
<b>TOTAL</b>	<b>4,802,513</b>	<b>1,143,169</b>	<b>6,681</b>	<b>4.72</b>





Table 6-4  
Township of Hamilton  
Gross Expenditure and Sources of Revenue Summary for Costs to be Incurred over the Live of the By-law

Service	Total Gross Cost	Sources of Financing						
		Tax Base or Other Non-D.C. Source				Post D.C. Period Benefit	D.C. Reserve Fund	
		Other Deductions	Benefit to Existing	Other Funding	Legislated Reduction		Residential	Non-Residential
1. Services Related to a Highway 1.1 Roads and Related	1,778,300	0	0	0	0	0	1,422,640	355,660
2. Fire Protection Services 2.1 Fire facilities, vehicles & equipment	0	0	0	0	0	0	0	0
3. Outdoor Recreation Services 3.1 Parkland development, amenities, trails, vehicles & equipment	170,000	0	0	0	17,000	0	145,350	7,650
4. Indoor Recreation Services 4.1 Recreation facilities, vehicles and equipment	125,000	0	0	0	12,500	0	106,875	5,625
5. Library Services 5.1 Library facilities, materials and vehicles	14,450	0	0	0	1,445	0	12,355	650
6. General Government 6.1 Engineering Studies	300,000	0	137,500	0	2,500	0	128,000	32,000
6.2 Community Based Studies	317,500	0	158,750	0	15,875	0	114,300	28,575
<b>Total Expenditures &amp; Revenues</b>	<b>\$2,705,250</b>	<b>\$0</b>	<b>\$296,250</b>	<b>\$0</b>	<b>\$49,320</b>	<b>\$0</b>	<b>\$1,929,520</b>	<b>\$430,160</b>



### **7.3.4 Exemptions (full or partial)**

#### a) Statutory exemptions

- industrial building additions of up to and including 50% of the existing gross floor area (defined in O.Reg. 82/98, s.1) of the building; for industrial building additions which exceed 50% of the existing gross floor area, only the portion of the addition in excess of 50% is subject to D.C.s (s.4(3)) of the D.C.A.;
- buildings or structures owned by and used for the purposes of any municipality, local board or Board of Education (s.3);
- residential 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 prescribed limits set out in s.2 of O.Reg. 82/98).

#### b) Non-statutory exemptions

- A farm building;
- A place of worship and land used in connection therewith, and a churchyard, cemetery and burial ground exempt from taxation under Section 3 of the Assessment Act, R.S.O. 1980, c.31;
- Solar PV Installations with a nameplate generation capacity of less than 100 kW shall be exempt from this by-law;
- Wind Turbines with a nameplate generation capacity of less than 100 kW shall be exempt from this by-law; and
- Telecommunication Towers of less than 30 metres in height shall be exempt from this by-law.

### **7.3.5 Phasing in**

A provision to provide phasing of the D.C. are provided in the D.C. by-law. It is recommended that 50% of the expected increase from the current charges to the newly calculated charges are to be implemented in the first 2 years of the D.C. by-law. Starting in Year 3, 100% of the calculated D.C. will be implemented.

### **7.3.6 Timing of Collection**

A D.C. that is applicable under Section 5 of the D.C.A. shall be calculated and payable:



- where a permit is required under the Building Code Act in relation to a building or structure, the owner shall pay the D.C. prior to the issuance of a permit of prior to the commencement of development or redevelopment as the case may be; and
- despite the above, Council, from time to time and at any time, may enter into agreements providing for all or any part of a D.C. to be paid before or after it would otherwise be payable.

### **7.3.7 Indexing**

Indexing of the D.C.s shall be implemented on a mandatory basis annually commencing on the first anniversary date of this by-law and each anniversary date thereafter, in accordance with the Statistics Canada Quarterly, Non-Residential Building Construction Price Index (Table 18-10-0135-01)<sup>1</sup> for the most recent year-over-year period.

### **7.3.8 The Applicable Areas**

The charges developed herein provide for charges within the Township, as follows:

- All Township-wide Services – the full residential and non-residential charge will be imposed on all lands within the Township.

## **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**

The Township's D.C. collections are currently reserved in six separate reserve funds: Roads and Related, Fire Protection services, Police Protection, Parks and Recreation, Library Services, and General Government. It is recommended to separate the Parks and Recreation reserve into Outdoor Recreation and Indoor Recreation. Appendix D

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<sup>1</sup> O.Reg. 82/98 referenced "The Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-007" as the index source. Since implementation, Statistics Canada has modified this index twice and the above-noted index is the most current. The draft by-law provided herein refers to O.Reg. 82/98 to ensure traceability should this index continue to be modified over time.

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outlines the reserve fund policies that the Township is required to follow as per the D.C.A.

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

A by-law under the D.C.A. comes into force on the day after which the by-law is passed by Council.

#### **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 comes into force (as per s.11 of O.Reg. 82/98).

#### **7.4.4 *Area Rating***

As noted earlier, Bill 73 has introduced two new sections where Council must consider the use of area specific charges:

1. Section 2(9) of the Act now requires a municipality to implement area-specific D.C.s for either specific services which are prescribed and/or for specific municipalities which are to be regulated (note that at this time, no municipalities or services are prescribed by the Regulations).
2. Section 10(2)c.1 of the D.C.A. requires that “the development charges background study shall include consideration of the use of more than one development charge by-law to reflect different needs for services in different areas.”

In regard to the first item, there are no services or specific municipalities identified in the regulations which must be area-rated. The second item requires Council to consider the use of area-rating.

At present, the Township’s by-law does not provide for area-rating. All Township services are recovered based on a uniform, Township-wide basis. There have been several reasons why they have not been imposed including:

1. All Township services, with the exception of water and wastewater, require that the average 10-year service standard be calculated. This average service



standard multiplied by growth in the Township, establishes an upper ceiling on the amount of funds which can be collected from all developing landowners. Section 4(4) of O. Reg. 82/98 provides that "...if a development charge by-law applies to a part of the municipality, the level of service and average level of service cannot exceed that which would be determined if the by-law applied to the whole municipality." Put in layman terms, the average service standard multiplied by the growth within the specific area, would establish an area specific ceiling which would significantly reduce the total revenue recoverable for the Township hence potentially resulting in D.C. revenue shortfalls and impacts on property taxes.

2. Extending on item 1, attempting to impose an area charge potentially causes equity issues in transitioning from a Township-wide approach to an area specific approach. For example, if all services were now built (and funded) within area A (which is 75% built out) and this was funded with some revenues from areas B and C, moving to an area rating approach would see Area A contribute no funds to the costs of services in Areas B & C. The development charges would be lower in Area A (as all services are now funded) and higher in B and C. As well, funding shortfalls may then potentially encourage the municipality to provide less services to B and C due to reduced revenue.
3. Many services which are provided (roads, parks, recreation facilities, library) are not restricted to one specific area and are often used by all residents. For example, arenas located in different parts of the Township will be used by residents from all areas depending on the programming of the facility (i.e. a public skate is available each night, but at a different arena; hence usage of any one facility at any given time is based on programming availability).

For the reasons noted above, it is recommended that Council continue the D.C. approach to calculate the charges on a uniform municipal-wide basis.

## 7.5 Other Recommendations

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**It is recommended that Council:**

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“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;”

“Continue the D.C. approach to calculate the charges on a uniform municipal-wide basis for all services;”

“Approve the capital project listing set out in Chapter 5 of the D.C.s Background Study dated May 3, 2019, subject to further annual review during the capital budget process;”

“Approve the D.C.s Background Study dated May 3, 2019, as amended (addendum #1 dated May 30, 2019 and addendum #2 dated August 15, 2019);”

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

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



Table C-1  
Operating and Capital Expenditure Impacts for Future Capital Expenditures

SERVICE	GROSS COST LESS BENEFIT TO EXISTING	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
<b>1. Services Related to a Highway</b>				
1.1 Roads and Related	4,533,497	268,073	500,822	768,895
<b>2. Fire Protection Services</b>				
2.1 Fire facilities, vehicles & equipment	1,299,687	110,861	125,670	236,531
<b>3. Outdoor Recreation Services</b>				
3.1 Parkland development, amenities, trails, vehicles & equipment	199,641	20,553	8,060	28,613
<b>4. Indoor Recreation Services</b>				
4.1 Recreation facilities, vehicles and equipment	125,000	15,342	47,791	63,133
<b>5. Library Services</b>				
5.1 Library facilities, materials and vehicles	28,900	3,550	594	4,144
<b>6. General Government</b>				
6.1 Engineering Studies	196,971		-	-
6.2 Community Based Studies	147,651		-	-
<b>Total</b>	<b>6,531,347</b>	<b>418,379</b>	<b>682,937</b>	<b>1,101,316</b>



3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are \$1.4 million.
5. Consideration was given to the potential new taxation and user fee revenues which will be generated as a result of new growth. These revenues will be available to finance the expenditures above. The new operating revenues are \$0.98 million. This amount, totalled with the existing operating revenues of \$11.2 million, provide annual revenues of \$12.2 million by the end of the period.
6. In consideration of the above, the capital plan is deemed to be financially sustainable.

	2041 (Total)
<b>Expenditures (Annualized)</b>	
Annual Debt Payment on Non-Growth Related Capital <sup>1</sup>	187,787
Annual Debt Payment on Post Period Capital <sup>2</sup>	38,093
<b>Lifecycle:</b>	
<b>Annual Lifecycle - Township Wide Services</b>	\$556,422
<b>Incremental Operating Costs (for D.C. Services)</b>	\$682,937
<b>Total Expenditures</b>	<b>\$1,427,147</b>
<b>Revenue (Annualized)</b>	
Total Existing Revenue <sup>3</sup>	\$11,203,356
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$975,736
<b>Total Revenues</b>	<b>\$12,179,092</b>


<sup>1</sup> Non-Growth Related component of Projects including 10% mandatory deduction on soft services

<sup>2</sup> Interim Debt Financing for Post Period Benefit

<sup>3</sup> As per Sch. 10 of FIR





	<b>The Corporation of the Township of Hamilton</b>
	<b>By-law Number 2019 - xx</b>

**BEING A BY-LAW OF THE CORPORATION OF THE TOWNSHIP OF HAMILTON  
WITH RESPECT TO  
DEVELOPMENT CHARGES**

**WHEREAS** Section 2(1) of the Development Charges Act, 1997, S.O. 1997, c. 27 (hereinafter called the Act) enables the Council of a municipality to pass by-laws for the imposition of development charges against land located in the municipality where the development of the land would increase the need for municipal services as designated in the by-law and the development requires one or more of the actions set out in Subsection 2(2) of the Act;

**AND WHEREAS** the Council of the Corporation of the Township of Hamilton has given Notice in accordance with Section 12 of the Development Charges Act, 1997 of its development charges proposal and held a public meeting on September 24, 2019;

**AND WHEREAS** the Council, at its meeting of September 24, 2019, approved a report dated May 3, 2019 entitled Township of Hamilton Development Charges Background Study, as amended;

**AND WHEREAS** the Council has heard all persons who applied to be heard in objection to, or in support of, the development charges proposal at such public meeting and provided a subsequent period for written communications to be made;

**AND WHEREAS** the Council, in adopting the Township of Hamilton Development Charges Background Study on May 3, 2019, as amended, directed that development charges be imposed on land under development or redevelopment within the geographical limits of the municipality as hereinafter provided.



**NOW THEREFORE** the Council enacts as follows:

1. In this By-law:

**DEFINITIONS**

- (1) “Act” means the Development Charges Act, 1997, S.O. 1997, c. 27;
- (2) “accessory use” means where used to describe a use, building or structure, that the use, building or structure is naturally and normally incidental, subordinate in purpose of floor area or both, and exclusively devoted to a principal use, building or structure;
- (3) “agricultural use” means a bona fide farming operation;
- (4) “apartment unit” means any residential dwelling unit within a building containing more than two dwelling units where the residential units are connected by an interior corridor;
- (5) “bedroom” means a habitable room larger than seven square metres, including a den, study or other similar area, but does not include a living room, dining room or kitchen;
- (6) “benefiting area” means an area defined by a map, plan or legal description in a front-ending agreement as an area that will receive a benefit from the construction of a service;
- (7) “capital costs” means costs incurred or proposed to be incurred by the municipality or a local board thereof directly or under an agreement,
  - (a) to acquire land or an interest in land,
  - (b) to improve land,
  - (c) to acquire, construct or improve buildings and structures,
  - (d) to acquire, construct or improve facilities including:
    - (i) rolling stock, furniture and equipment with an estimated useful life of seven years or more,



- (ii) materials acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act, 1984, S.O. 1984, c. 57,
  - (iii) furniture and equipment, other than computer equipment,
  - (e) to undertake studies in connection with any matter under the Act and any of the matters in clauses (a) to (d), required for the provision of services designated in this by-law within or outside the municipality, including interest on borrowing for those expenditures under clauses (a), (b), (c) and (d) that are growth-related;
- (8) “commercial use” means the use of land, structure or building for the purpose of buying and selling of commodities and supplying of services as distinguished from manufacturing or assembling of goods, also as distinguished from other purposes such as warehousing and/or an open storage yard;
- (9) “council” means the Council of the municipality;
- (10) “demolition” means a demolition is deemed to have occurred on the date of issuance of a demolition permit, or in the case of accidental or natural destruction of the structure from the lands, the date of such occurrence;
- (11) “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 that has the effect of increasing the size or usability thereof, and includes redevelopment;
- (12) “development charge” means a charge imposed with respect to growth-related net capital costs against land in the municipality under this by-law;
- (13) “dwelling unit” means any part of a building or structure used, designed or intended to be used as a domestic establishment in which one or more persons may sleep and are provided with culinary and sanitary facilities for their exclusive use;
- (14) “existing industrial building” means a building used for or in connection with:



- (a) manufacturing, producing, processing, storing or distributing something;
- (b) research or development in connection with manufacturing, producing or processing something;
- (c) retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, if the retail sales are at the site where the manufacturing, production or processing takes place;
- (d) office or administrative purposes, if they are:
  - (i) carried out with respect to manufacturing, producing, processing, storage or distributing of something, and
  - (ii) in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution;
- (e) where the building is existing as of the date of its first building permit issued.

(15) “farm building” means that part of a bona fide farm operation encompassing barns, silos and other ancillary development to an agricultural use, but excluding a residential use;

(16) “front-end payment” means a payment made by an owner pursuant to a front-ending agreement, which may be in addition to a development charge that the owner is required to pay under this by-law, to cover the net capital costs of the services designated in the agreement that are required to enable the land to be developed;

(17) “front-ending agreement” means an agreement made under Section 44 of the Act between the municipality and any or all owners within a benefitting area providing for front-end payments by an owner or owners or for the installation of services by an owner or owners or for the installation of services by an owner or owners or any combination thereof;

(18) “grade” means the average level of finished ground adjoining a building or structure at all exterior walls;



(19) “gross floor area” means 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 another dwelling unit or other portion of a building;

- i) In the case of a commercial, industrial and/or institutional building or structure, or in the case of a mixed-use building or structure in respect of the commercial, industrial and/or institutional 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 commercial, industrial and/or institutional use and a residential use.

(20) “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;

(21) “Planning Act” means the Planning Act, 1990, as amended;

(22) “rate” means the interest rate established weekly by the Bank of Canada for treasury bills having a term of 30 days;

(23) “regulation” means any regulation made pursuant to the Act;

(24) “residential use” means land or buildings or structure of any kind whatsoever used, designed or intended to be used as living accommodations for one or more individuals;

(25) “semi-detached dwelling”, “duplex” or “row housing” means a dwelling unit in a residential building consisting of two (or more in the case of row housing) dwelling units having one vertical wall or one horizontal wall, but no other parts, attached to another dwelling unit where the residential units are not connected by an interior corridor;

(26) “services” (or “service”) means those services designated in Schedule “A” to this by-law or specified in an agreement made under Section 44 of the Act;



- (27) “services in lieu” means those services specified in an agreement made under Section 8 of this by-law;
- (28) “service standards” means the prescribed level of services on which the schedule of charges in Schedule “B” are based;
- (29) “servicing agreement” means an agreement between a landowner and the municipality relative to the provision of municipal services to specified lands within the municipality;
- (30) “single detached dwelling unit” means a residential building consisting of one dwelling unit and not attached to another structure;
- (31) “solar PV” means any solar energy system comprised of one or more solar panels and associated control or conversion electronics that converts sunlight into electricity. A solar PV installation may be connected to the electricity grid in circuits at a substation to provide electricity off-site for sale to an electrical utility or other intermediary;
- (32) “telecommunications tower” means any tower, apparatus, structure or other thing that is used or is capable of being used for telecommunications or for any operation directly connected with telecommunications, and includes a transmission facility as defined in the Telecommunications Act;
- (33) “wind turbine” means any wind energy system, comprising one or more turbines, that converts energy into electricity, with a combined nameplate generating capacity greater than 100 kilowatts and consists of a wind turbine, a tower and associated control or conversion electronics. A wind turbine energy system may be connected to the electricity grid in circuits at a substation to provide electricity off-site for sale to an electrical utility or other intermediary.

## **SCHEDULE OF DEVELOPMENT CHARGES**

2. (1) Subject to the provisions of this by-law, development charges against land shall be calculated and collected in accordance with the base rates set out in Schedules “B-1” and “B-2”, which relate to the services set out in Schedule “A”.



(2) The development charge with respect to the use of any land, buildings or structures shall be calculated as follows:

(a) in the case of residential development, or the residential portion of a mixed-use development, based upon the number and type of dwelling units;

(b) in the case of commercial and/or industrial, or the commercial and/or industrial portion of a mixed-use development, based upon the gross floor area of such development.

(3) Council hereby determine that the development of land, buildings or structures for residential and commercial and/or industrial uses will require the provision, enlargement, expansion or improvement of the services referenced in Schedules “B-1” and “B-2”.

### **APPLICABLE LANDS**

3. (1) Subject to Subsections (2), (3), (4) and (5), this by-law applies to all lands in the Township of Hamilton whether or not the land or use is exempt from taxation under Section 3 of the Assessment Act, R.S.O. 1980, c.31.

(2) This by-law shall not apply to land that is owned by and use for the purposes of:

(a) a board of education;

(b) any municipality or local board thereof;

(c) a farm building;

(d) a place of worship and land used in connection therewith, and a churchyard, cemetery and burial ground exempt from taxation under Section 3 of the Assessment Act, R.S.O. 1980, c.31;

(e) a solar PV Installations with a nameplate generation capacity of less than 100 kW shall be exempt from this by-law;



(f) Wind Turbines with a nameplate generation capacity of less than 100 kW shall be exempt from this by-law; and

(g) Telecommunication Towers of less than 30 metres in height shall be exempt from this by-law.

(3) This by-law shall not apply to that category of exempt development described in Subsection 2(3)(b) of the Development Charges Act, 1997, c.27 and Section 2 of O.Reg. 82/98, namely:

NAME OF CLASS OF RESIDENTIAL BUILDING	DESCRIPTION OF CLASS OF RESIDENTIAL BUILDINGS	MAXIMUM NUMBER OF ADDITIONAL DWELLING UNITS	RESTRICTIONS
Single detached dwellings	Residential buildings, each of which contains a single dwelling unit, that are not attached to other buildings.	Two	The total gross floor area of the additional dwelling unit or units must be less than or equal to the gross floor area of the dwelling unit already in the building.
Semi-detached dwellings or row dwellings	Residential buildings, each of which contains a single dwelling unit, that have one or two vertical walls, but no other parts, attached to other buildings.	One	The gross floor area of the additional dwelling unit must be less than or equal to the gross floor area of the dwelling unit already in the building.
Other residential buildings	A residential building not in another class of residential building described in this table.	One	the gross floor area of the additional dwelling unit must be less than or equal to the gross floor area of the smallest dwelling unit already in the building.

(4) (a) If a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge that is payable in respect of the enlargement is determined in accordance with this section.

(b) If the gross floor area is enlarged by 50 percent or less, the amount of the development charge in respect of the enlargement is zero.

(c) If the gross floor area is enlarged by more than 50 percent, the amount of the development charge in respect of the enlargement is the





amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:

- (i) Determine the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement.
- (ii) Divide the amount determined under paragraph 1 by the amount of the enlargement.

(d) where the building is existing as of the date of its first building permit issued.

(5) That where a conflict exists between the provisions of the new by-law and any other agreement between the Township and the owner, with respect to land to be charged under this policy, the provisions of such agreement prevail to the extent of the conflict.

(6) This by-law is not applicable to development for which a complete application for building permit has been submitted prior to the in-force date of this by-law.

4. (1) Subject to Subsection (2), development charges shall apply to, and shall be calculated and collected in accordance with, the provisions of this by-law on land to be developed for residential and commercial, industrial and/or institutional use, where:

(a) the development of that land will increase the need for services, and

(b) the development requires:

(i) the passing of a zoning by-law or an amendment thereto under Section 34 of the Planning Act, 1990;

(ii) the approval of a minor variance under Section 45 of the Planning Act, 1990;

(iii) a conveyance of land to which a by-law passed under Subsection 50(7) of the Planning Act, 1990;



- (iv) the approval of a plan of subdivision under Section 51 of the Planning Act, 1990;
  - (v) a consent under Section 53 of the Planning Act, 1990;
  - (vi) the approval of a description under Section 51 of the Condominium Act, R.S.O. 1980, c.84; or
  - (vii) the issuing of a permit under the Building Code Act, R.S.O. 1992 in relation to a building or structure.
- (2) Subsection (1) shall not apply in respect of:
- (a) local services installed at the expense of the owner within a plan of subdivision as a condition of approval under Section 52 of the Planning Act, 1990;
  - (b) local services installed at the expense of the owner as a condition of approval under Section 53 of the Planning Act, 1990.
- (3) The charge for solar PV installations and wind turbines will be based on the total generating capacity of the solar PV or wind turbine installation, per 500 kW of capacity produced.

## **EXISTING AGREEMENTS**

5. An agreement with respect to charges related to development registered prior to passage of the by-law remains in effect after enactment of this by-law.

## **MULTIPLE CHARGES**

6. (1) Where two or more of the actions described in Section 4(1) are required before land to which a development charge applies can be developed, only one development charge shall be calculated and collected in accordance with the provisions of this by-law.
- (2) Notwithstanding Subsection (1), if two or more of the actions described in Section 4(1) occur at different times, and if the subsequent action has the effect of increasing the need for municipal services as designated in Schedule “A”, an



additional development charge on the additional residential units and/or commercial and/or industrial floor area, shall be calculated and collected in accordance with the provisions of this by-law.

## **SERVICE STANDARDS**

7. For the purposes of Section 8, the approved service standards for the municipality are those contained in the Development Charges Background Study dated May 3, 2019, as amended.

## **SERVICES IN LIEU**

8. (1) Council may authorize an owner to substitute the whole or such part of the development charge applicable to the owner's development as may be specified in an agreement by the provision at the sole expense of the owner, of services in lieu. Such agreement shall further specify that where the owner provides services in lieu in accordance with the agreement, Council shall give to the owner a credit against the development charge otherwise applicable to the development, equal to the reasonable cost to the owner of providing the services in lieu provided such credit shall not exceed the total development charge payable by an owner to the municipality.

(2) In any agreement under Subsection (1), Council may also give a further credit to the owner equal to the reasonable cost of providing services in addition to, or of a greater size or capacity, than would be required under this by-law.

(3) The credit provided for in Subsection (2) shall not exceed the service standards referenced in Section 7 and used in the calculation of the charges in Schedules "B-1" and "B-2" and no credit shall be charged to any development charges reserve fund prescribed in this by-law.

## **FRONT-ENDING AGREEMENTS**

9. (1) Council may enter into a front-ending agreement with any or all owners within a benefitting area pursuant to Section 21 of the Development Charges Act, 1997, providing for the payment by the owner or owners of a front-end payment or for the installation of services by the owners or any combination of



front-end payments and installation of services, which may be in addition to the required development charge.

(2) Front-end payments made by benefitting owners under a front-ending agreement relating to the provision of services for which a development charge is payable shall be credited with an amount equal to the reasonable cost to the owner of providing the services, against the development charges otherwise payable under Schedules “B-1” and “B-2” of this by-law.

(3) No credit given pursuant to Subsection 9(1) shall exceed the total development charge payable by the owner for the applicable service component or the standard of service outlined in Schedules “B-1” and “B-2” and referenced in Section 7.

(4) The front-end payment required to be made by the benefitting owner under a front-ending agreement may be adjusted annually.

## **DEVELOPMENT CHARGE REDEVELOPMENT CREDITS**

10. (1) Where there is a redevelopment of land on which there is a conversion of space proposed, or on which there was formerly erected a building or structure that has been demolished, a credit shall be allowed against the development charge otherwise payable by the owner pursuant to this By-law for the portion of the previous building or structure still in existence that is being converted or for the portion of the building or structure that has been demolished, as the case may be, calculated by multiplying the number and type of dwelling units being converted or demolished or the non-residential total floor area being converted or demolished by the relevant development charge in effect on the date when the development charge is payable in accordance with this By-law. If the development includes the conversion from one use (the “first use”) to another use, the credit shall be based on the development charges calculated pursuant to this By-law at the current development charge rates, that would be payable as development charges in respect of the first use.

(2) A credit in respect of any demolition under this section shall not be given unless a building permit has been issued or a subdivision agreement has been



entered into with the Township for the development occurring within 5 years after the date the demolition occurred.

(3) The amount of any credit hereunder shall not exceed, in total, the amount of the development charges otherwise payable with respect to the development.

## **TIMING OF CALCULATION AND PAYMENT**

11. (1) Development charges shall be calculated and payable in full in money or by provision of services as may be agreed upon, or by credit granted by the Act, on the date that the first building permit is issued in relation to a building or structure on land to which a development charge applies, or in a manner or at a time otherwise lawfully agreed upon.

(2) 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) Notwithstanding Subsections (1) and (2), an owner may enter into an agreement with the municipality to provide for the payment in full of a development charge before building permit issuance or later than the issuing of a building permit.

## **PHASE-IN PROVISION**

12. The charges presented in Schedules B-1 and B-2 are to be phased-in using the following measures:

(1) 50% of the increase of the charge will be imposed for Year 1 and Year 2 of the D.C. by-law; and

(2) 100% of the increase of the charge will be imposed for Year 3 onwards.

## **BY-LAW REGISTRATION**

13. A certified copy of this by-law may be registered on title to any land to which this by-law applies.



## **RESERVE FUND(S)**

14. (1) Monies received from payment of development charges shall be maintained in a separate reserve fund or funds, and shall be used only to meet the growth-related net capital costs for which the development charge was levied under this by-law.
- (2) Council directs the Municipal Treasurer to divide the reserve fund(s) created hereunder into the separate sub-accounts in accordance with the service categories set out in Schedule “A” to which the development charge payments shall be credited in accordance with the amounts shown, plus interest earned thereon.
- (3) Where any development charge, or part thereof, remains unpaid after the due date, the amount unpaid shall be added to the tax roll and shall be collected as taxes.
- (4) Where any unpaid development charges are collected as taxes under Subsection (3), the monies so collected shall be credited to the development charge reserve fund or funds referred to in Subsection (1).

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

15. (1) Where this by-law or any development charge prescribed thereunder is amended or repealed either by order of the Ontario Municipal Board or by 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.
- (2) Refunds that are required to be paid under Subsection (1) shall be paid to the registered owner of the land on the date on which the refund is paid.
- (3) Refunds that are required to be paid under Subsection (1) shall be paid with interest to be calculated as follows:
- (a) interest shall be calculated from the date on which the overpayment was collected to the date on which the refund is paid;
  - (b) the refund shall include the interest owed under this Section;



(c) interest shall be paid at the Bank of Canada rate in effect on the later of:

- (i) the date of enactment of this by-law, or
- (ii) the date of the last quarterly adjustment, in accordance with the provisions of Subsection (4).

(4) The Bank of Canada interest rate in effect on the date of enactment of this by-law shall be adjusted on the next following business day to the rate established by the Bank of Canada on that day, and shall be adjusted quarterly thereafter in January, April, July and October to the rate established by the Bank of Canada on the day of adjustment.

## **DEVELOPMENT CHARGE SCHEDULE INDEXING**

16. The development charges referred to in Schedules “B-1” and “B-2” shall be adjusted annually, without amendment to this by-law, commencing on the anniversary date of this by-law and annually thereafter in each year while this by-law is in force, in accordance with the Statistics Canada Quarterly, Construction Price Statistics catalogue number 62007.

## **BY-LAW ADMINISTRATION**

17. This by-law shall be administered by the Municipal Treasurer.

## **SCHEDULES TO THE BY-LAW**

18. The following schedules to this by-law form an integral part of this by-law:

Schedule “A” – Summary of Development Charge Services

Schedule “B-1” – Schedule of Residential and Non-Residential Development Charges – Hard Services

Schedule “B-2” – Schedule of Residential and Non-Residential Development Charges – Soft Services



#### **DATE BY-LAW EFFECTIVE**

19. (1) This by-law shall come into force and effect on the date of its enactment.
- (2) This by-law shall continue in force and effect for a term not to exceed five years from the date of its enactment, unless it is repealed at an earlier date.

#### **BY-LAW REPEAL**

20. By-law No. 2019-xx is hereby repealed on the effective date this By-law comes into force.

#### **SHORT TITLE**

21. This by-law may be cited as the Development Charges By-law.

**THIS By-law read a first time the 15<sup>th</sup> day of October, 2019.**

**THIS By-law read a second and third time and finally passed this 15<sup>th</sup> day of October, 2019.**

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**William Cane, Mayor**

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**K. Surerus, Municipal Clerk**





SCHEDULE "A"  
SUMMARY OF DEVELOPMENT CHARGE SERVICES

**Municipal-Wide Services**

- (b) Services Related to a Highway
- (c) Fire Protection Services
- (d) Outdoor Recreation Services
- (e) Indoor Recreation Services
- (f) Library Services
- (g) General Government – Engineering Studies
- (h) General Government – Community Based Studies



SCHEDULE “B-1”  
SCHEDULE OF DEVELOPMENT CHARGES – HARD SERVICES

**Year 1 and Year 2 (October 16, 2019 - October 15, 2021)**  
**Schedule of Development Charges (50% of the D.C. Increase)**

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Solar PV, Telecommunications Towers, and Wind Turbines	(per sq.ft. of Gross Floor Area)
<b>Municipal Wide Services:</b>						
Services Related to a Highway	4,347	2,971	2,557	1,878	4,347	3.17
Fire Protection Services	620	424	365	268	620	0.46
General Government - Engineering Studies	441	301	259	191	-	0.48
<b>Total Municipal Wide Services</b>	<b>5,408</b>	<b>3,696</b>	<b>3,181</b>	<b>2,337</b>	<b>4,967</b>	<b>4.11</b>

**Year 3 - 5 (October 16, 2021 - October 15, 2024)**  
**Schedule of Development Charges (100% of the Charge)**

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Solar PV, Telecommunications Towers, and Wind Turbines	(per sq.ft. of Gross Floor Area)
<b>Municipal Wide Services:</b>						
Services Related to a Highway	4,347	2,971	2,557	1,878	4,347	3.17
Fire Protection Services	750	513	441	324	750	0.55
General Government - Engineering Studies	441	301	259	191	-	0.48
<b>Total Municipal Wide Services</b>	<b>5,538</b>	<b>3,785</b>	<b>3,257</b>	<b>2,393</b>	<b>5,097</b>	<b>4.20</b>



**SCHEDULE “B-2”  
SCHEDULE OF DEVELOPMENT CHARGES – SOFT SERVICES**

**Year 1 and Year 2 (October 16, 2019 - October 15, 2021)  
Schedule of Development Charges (50% of the D.C. Increase)**

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Solar PV, Telecommunications Towers, and Wind Turbines	(per sq.ft. of Gross Floor Area)
<b>Municipal Wide Services:</b>						
Outdoor Recreation Services	347	237	204	150	-	0.08
Indoor Recreation Services	308	210	181	133	-	0.07
Library Services	67	46	39	29	-	0.02
General Government - Community Based Studies	304	208	179	131	-	0.33
<b>Total Municipal Wide Services</b>	<b>1,025</b>	<b>700</b>	<b>603</b>	<b>443</b>	<b>-</b>	<b>0.49</b>

**Year 3 - 5 (October 16, 2021 - October 15, 2024)  
Schedule of Development Charges (100% of the Charge)**

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Solar PV, Telecommunications Towers, and Wind Turbines	(per sq.ft. of Gross Floor Area)
<b>Municipal Wide Services:</b>						
Outdoor Recreation Services	460	314	271	199	-	0.10
Indoor Recreation Services	308	210	181	133	-	0.07
Library Services	71	49	42	31	-	0.02
General Government - Community Based Studies	304	208	179	131	-	0.33
<b>Total Municipal Wide Services</b>	<b>1,143</b>	<b>781</b>	<b>673</b>	<b>494</b>	<b>-</b>	<b>0.52</b>