

# Addendum #1 to the May 3, 2019 Development Charges Background Study

Township of Hamilton

May 30, 2019

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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 to the May 3<sup>rd</sup> report released

June 3, 2019 – Public Meeting of Council

July 4, 2019 – Passage of D.C. By-law

As per discussions with Township staff after the release of the May 3<sup>rd</sup> D.C. background study, it was identified that the draft D.C. by-law did not include a charge for Solar Photovoltaic (PV) installations, telecommunications towers, and wind turbines, which was included in the Township's previous D.C. by-law.

The purpose of this addendum report is to provide for the above changes to the May 3, 2019 D.C. background study.

Since the release of the Background Study, the Province has introduced Bill 108 (More Homes, More Choice Act, 2019), an Act to amend various statutes with respect to housing, other development and various other matters, which includes proposed amendments to the D.C.A. One of the proposed amendments includes removal of “soft” services (e.g. library, parks and recreation, etc.) from the D.C.A. As a result, and in anticipation of the possible changes to the D.C.A., this addendum report has split the General Government studies into two categories, Engineering Studies which include those service studies which will continue under the D.C.A. and Community Based Studies which would subsequently be considered under the Community Benefit Charge

These refinements will form part of the D.C. background study provided prior to by-law adoption.



## 2. Discussion

This section of the addendum report provides an explanation for the above-noted refinements. It is noted that the refinements have not changed the calculated development charges.

### 2.1 Addition of a Special Charge Category

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The 2014 D.C. study had an amendment to include a D.C. recoverable category with respect to the following types of development:

- Solar Photovoltaic (PV) installations (installations of 100kW or greater);
- Telecommunications towers (Towers of 30 metres height or greater); and
- Wind turbines (Turbines of 100 kW or greater).

This category was missed in the May 3, 2019 D.C. study and is now be corrected to include a D.C. recovery for the above types of development. The D.C. payable amounts that benefit these works will be based on a single detached equivalent for Services Related to a Highway and Fire Protection Services (similar to the 2014 D.C. study).

In addition to the changes above, the following definitions and exemptions will be included in the draft D.C. by-law to identify these types of development and apply the applicable D.C.s.

#### Definitions to be added:

- “solar PV installation” 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;
- “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; and





- “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.

Exemptions to be added:

- 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.

## 2.2 Refinements to Administration Studies

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As noted in Section 1, the Province introduced Bill 108 (More Homes, More Choice Act, 2019), An Act to amend various statutes with respect to housing, other development and various other matters, which includes proposed amendments to the D.C. Act. One of the proposed amendments includes deeming “soft” services ineligible for inclusion in D.C. By-laws.

For the Township, the soft services currently identified in the Background Study include library services, outdoor recreation services, indoor recreation services, along with some studies identified under the administration category.

If Bill 108 receives royal assent, any studies related to the “soft” services would also be deemed ineligible for inclusion in the D.C. By-law. As such, this addendum report has separated out the general government (studies) category into “General Government - Community Based Studies” (which will include the studies related to proposed ineligible services) and “General Government - Engineering Studies” (which includes studies related to services proposed to continue as eligible).

This breakdown does not change the overall calculated rates provided for Council’s consideration.



## 2.3 Overall Changes in the D.C. Calculation

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Based on the changes noted above, the calculated development charge for Solar PV, Telecommunications Towers, and Wind Turbines is \$4,837 (currently at \$4,525 from the 2014 D.C. study).

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 D.C. report and the charges calculated in this addendum report.



### Solar PV, Telecommunications Towers, and Wind Turbines

Service	Current (Based on 2014 D.C.)	Calculated (May 3, 2019)	Calculated (May 30, 2019)
<b>Municipal Wide Services:</b>			
Services Related to a Highway	3,833	-	4,347
Fire Protection Services	692	-	490
<b>Total Municipal Wide Services</b>	<b>4,525</b>	<b>-</b>	<b>4,837</b>



### Residential (Single Detached) Comparison

Service	Current (Based on 2014 D.C.)	Calculated (May 3, 2019)	Calculated (May 30, 2019)
<b>Municipal Wide Services:</b>			
Services Related to a Highway	3,833	4,347	4,347
Police Protection	367	-	-
Fire Protection Services	692	490	490
Outdoor Recreation Services	767	233	233
Indoor Recreation Services		308	308
Library Services	287	62	62
General Government - Engineering Studies	155	745	441
General Government - Community Based Studies			304
<b>Total Municipal Wide Services</b>	<b>6,101</b>	<b>6,185</b>	<b>6,185</b>



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

Service	Current (Based on 2014 D.C.)	Calculated (May 3, 2019)	Calculated (May 30, 2019)
<b>Municipal Wide Services:</b>			
Services Related to a Highway	0.39	3.17	3.17
Police Protection	0.04	-	-
Fire Protection Services	0.07	0.36	0.36
Outdoor Recreation Services	0.08	0.05	0.05
Indoor Recreation Services		0.07	0.07
Library Services	0.03	0.01	0.01
General Government - Engineering Studies	0.02	0.81	0.48
General Government - Community Based Studies			0.33
<b>Total Municipal Wide Services</b>	<b>0.63</b>	<b>4.47</b>	<b>4.47</b>



## 2.4 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 due to the separation of the general government studies.
ES (ii and iii)	Updates to reference the amending by-law 2015-40.
ES (vi)	Revised Table ES-1, Schedule of Development Charges.
1-3	Revised Figure 1-1 to include the release of this addendum report and another Council meeting.
2-1	Update current rates to reflect by-law 2015-40
2-2	Update exemptions to reflect by-law 2015-40
5-1 to 5-5	Updates to reflect the breakdown of General Government into two categories, Engineering Studies and Community Based Studies.
5-4 to 5-14	Update page numbers to reflect revisions to General Government.
6-1	Updated write-up to include special calculation of solar PV, wind turbines, and telecommunication towers.
6-3	Updated Table 6-2 to reflect the changes to general government.
6-5	Updated Table 6-4 to reflect the changes to the capital project listings and the separation of the General Government studies.
7-4	Update exemptions to reflect the portion of solar PV, wind turbines, and telecommunication towers that are exempt.
7-5 to 7-8	Update page numbers due to shift in paragraphs from the addition of exemptions.
7-8	Update section 7.5 to reference the addendum report in the recommendation to approve the background study, as amended
Appendix G	Updated definitions, exemptions and Schedule B of the draft by-law to reflect the updated development charges table.



### 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 #1 will be considered for approval by Council.







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- 5) Net costs are then allocated between residential and non-residential benefit; and
  - 6) Net costs divided by growth to provide the D.C. charge.
3. A number of changes to the D.C. process need to be addressed as a result of the Smart Growth for Our Communities Act, 2015 (Bill 73). These changes have been incorporated throughout the report and in the updated draft by-law, as necessary. These items include:
- a. Area-rating: Council must consider the use of area-specific charges.
  - b. Asset Management Plan for New Infrastructure: The D.C. background study must include an asset management plan that deals with all assets proposed to be funded, in whole or in part, by D.C.s. The asset management plan must show that the assets are financially sustainable over their full lifecycle.
  - c. 60-day Circulation Period: The D.C. background study must be released to the public at least 60-days prior to passage of the D.C. by-law.
  - d. Timing of Collection of Development Charges: The D.C.A. now requires D.C.s to be collected at the time of the first building permit.
4. The growth forecast (Chapter 3) on which the Township-wide D.C. is based, projects the following population, housing and non-residential floor area for the 10-year (2019 to 2028) and Longer Term (2019 to 2041) periods.

Measure	10 Year	Longer Term
	2019-2028	2019-2041
(Net) Population Increase	417	1,288
Residential Unit Increase	347	833
Non-Residential Gross Floor Area Increase (ft <sup>2</sup> )	80,000	285,500

Source: Watson & Associates Economists Ltd. Forecast 2019

5. On July 8, 2014, the Township of Hamilton passed By-law 2014-41 (amended by by-law 2015-40 on July 7, 2015) under the D.C.A. The by-law imposes D.C.s on



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 \$6,185. The non-residential charge is \$4.47 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	\$ 2,703,300
Less:	
Benefit to existing development	\$ 296,250
Post planning period benefit	\$ -
Ineligible re: Level of Service	\$ -
Mandatory 10% deduction for certain services	\$ 49,125
Grants, subsidies and other contributions	\$ -
<b>Net Costs to be recovered from development charges</b>	<b>\$ 2,357,925</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 \$2.70 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	490	335	288	212	490	0.36
Outdoor Recreation Services	233	159	137	101	-	0.05
Indoor Recreation Services	308	210	181	133	-	0.07
Library Services	62	42	36	27	-	0.01
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>6,185</b>	<b>4,226</b>	<b>3,637</b>	<b>2,673</b>	<b>4,837</b>	<b>4.47</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. Newspaper notice given of by-law passage	By 20 days after passage
8. Last day for by-law appeal	40 days after passage
9. Township makes pamphlet available (where by-law not appealed)	By 60 days after in force date



## 2. Current Township of Hamilton Policy

### 2.1 Schedule of Charges

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On July 8, 2014, the Township of Hamilton passed By-law 2014-41 (amended by by-law 2015-40 to include wind turbines, solar Photovoltaic (PV), and telecommunication towers) under the D.C.A. The by-law imposes D.C.s for residential and non-residential uses. The table below provides the rates currently in effect:

Table 2-1  
Township of Hamilton  
Current D.C. Rates

Service	Residential		Non-Residential
	All Residential Units	Solar PV, Telecommunications Towers, and Wind Turbines	per sq.ft.
Roads Construction	2,857	2,857	0.29
Roads Equipment	976	976	0.10
Fire Protection Services	692	692	0.07
Police Protection	367	-	0.04
Recreation Facilities/Recreation Equipment	767	-	0.08
Library Services	287	-	0.03
General Government	155	-	0.02
<b>Total</b>	<b>6,101</b>	<b>4,525</b>	<b>0.63</b>

### 2.2 Services Covered

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The following services are covered under By-law 2014-41:

- Roads Construction;
- Roads Equipment;
- Fire Protection Services;
- Police Protection;
- Recreation Facilities/Recreation Equipment;
- Library Services; and
- General Government.

Note: Through discussions with staff, D.C.'s for Police Protection will not be collected during this D.C. process.



## 2.3 Timing of D.C. Calculation and Payment

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D.C.s are payable at the time of building permit issuance and are collected by the Township of Hamilton Building Department.

## 2.4 Indexing

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Rates may be indexed annually on the 1<sup>st</sup> of August by the percentage change recorded in the average annual Non-Residential Building Construction Price Index produced by Statistics Canada.

## 2.5 Redevelopment Allowance

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An owner who has secured the necessary approvals may demolish and replace existing dwelling units or commercial and/or industrial floor area and not be subject to the development charge under section 2 of the D.C. by-law with respect to the development being replaced, provided that any additional floor area or dwelling units created in excess of those demolished shall be subject to the development charge calculated under section 2 of the by-law.

## 2.6 Exemptions

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The following non-statutory exemptions are provided under By-law 2014-41 (amended by 2015-40):

- 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.



## 5. D.C.-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 s.5(1) paragraphs 2 to 8 in the D.C.A. and described in Chapter 4, 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. However, over time, Township projects and Council priorities change and accordingly, Council's intentions may alter and different capital projects (and timing) may be required to meet the need for services required by new growth.

### 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 "softer" services over a 10-year planning period. Each service component is evaluated on two format sheets: the average historical 10-year level of service calculation (see Appendix B), which "caps" the D.C. amounts; and, the infrastructure cost calculation, which determines the potential D.C. recoverable cost.

#### 5.2.1 General Government (Studies)

##### 5.2.1.1 Engineering Studies

The D.C.A. permits the inclusion of studies undertaken to facilitate the completion of the Township's capital works program. The Township has made provision for the inclusion of new studies undertaken to facilitate this D.C. process, as well as other studies which benefit growth (in whole or in part). The list of studies includes such studies as the following:

- Stormwater master plan;
- Roads Needs Study;
- Commuter Cycling Plan;
- Fire master plans; and



- Development Charge studies.

The cost of these studies is \$370,000. After deductions in the amounts of \$160,000 for existing benefit and \$13,029 for the reserve fund surplus have been made, the net growth-related capital cost (after the mandatory 10% deduction) to be included in the D.C. is \$191,971.

These costs have been allocated 80% residential and 20% non-residential based on the incremental growth in population to employment for the 10-year forecast period.



### Infrastructure Costs Included in the Development Charges Calculation

Township of Hamilton  
Service: General Government - Engineering Studies

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											80%	20%	
1	Development Charges Study	2019	25,000	-		25,000	-		25,000	2,500	22,500	18,000	4,500
2	Development Charges Study	2024	25,000	-		25,000	-		25,000	2,500	22,500	18,000	4,500
3	Storm Water Master Planning	2021	100,000	-		100,000	50,000		50,000	-	50,000	40,000	10,000
4	Roads Needs Study	2019	45,000	-		45,000	22,500		22,500	-	22,500	18,000	4,500
5	Roads Needs Study	2024	45,000	-		45,000	22,500		22,500	-	22,500	18,000	4,500
6	Commuter Cycling Plan	2019	30,000	-		30,000	15,000		15,000	-	15,000	12,000	3,000
7	Fire Master Plan	2020-2023	75,000	-		75,000	37,500		37,500	-	37,500	30,000	7,500
8	Fire Station Location Study	2020-2023	25,000	-		25,000	12,500		12,500	-	12,500	10,000	2,500
9	Reserve Fund Adjustment	Reserve	-	-		-	13,029		(13,029)	-	(13,029)	(10,423)	(2,606)
	<b>Total</b>		<b>370,000</b>	<b>-</b>	<b>-</b>	<b>370,000</b>	<b>173,029</b>	<b>-</b>	<b>196,971</b>	<b>5,000</b>	<b>191,971</b>	<b>153,577</b>	<b>38,394</b>



### 5.2.1.2 *Community Based Studies*

The D.C.A. permits the inclusion of studies undertaken to facilitate the completion of the Township's capital works program. The Township has made provision for the inclusion of new studies undertaken to facilitate this D.C. process, as well as other studies which benefit growth (in whole or in part). The list of studies includes such studies as the following:

- Official Plan Review;
- Parks and recreation master plan; and
- Asset Management Plan.

The cost of these studies is \$317,500. After deductions in the amounts of \$158,750 for existing benefit and \$11,099 for the reserve fund surplus have been made, the net growth-related capital cost (after the mandatory 10% deduction) to be included in the D.C. is \$131,776.

These costs have been allocated 80% residential and 20% non-residential based on the incremental growth in population to employment for the 10-year forecast period.



### Infrastructure Costs Included in the Development Charges Calculation

Township of Hamilton  
 Service: General Government - Community Based Studies

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											80%	20%	
1	OP Review	2020	30,000	-		30,000	15,000		15,000	1,500	13,500	10,800	2,700
2	Parks and Recreation Master Plan	2020	75,000	-		75,000	37,500		37,500	3,750	33,750	27,000	6,750
3	Asset Management Roadmap	2019-2020	187,500	-		187,500	93,750		93,750	9,375	84,375	67,500	16,875
4	Asset Management Plan	2021	25,000	-		25,000	12,500		12,500	1,250	11,250	9,000	2,250
5	Reserve Fund Adjustment	Reserve	-	-		-	11,099		(11,099)	-	(11,099)	(8,879)	(2,220)
	<b>Total</b>		<b>317,500</b>	<b>-</b>	<b>-</b>	<b>317,500</b>	<b>169,849</b>	<b>-</b>	<b>147,651</b>	<b>15,875</b>	<b>131,776</b>	<b>105,421</b>	<b>26,355</b>





### **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 \$225,000 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 \$85,141 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: Other (e.g. 10% Statutory Deduction)	Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development			Total	Residential Share 95%	Non-Residential Share 5%
	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	Reserve Fund Adjustment	Reserve	-	-		-	117,359		(117,359)	-	(117,359)	(111,491)	(5,868)
	<b>Total</b>		<b>225,000</b>	<b>-</b>	<b>-</b>	<b>225,000</b>	<b>117,359</b>	<b>-</b>	<b>107,641</b>	<b>22,500</b>	<b>85,141</b>	<b>80,884</b>	<b>4,257</b>



### **5.2.3 Indoor Recreation Facilities**

With respect to recreation facilities, the Township provides a total of 87,808 sq.ft. of space. The average historical level of service for the previous ten years has been approximately 8.1 sq.ft. of space per capita or an investment of \$2,275 per capita. Based on this service standard, the Township would be eligible to collect \$948,754 from D.C.s for facility space.

In addition to the facilities, the Township operates three (3) zambonis for its recreation facilities. The historical 10-year average level of service is \$29 per capita and provides a D.C.-eligible amount of \$12,097.

Therefore, the total D.C.-eligible for indoor recreation is \$960,851.

The Township has identified a provision for additional recreation equipment totalling \$125,000. After the mandatory 10% deduction, the net cost of \$112,500 has been included in the D.C.

While indoor recreation service usage is predominately residential-based, there is some use of the facility by non-residential users. 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: Indoor 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
	<b>2019-2028</b>											95%	5%
1	Provision for Additional Recreation Equipment	2021	125,000	-		125,000	-		125,000	12,500	112,500	106,875	5,625
	<b>Total</b>		<b>125,000</b>	<b>-</b>	<b>-</b>	<b>125,000</b>	<b>-</b>	<b>-</b>	<b>125,000</b>	<b>12,500</b>	<b>112,500</b>	<b>106,875</b>	<b>5,625</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 \$22,500 (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	25,000	-		25,000	-		25,000	2,500	22,500	21,375	1,125
	<b>Total</b>		<b>25,000</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>2,500</b>	<b>22,500</b>	<b>21,375</b>	<b>1,125</b>



## 5.3 Service Levels and Longer Term (2041) Capital Costs for Hamilton's D.C. Calculation

This section evaluates the development-related capital requirements for those services with longer term (2041) capital costs.

### 5.3.1 Services Related to a Highway

The Township of Hamilton currently owns and maintains 6 subcategories within its services related to a highway. Those subcategories, along with the current values of each respective inventory, are as follows:

Services Related to a Highway Category	Total count of current inventory	\$ per Capita	Eligible Amount \$
Roads	306 km	\$31,276	\$40,283,617
Bridges & Culverts	76,421 sq.m.	\$4,327	\$5,573,305
Cycling Lanes	6.6 km	\$51	\$65,430
Streetlights	402 items	\$370	\$476,818
Depots and Domes	24,075 sq.ft.	\$206	\$265,032
Vehicles and Equipment	32 vehicles	\$577	\$743,021
<b>Total</b>		<b>\$36,807</b>	<b>\$47,407,223</b>

With respect to future needs, the identified services related to highway program was reviewed with staff and totals \$5,076,000. The capital projects include an expansion to the Public Works garage, provision for additional vehicles, and a provision for road upgrades (rural to urban standard). A deduction in the amount of \$542,503 has been



made to recognize the existing reserve fund balance, which provides a net D.C. eligible amount of \$4,533,497 to be recovered over the current forecast period (2019-2041).

The residential/non-residential allocation for all services related to a highway is 80% residential and 20% non-residential based on the incremental growth in population to employment, for the longer term (2041) forecast period.





### Infrastructure Costs Included in the Development Charges Calculation

Township of Hamilton  
 Service: Roads and Related

Prj .No	Increased Service Needs Attributable to Anticipated Development  2019-2041	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%
1	Public Works Garage Expansion	2020-2024	926,000	-		926,000	-		926,000	740,800	185,200
2	Provision for Road Upgrades	2019-2038	4,000,000	-		4,000,000	-		4,000,000	3,200,000	800,000
3	Provision for New Vehicles	2019-2038	150,000	-		150,000	-		150,000	120,000	30,000
4	Reserve Fund Adjustment	Reserve	-	-		-	542,503		(542,503)	(434,002)	(108,501)
	<b>Total</b>		<b>5,076,000</b>	<b>-</b>	<b>-</b>	<b>5,076,000</b>	<b>542,503</b>	<b>-</b>	<b>4,533,497</b>	<b>3,626,798</b>	<b>906,699</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, \$3.3 million is attributable to benefit existing development. 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 \$511,396.

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  2019-2041	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%
1	New Station (10,000 sqft) - replacing Harwood and Bewdley)	2030	3,340,000	-		3,340,000	3,293,291		46,709	37,367	9,342
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>0</b>	<b>0</b>	<b>4,070,000</b>	<b>3,558,604</b>	<b>0</b>	<b>511,396</b>	<b>409,117</b>	<b>102,279</b>



## 6. D.C. Calculation

Table 6-1 calculates the proposed uniform D.C. to be imposed on anticipated development in the Township for fire services and services related to a highway over the longer term (2041) planning horizon. Table 6-2 calculates the proposed uniform D.C. to be imposed on anticipated development in the Township for all other services over a 10-year planning horizon

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, large apartments (2 or more bedrooms.), small apartment (1 bedroom or less), and all other multiples). The non-residential D.C. has been calculated on a per sq.ft. of gross floor area basis for all types of non-residential development (industrial, commercial and institutional). In addition to the residential and non-residential development types, a D.C. category for solar PV, telecommunications towers, and wind turbines has been provided using a single detached equivalent to the Services Related to a Highway and Fire Protection Services charges, as these type of development would not benefit from the other services (i.e. library, recreation, studies).

The D.C.-eligible costs for each service component were developed in Chapter 5 for all Township services, based on their proposed capital programs.

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible D.C. cost calculations set out in Chapter 5 are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units (Appendix A, Schedules 4 and 5) to calculate the charge in Tables 6-1 and 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 planning period to calculate a cost per sq.ft. of gross floor area.

Table 6-3 summarizes the total D.C. that is applicable for municipal-wide services and Table 6-4 summarizes the gross capital expenditures and sources of revenue for works to be undertaken during the 5-year life of the by-law.



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	80,884	4,257	233	0.05
	80,884	4,257	233	0.05
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	21,375	1,125	62	0.01
	21,375	1,125	62	0.01
6. <u>General Government</u>				
6.1 Studies	258,998	64,749	745	0.81
<b>TOTAL</b>	<b>\$468,132</b>	<b>\$75,756</b>	<b>\$1,348</b>	<b>\$0.94</b>
D.C.-Eligible Capital Cost	\$468,132	\$75,756		
10-Year Gross Population/GFA Growth (sq.ft.)	1,032	80,000		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$454</b>	<b>\$0.94</b>		
<b><u>By Residential Unit Type</u></b>				
	<b><u>P.P.U.</u></b>			
Single and Semi-Detached Dwelling	2.972	\$1,348		
Apartments - 2 Bedrooms +	1.748	\$793		
Apartments - Bachelor and 1 Bedroom	1.284	\$582		
Other Multiples	2.031	\$921		



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	12,500	0	0	0	1,250	0	10,688	563
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>\$2,703,300</b>	<b>\$0</b>	<b>\$296,250</b>	<b>\$0</b>	<b>\$49,125</b>	<b>\$0</b>	<b>\$1,927,853</b>	<b>\$430,073</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**

No provisions for phasing in the D.C. are provided in the D.C. by-law.

### **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);”

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

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



	<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 June 3, 2019;

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

**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, 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;
- (7) “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;
- (8) “council” means the Council of the municipality;
- (9) “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;
- (10) “development charge” means a charge imposed with respect to growth-related net capital costs against land in the municipality under this by-law;
- (11) “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;
- (12) “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.

(13) “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;

(14) “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;

(15) “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;

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

(17) “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.

(18) “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;

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

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

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

(22) “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;

(23) “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;

(24) “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;

(25) “services in lieu” means those services specified in an agreement made under Section 8 of this by-law;





- (26) “service standards” means the prescribed level of services on which the schedule of charges in Schedule “B” are based;
- (27) “servicing agreement” means an agreement between a landowner and the municipality relative to the provision of municipal services to specified lands within the municipality;
- (28) “single detached dwelling unit” means a residential building consisting of one dwelling unit and not attached to another structure;
- (29) “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;
- (30) “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;
- (31) “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.

(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.

## **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 within 5 years from the date the demolition permit was issued.

(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.

### **BY-LAW REGISTRATION**

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

### **RESERVE FUND(S)**

13. (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**

14. (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**

15. 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**

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



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

17. 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**

18. (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**

19. By-law No. 2014-41 is hereby repealed on the effective date this By-law comes into force.

## **SHORT TITLE**

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



**THIS By-law read a first time the 4<sup>th</sup> day of July, 2019.**

**THIS By-law read a second and third time and finally passed this 4<sup>th</sup> day of July, 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**

- Services Related to a Highway
- Fire Protection Services
- Outdoor Recreation Services
- Indoor Recreation Services
- Library Services
- General Government – Engineering Studies
- General Government – Community Based Studies



SCHEDULE "B-1"  
SCHEDULE OF DEVELOPMENT CHARGES – HARD SERVICES

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	490	335	288	212	490	0.36
General Government - Engineering Studies	441	301	259	191	-	0.48
<b>Total Municipal Wide Services</b>	<b>5,278</b>	<b>3,607</b>	<b>3,104</b>	<b>2,281</b>	<b>4,837</b>	<b>4.01</b>



SCHEDULE "B-2"  
SCHEDULE OF DEVELOPMENT CHARGES – SOFT SERVICES

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	233	159	137	101	-	0.05
Indoor Recreation Services	308	210	181	133	-	0.07
Library Services	62	42	36	27	-	0.01
General Government - Community Based Studies	304	208	179	131	-	0.33
<b>Total Municipal Wide Services</b>	<b>907</b>	<b>619</b>	<b>533</b>	<b>392</b>	<b>-</b>	<b>0.46</b>