



# Addendum to 2024 Development Charges Background Study

Town of Tillsonburg

---

For Public Circulation and Comment

June 10, 2024

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



# Table of Contents

	Page
<b>1. Summary of Revisions to the April 12, 2024 Development Charges Background Study.....</b>	<b>1-1</b>
<b>2. Addendum.....</b>	<b>2-3</b>
2.1 Growth-Related Studies.....	2-3
2.2 Impacts on the Calculated D.C. ....	2-4
<b>3. Changes to the D.C.B.S.....</b>	<b>3-1</b>
<b>4. Process for Adoption of the D.C. By-law.....</b>	<b>4-1</b>
<b>Appendix A Amended Pages.....</b>	<b>A-1</b>



# 1. Summary of Revisions to the April 12, 2024 Development Charges Background Study

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

- April 12, 2024 – Release D.C.B.S. and draft by-law
- May 27, 2024 – Public Meeting of Council
- June 12, 2024 – Anticipated passage of D.C. By-law

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

- The removal of the Mandatory Phase-in for D.C. by-laws passed after Bill 185 comes into effect;
- A reduction to the D.C. rate freeze timelines for developments proceeding through site plan and zoning by-law amendment applications under the Planning Act. Charges are currently held at rates in place on the date the application is made until building permit issuance, provided the building permit is issued within two (2) years of the approval of the application. This time period is proposed to be reduced to 18 months under Bill 185 (note that the two (2) year timeline will still apply to applications received prior to Bill 185 receiving Royal Assent);
- Inclusion of growth-related studies, including the D.C. background study, as a D.C.-eligible costs;
- Provide a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date;
- To allow minor amendments related to the imposition of studies, removal of the mandatory phase-in, and extension of by-law expiry dates (subject to the 10-year limitations provided in the D.C.A.) to be undertaken for by-laws passed after November 28, 2022 and before Bill 185 takes effect; and
- To modernize public notice requirements.



The purpose of the addendum to the April 12, 2024 D.C.B.S., is to include D.C. eligible costs for growth-related studies, reflect other changes in the D.C.A. made through Bill 185 (such as reducing the D.C. “freeze” from 2-years to 18 months and removal of the statutory phase-in of the charge in new by-law), to include an exemption to the payment of D.C.s for industrial development, and other housekeeping amendments.

The refinements to the calculation of the charge are detailed in this report and will form part of the D.C.B.S., for Council’s consideration and approval prior to adoption of the D.C. By-law.



## 2. Addendum

### 2.1 Growth-Related Studies

The D.C.A. permits the inclusion of studies undertaken to facilitate the completion of the Town's capital works program. These studies have either been included within Services Related to a Highway, Parks and Recreation Services, Fire Protection Services, and within a Growth-Related Studies class of service based on each service to which the studies relate.

Table 2-1 summarizes the studies that have been included within each service or class of service with the D.C.B.S., including the anticipated timing, gross capital costs, and D.C. eligible costs included in the calculation of the charge.

Table 2-1  
Growth-Related Studies

Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
					Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
2024-2033									
Services Related to a Highway									
Transportation Master Plan	2024	186,221		186,221	46,600		139,621	106,112	33,509
Transportation Master Plan	2024	186,221		186,221	46,600		139,621	106,112	33,509
<b>Subtotal</b>		<b>372,442</b>	<b>-</b>	<b>372,442</b>	<b>93,200</b>		<b>279,242</b>	<b>212,224</b>	<b>67,018</b>
Fire Protection Services									
Fire Services Master Plan	2028	80,000		80,000	20,000		60,000	45,600	14,400
Fire Services Master Plan	2033	80,000		80,000	20,000		60,000	45,600	14,400
Community Risk Assessment	2025	20,000		20,000	10,000		10,000	7,600	2,400
Community Risk Assessment	2030	20,000		20,000	10,000		10,000	7,600	2,400
<b>Subtotal</b>		<b>200,000</b>	<b>-</b>	<b>200,000</b>	<b>60,000</b>		<b>140,000</b>	<b>106,400</b>	<b>33,600</b>
Parks and Recreation Services									
Recreation Master Plan	2024	84,766		84,766	21,200		63,566	60,388	3,178
Recreation Master Plan	2033	84,766		84,766	21,200		63,566	60,388	3,178
<b>Subtotal</b>		<b>169,532</b>	<b>-</b>	<b>169,532</b>	<b>42,400</b>		<b>127,132</b>	<b>120,776</b>	<b>6,357</b>
Growth-Related Studies									
D.C. Background Study	2028	40,000	-	40,000	-	-	40,000	32,243	7,757
D.C. Background Study	2033	40,000	-	40,000	-	-	40,000	32,243	7,757
Asset Management Plan	2024	43,500	980	42,520	33,700	-	8,820	7,110	1,710
Asset Management Plan	2025	45,000	1,010	43,990	34,900	-	9,090	7,327	1,763
Asset Management Plan	2029	45,000	1,010	43,990	34,900	-	9,090	7,327	1,763
Community Strategic Plan	2030	150,000	7,500	142,500	75,000	-	67,500	54,410	13,090
Solid Waste Mgmt Study	2031	46,301	-	46,301	11,600	-	34,701	27,972	6,729
Stormwater Master Plan	2026	450,000	-	450,000	112,500	-	337,500	272,049	65,451
Reserve Fund Adjustments							(311,893)	(251,408)	(60,485)
<b>Subtotal</b>		<b>859,801</b>	<b>10,500</b>	<b>849,301</b>	<b>302,600</b>	<b>-</b>	<b>234,808</b>	<b>189,272</b>	<b>45,536</b>
<b>Total</b>		<b>1,601,775</b>	<b>10,500</b>	<b>1,591,275</b>	<b>498,200</b>	<b>-</b>	<b>781,182</b>	<b>628,672</b>	<b>152,510</b>

In aggregate, the study costs that have been identified total \$1.6 million. A deduction of \$10,500 has been made to recognize the portion of planning studies related to D.C.-ineligible services. After deducting \$498,000 for the benefit to existing share and



deducting \$312,000 for the existing D.C. reserve fund surplus for growth-related studies, the D.C. eligible costs for studies that have been considered within the calculation of the charge within each service or class of service total \$781,000.

## 2.2 Impacts on the Calculated D.C.

Based on the identified changes, the amended schedule of charges is presented in Table 2-2.

Table 2-2  
Amended Schedule of D.C.s

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
<b>Municipal Wide Services/Class of Service:</b>						
Services Related to a Highway	4,170	3,324	2,662	1,690	20.98	4,170
Fire Protection Services	1,392	1,110	889	564	7.01	1,392
Parks and Recreation Services	9,129	7,276	5,828	3,699	7.66	
Policing Services	6	5	4	2	0.03	6
Growth-Related Studies	85	68	54	34	0.33	85
<b>Total Municipal Wide Services/Class of Services</b>	<b>14,782</b>	<b>11,783</b>	<b>9,437</b>	<b>5,989</b>	<b>36.00</b>	<b>5,653</b>

By comparison to the charges presented in the April 12, 2024 D.C.B.S., as amended, the amended charge for a single and semi-detached residential unit would increase by \$270 (+1.9%) from \$14,512 to \$14,782. The updated charges presented herein are compared to the current charges that are in effect in Table 2-3 for a single-detached residential dwelling unit and per sq.m. of gross floor area (G.F.A.) for non-residential development.



Table 2-3  
Comparison of Current and Calculated D.C.s

**Residential (Single Detached) Comparison**

Service/Class of Service	Current	Calculated (2024\$)	Change (\$)	Change (%)
<b>Municipal Wide Services/Classes:</b>				
Services Related to a Highway	6,552	4,170	(2,382)	-36%
Fire Protection Services	808	1,392	584	72%
Parks and Recreation Services	1,720	9,129	7,409	431%
Policing Services	68	6	(62)	-91%
Growth-Related Studies	436	85	(351)	-81%
<b>Total Municipal Wide Services/Classes</b>	<b>9,584</b>	<b>14,782</b>	<b>5,198</b>	<b>54%</b>

**Non-Residential (per sq.m.) Comparison**

Service/Class of Service	Current	Calculated (2024\$)	Change (\$)	Change (%)
<b>Municipal Wide Services/Classes:</b>				
Services Related to a Highway	29.15	20.98	(8.17)	-28%
Fire Protection Services	3.78	7.01	3.23	85%
Parks and Recreation Services	1.51	7.66	6.15	407%
Policing Services	0.32	0.03	(0.29)	-91%
Growth-Related Studies	1.99	0.33	(1.66)	-84%
<b>Total Municipal Wide Services/Classes</b>	<b>36.75</b>	<b>36.00</b>	<b>(0.75)</b>	<b>-2%</b>

The proposed residential D.C. for a single detached dwelling unit represents a 54% increase (+ \$5,198) over the current charges of \$9,584. The non-residential charges per sq.m. represent a 2% decrease (- \$0.75) over the current charges of \$36.75. The Town does not currently impose D.C.s on non-residential development.



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

Based on the foregoing, the following revisions are made to the April 12, 2024 D.C.B.S. Accordingly, the amended pages are appended to this report:

- Table of Contents – Updated to reflect the changes summarized below
- Executive Summary (pages i to ix) – Updated to reflect the inclusion of study costs, legislative changes, and the date of by-law passage
- Pages 1-3 to 1-8 – Section 1.3 updated to reflect legislative changes
- Page 4-1 - Section 4.2 updated to reflect the eligible funding of study costs
- Pages 4-5 to 4-12
  - Table 4-2 and Section 4.5 updated to reflect the eligible funding of study costs;
  - Table 4-3 updated to reflect D.C. reserve fund balance for growth-related studies including for funding of past D.C. eligible studies; and
  - Updated page numbering including additional pages.
- Pages 5-2 to 5-12 – Updated to include growth-related study costs in the calculation of the charge and updated page numbering (including additional pages).
- Pages 6-1 to 6-3 – Chapter 6 updated to include growth-related study costs in the calculation of the charge
- Page 7-1 – Section 7.1 updated to reflect legislative changes
- Pages 7-3 to 7-8
  - Section 7.3.2 updated to include Growth-Related Studies as a class of services;
  - Section 7.3.4 updated to include growth-related study costs in the calculation of the farm charge and the inclusion of the industrial development exemption;
  - Section 7.3.5 updated to reflect legislative changes (removal of phase-in);
  - Section 7.3.6 updated to reflect legislative changes (decreased time for D.C. “freeze”);
  - Section 7.4.1 updated to include Growth-Related Studies as class of service;
  - Section 7.5 updated to reflect this addendum; and
  - Updated page numbering





- Pages C-2 to C-5, and C-8 to C-11 within Appendix C – Updated cash-flow calculations as a result of changes identified herein
- Appendix F – Updated by-law to reflect the inclusion of study costs and other legislative changes.

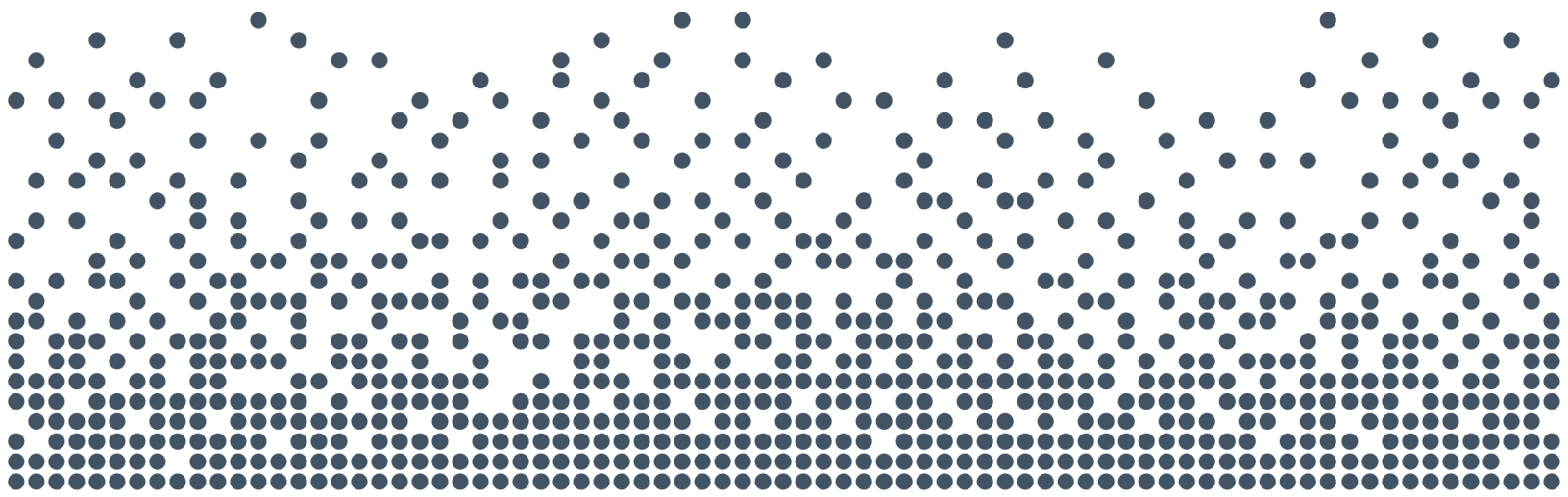


## 4. Process for Adoption of the D.C. By-law

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

If Council is satisfied with the above noted changes to the D.C.B.S., as amended, and D.C. by-law, then prior to by-law passage Council must:

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



# Appendices



# Appendix A

## Amended Pages

# Table of Contents

	Page
<b>Executive Summary .....</b>	<b>i</b>
<b>1. Introduction.....</b>	<b>1-1</b>
1.1 Purpose of this Document.....	1-1
1.2 Summary of the Process.....	1-2
1.3 Changes to the Development Charges Act, 1997 .....	1-3
1.3.1 More Homes for Everyone Act, 2022 (Bill 109).....	1-4
1.3.2 More Homes Built Fast Act, 2022 (Bill 23) .....	1-4
1.3.3 Cutting Red Tape to Build More Homes Act, 2024 (Bill 185) .....	1-8
<b>2. Current Town D.C. Policy.....</b>	<b>2-1</b>
2.1 By-law Enactment.....	2-1
2.2 Services Covered .....	2-1
2.3 Timing of D.C. Calculation and Payment .....	2-1
2.4 Indexing .....	2-1
2.5 Redevelopment Credits .....	2-2
2.6 Area to Which the By-law Applies and Exemptions .....	2-2
<b>3. Anticipated Development in the Town.....</b>	<b>3-1</b>
3.1 Requirement of the Act .....	3-1
3.2 Basis of Population, Household and Non-Residential Gross Floor Area Forecast .....	3-1
3.3 Summary of Growth Forecast.....	3-2
<b>4. The Approach to the Calculation of the Charge .....</b>	<b>4-1</b>
4.1 Introduction.....	4-1
4.2 Services Potentially Involved .....	4-1
4.3 Increase in the Need for Service.....	4-1
4.4 Local Service Policy.....	4-6
4.5 Capital Forecast.....	4-6
4.6 Treatment of Credits .....	4-7



# Table of Contents (Cont'd)

	Page
4.7	Eligible Debt and Committed Excess Capacity ..... 4-7
4.8	Existing Reserve Funds ..... 4-8
4.9	Deductions ..... 4-9
4.9.1	Reduction Required by Level of Service Ceiling ..... 4-9
4.9.2	Reduction for Uncommitted Excess Capacity ..... 4-9
4.9.3	Reduction for Benefit to Existing Development ..... 4-10
4.9.4	Reduction for Anticipated Grants, Subsidies and Other Contributions ..... 4-11
4.10	Town-Wide vs. Area Rating ..... 4-11
4.11	Allocation of Development ..... 4-11
<b>5.</b>	<b>D.C.-Eligible Cost Analysis by Service ..... 5-1</b>
5.1	Introduction ..... 5-1
5.2	Service Levels and 10-Year Capital Costs for D.C. Calculation ..... 5-1
5.2.1	Services Related to a Highway ..... 5-1
5.2.2	Fire Protection Services ..... 5-2
5.2.3	Policing Services ..... 5-3
5.2.4	Parks and Recreation Services ..... 5-3
5.2.5	Growth-Related Studies ..... 5-4
<b>6.</b>	<b>D.C. Calculation ..... 6-1</b>
<b>7.</b>	<b>D.C. Policy Recommendations and D.C. Policy Rules ..... 7-1</b>
7.1	Introduction ..... 7-1
7.2	D.C. By-law Structure ..... 7-2
7.3	D.C. By-law Rules ..... 7-2
7.3.1	Payment in any Particular Case ..... 7-2
7.3.2	Determination of the Amount of the Charge ..... 7-2
7.3.3	Application to Redevelopment of Land (Demolition and Conversion) ..... 7-3
7.3.4	Exemptions (full or partial) ..... 7-4
7.3.5	Transition ..... 7-5
7.3.6	Timing of Collection ..... 7-5
7.3.7	Indexing ..... 7-5
7.3.8	D.C Spatial Applicability ..... 7-5
7.4	Other D.C. By-law Provisions ..... 7-7
7.4.1	Categories of Services for Reserve Fund and Credit Purposes ..... 7-7
7.4.2	By-law In-force Date ..... 7-7
7.4.3	Minimum Interest Rate Paid on Refunds and Charged for Inter-Reserve Fund Borrowing ..... 7-7
7.5	Other Recommendations ..... 7-8



# Table of Contents (Cont'd)

	Page
<b>8. Asset Management Plan .....</b>	<b>8-1</b>
8.1 Introduction .....	8-1
8.2 Asset Management Plan.....	8-3
<b>9. By-law Implementation.....</b>	<b>9-1</b>
9.1 Public Consultation Process .....	9-1
9.1.1 Introduction .....	9-1
9.1.2 Public Meeting of Council.....	9-1
9.1.3 Other Consultation Activity.....	9-1
9.2 Anticipated Impact of the Charge on Development.....	9-2
9.3 Implementation Requirements .....	9-3
9.3.1 Introduction .....	9-3
9.3.2 Notice of Passage.....	9-3
9.3.3 By-law Pamphlet.....	9-3
9.3.4 Appeals.....	9-4
9.3.5 Complaints .....	9-4
9.3.6 Credits.....	9-5
9.3.7 Front-Ending Agreements.....	9-5
9.3.8 Severance and Subdivision Agreement Conditions .....	9-5
<b>Appendix A Background Information on Residential and Non-Residential Growth Forecast .....</b>	<b>A-1</b>
<b>Appendix B Level of Service .....</b>	<b>B-1</b>
<b>Appendix C Cash Flow Calculation .....</b>	<b>C-1</b>
<b>Appendix D Long-Term Capital and Operating Cost Examination .....</b>	<b>D-1</b>
<b>Appendix E Local Service Policy.....</b>	<b>E-1</b>
<b>Appendix F Proposed Development Charge By-law.....</b>	<b>F-1</b>



# Executive Summary

1. The report provided herein represents the Development Charges (D.C.) Background Study for the Town of Tillsonburg (Town) required by the *Development Charges Act, 1997* (D.C.A.). This report has been prepared in accordance with the methodology required under the D.C.A. The contents include the following:
  - Chapter 1 – Introduction and overview of the legislative requirements of the D.C.A.;
  - Chapter 2 – Current Town D.C. policy
  - Chapter 3 – Summary of the residential and non-residential growth forecasts for the Town;
  - Chapter 4 – Approach to calculating the D.C.;
  - Chapter 5 – Review of historical service standards and identification of D.C. recoverable capital costs to service growth;
  - Chapter 6 – Calculation of the D.C.s;
  - Chapter 7 – D.C. policy recommendations and D.C. by-law rules;
  - Chapter 8 – Asset management plan requirements of the D.C.A.; and
  - Chapter 9 – By-law implementation.
  
2. D.C.s provide for the recovery of growth-related capital expenditures from new development. The D.C.A. is the statutory basis to recover these charges. The methodology is detailed in Chapter 4; a simplified summary is provided below:
  - 1) Identify amount, type and location of growth;
  - 2) Identify servicing needs to accommodate growth;
  - 3) Identify capital costs to provide services to meet the needs;
  - 4) Deduct:
    - Grants, subsidies and other contributions;
    - Benefit to existing development;
    - Amounts in excess of 15-year historical service calculation;
    - D.C. reserve funds;





- 5) Net costs are then allocated between residential and non-residential benefit; and
  - 6) Net costs divided by growth to provide the D.C. calculation.
3. Changes to the D.C.A. were introduced through five bills passed in the Ontario legislature since the Town's last D.C. by-law amendment: Bill 109, and Bill 23, Bill 97, Bill 134 and Bill 185. The following provides a brief summary of the recent changes.

Bill 109: *More Homes for Everyone Act, 2022*

On April 14, 2022, Bill 109 received Royal Assent. One of the changes of the Bill and Ontario Regulation (O. Reg.) 438/22 that took effect upon Royal Assent included amending the D.C.A. and O. Reg. 82/98 related to the requirements for the information which is to be included in the annual Treasurer's statement on D.C. reserve funds and the requirement for publication of the statement. Further information is provided in subsection 1.3.1.

Bill 23: *More Homes Built Faster Act, 2022*

On November 28, 2022, Bill 23 received Royal Assent. This Act amends a number of pieces of legislation including the *Planning Act* and the D.C.A. Subsequently, further amendments to these provisions were made through Bills 97 and 134. The following provides a summary of the changes to the D.C.A. (further details are provided in subsection 1.3.2 of this report):

- Additional residential unit exemption: Allowance of a third unit to be exempt from D.C.s in existing and new residential dwellings;
- Removal of housing as an eligible D.C. service;
- New statutory exemptions for affordable units, attainable units (to be in effect upon proclamation by the Lieutenant Governor);
- New statutory exemptions for inclusionary zoning units, and non-profit housing developments;
- Historical level of service extended to 15-year period instead of the prior 10-year period;
- Capital cost definition may be revised to prescribe services for which land or an interest in land will be restricted;



- Capital cost definition has been revised to remove studies;
- Mandatory reduction for new D.C. by-laws passed after November 28, 2022, as follows:
  - Year 1 – 80% of the maximum charge;
  - Year 2 – 85% of the maximum charge;
  - Year 3 – 90% of the maximum charge;
  - Year 4 – 95% of the maximum charge; and
  - Year 5 to expiry – 100% of the maximum charge.
- D.C. by-law expiry will be 10 years after the date the by-law comes into force (unless repealed earlier);
- D.C. for rental housing developments to receive a discount as follows:
  - Three or more bedrooms – 25% reduction;
  - Two bedrooms – 20% reduction; and
  - All other bedroom quantities – 15% reduction.
- Maximum interest rate for installments and determination of charge for eligible site plan and zoning by-law amendment applications to be set at the average prime rate plus 1%; and
- Requirement to allocate funds received– municipalities will be required to spend or allocate at least 60% of their reserve fund at the beginning of the year for water, wastewater, and services related to a highway.

### Bill 185: *Cutting Red Tap to Build More Homes Act, 2024* (Bill 185)

On June, 6, 2024, Bill 185 received Royal Assent and includes the following changes to the D.C.A.

- The removal of the Mandatory Phase-in for D.C. by-laws passed after Bill 185 comes into effect;
- A reduction to the D.C. rate freeze timelines for developments proceeding through site plan and zoning by-law amendment applications under the Planning Act. Charges are currently held at rates in place on the date the application is made until building permit issuance, provided the building permit is issued within two (2) years of the approval of the application. This time period is proposed to be reduced to 18 months under Bill 185 (note that the two (2) year timeline will still apply to applications received prior to Bill 185 receiving Royal Assent);



- Inclusion of growth-related studies, including the D.C. background study, as a D.C.-eligible costs;
  - Provide a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date;
  - To allow minor amendments related to the imposition of studies, removal of the mandatory phase-in, and extension of by-law expiry dates (subject to the 10-year limitations provided in the D.C.A.) to be undertaken for by-laws passed after November 28, 2022 and before Bill 185 takes effect; and
  - To modernize public notice requirements.
4. The Town is undertaking a D.C. public process and anticipates passing a new by-law for the eligible services. The mandatory public meeting has been set for May 27, 2024 with adoption of the by-law anticipated for June 12, 2024, with an effective date of June 13, 2024 in advance of the expiry of the current by-law on June 13, 2024.
5. The growth forecast (Chapter 3) on which the D.C. is based, projects the following population, housing and non-residential floor area for the 10-year (2024 to 2034) period.



Table ES-1  
Summary of Growth Forecast by Planning Period

Measure	10 Year 2024 to 2034
(Net) Population Increase	5,657
Residential Unit Increase	2,754
Non-Residential – Gross Floor Area Increase (sq.m.)	148,366

Source: Watson & Associates Economists Ltd. forecast 2024.

6. Chapter 5 herein provides, in detail and by service area, the gross capital costs for the increase in need to service new development and the respective deductions that have been made to arrive at the D.C. recoverable costs included in the calculation of the charge. The following services are calculated based on Town-wide 10-year forecast:

- Services related to a highway (including municipal works facilities, fleet and equipment);
- Fire protection services;
- Police services;
- Parks and recreation services; and
- Growth-Related Studies.

A summary of the total growth-related costs is provided below in Table ES-2.

Table ES-2  
Summary of Expenditures Anticipated Over the Forecast Period

Summary of Expenditures Anticipated Over the Life of the By-law	Expenditure Amount
Total Gross Capital Costs	\$78,713,000
Less: Benefit to Existing Development	\$12,184,000
Less: Post Planning Period Benefit	\$19,146,000
Less: Grants, Subsidies and Other Contributions	\$3,504,000
Less: Existing D.C. Reserve Funds	\$4,385,000
<b>Net Costs to be Recovered from Development Charges</b>	<b>\$39,485,000</b>



Based on the above table, the Town plans to spend \$78.7 million over the 10-year planning period of which \$39.5 million (50%) is recoverable from D.C.s. Of the net \$39.5 million included in the calculation, \$34.2 million is recoverable from residential development and \$5.3 million from non-residential development. It is noted also that any exemptions or reductions in the charges would reduce this recovery further. This suggests that non-D.C. costs over the forecast period will total \$39.2 million. As part of the D.C. background study process we have undertaken an assessment of the D.C. revenue foregone that would occur based on current exemptions and reduction policies. This analysis suggests that the shortfall in D.C. revenue as a result of these policies would total \$13.1 million over the forecast period or 32% of D.C. recoverable costs<sup>1</sup>.

This report has undertaken a calculation of charges based on the anticipated development summarized in Table ES-1 and the future identified needs (presented in Table ES-2). Charges have been provided on a Town-wide basis for all services. The corresponding single detached unit charge is \$14,782. The non-residential charge is \$36.00 per sq.m. of building area. The calculated schedule of charges is presented in Table ES-3.

---

<sup>1</sup> D.C. revenue foregone is based on statutory exemptions/reductions contained in the D.C.A. and exemption policies in the current D.C. by-law.



Table ES-3  
Calculated Schedule of Development Charges

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
<b>Municipal Wide Services/Class of Service:</b>						
Services Related to a Highway	4,170	3,324	2,662	1,690	20.98	4,170
Fire Protection Services	1,392	1,110	889	564	7.01	1,392
Parks and Recreation Services	9,129	7,276	5,828	3,699	7.66	
Policing Services	6	5	4	2	0.03	6
Growth-Related Studies	85	68	54	34	0.33	85
<b>Total Municipal Wide Services/Class of Services</b>	<b>14,782</b>	<b>11,783</b>	<b>9,437</b>	<b>5,989</b>	<b>36.00</b>	<b>5,653</b>



7. Chapter 7 outlines the D.C. by-law policy recommendations and rules as summarized below:

- Timing of Collection:
  - D.C.s to be calculated and payable at the time of building permit issuance
  - D.C.s for developments proceeding through Site Plan or Zoning By-law Amendment applications will be determined based on the charges in effect on the day of the application (charges to be frozen for a maximum period of 18 months after planning application approval)
  - Rental housing and institutional developments would pay D.C.s in six equal annual payments, commencing from the date of occupancy
- Statutory D.C. Exemptions:
  - Upper/Lower Tier Governments and School Boards
  - Development of lands intended for use by a university that received operating funds from the Government
  - Existing industrial building expansions (may expand by 50% with no D.C.)
  - Additional residential units in existing and new residential buildings
    - May add up to two apartments for a single detached, semi-detached or row house (only one unit can be in an ancillary structure)
    - One additional unit or 1% of the units in an existing rental residential building with four or more residential units
  - Non-profit housing
  - Inclusionary zoning affordable units
  - Affordable housing
- D.C. Discounts for rental housing development based on dwelling unit type:
  - >2 bedrooms - 25% discount
  - 2 bedrooms - 20% discount
  - <2 bedrooms - 15% discount
- Non-Statutory Deductions:
  - Industrial buildings;



- Non-residential farm buildings;
  - Places of worship;
  - Public hospitals;
  - Temporary buildings and structures;
  - Long-term care homes;
  - Affordable housing; and
  - Temporary dwelling units
  - Redevelopment credits provided where building permit issuance occurs within five years for conversion or demolitions of existing structures
  - Charges to be indexed annually on the date the by-law comes in to force, in accordance with the D.C.A.
8. Council will consider the findings and recommendations provided in the report and, in conjunction with public input, approve such policies and rates it deems appropriate. These directions will refine the draft D.C. by-law which is appended in Appendix F. These decisions may include:
- adopting the charges and policies recommended herein;
  - considering additional exemptions to the by-law; and
  - considering reductions in the charge by class of development (e.g., obtained by removing certain services on which the charge is based and/or by a general reduction in the charge).





Process Steps	Dates
5. Presentation of draft findings and by-law policies to D.C. Steering Committee	February 5, 2024
6. Presentation of draft findings and D.C. policies to Council	March 11, 2024
7. D.C. Background Study and draft D.C. by-law(s) available to public	April 12, 2024
8. Public Meeting of Council	May 27, 2024
9. D.C. By-law(s) passage (anticipated)	June 12, 2024
10. D.C. By-Law(s) effective date	June 13, 2024
11. Newspaper notice given of by-law(s) passage	By 20 days after passage
12. Last day for by-law(s) appeal	40 days after passage
13. Municipality makes available D.C. pamphlet	by 60 days after in force date

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

Since 2021, when the Town last amended their D.C. by-law(s), a number of changes to the *Development Charges Act, 1997* have been introduced through various legislation including the following:

- *More Homes for Everyone Act, 2022* (Bill 109)
- *More Homes Built Fast Act, 2022* (Bill 23);
- *Helping Homebuyers, Protecting Tenants Act, 2023* (Bill 97)
- *Affordable Homes and Good Jobs Act, 2023* (Bill 134); and
- *Cutting Red Tape to Build More Homes Act, 2024* (Bill 185).



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

### **1.3.1 More Homes for Everyone Act, 2022 (Bill 109)**

On April 14, 2022, Bill 109 received Royal Assent. One of the changes of the Bill and Ontario Regulation (O. Reg.) 438/22 that took effect upon Royal Assent included amending the D.C.A. and O. Reg. 82/98 related to the requirements for the information which is to be included in the annual Treasurer's statement on D.C. reserve funds and the requirement for publication of the statement. The following additional information must be provided for each D.C. service being collected for during the year:

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

The changes to the D.C.A. has also been amended to now require that the annual Treasurer's statement be made available to the public on the website of the municipality or, if there is no such website, in the municipal office.

### **1.3.2 More Homes Built Fast Act, 2022 (Bill 23)**

On November 28, 2022, Bill 23 received Royal Assent. This Act amends a number of pieces of legislation including the *Planning Act* and the D.C.A. Subsequently the proposed exemptions for affordable units was further amended through Bill 134. The following provides a summary of the changes to the D.C.A.:

#### **1.3.2.1 Additional Residential Unit Exemption**

The rules for these exemptions are now provided in the D.C.A., rather than the regulations and are summarized as follows:



- Exemption for residential units in existing rental residential buildings – For rental residential buildings with four or more residential units, the greater of one unit or 1% of the existing residential units will be exempt from D.C.
- Exemption for additional residential units in existing and new residential buildings – The following developments will be exempt from a D.C.:
  - A second unit in a detached, semi-detached, or rowhouse if all buildings and ancillary structures cumulatively contain no more than one residential unit;
  - A third unit in a detached, semi-detached, or rowhouse if no ancillary buildings or structures contain any residential units; and
  - One residential unit in a building or structure ancillary to a detached, semi-detached, or rowhouse on a parcel of land, if the detached, semi-detached, or rowhouse contains no more than two residential units and no other buildings or ancillary structures contain any residential units.
  - Bill 97 (*The Helping Homebuyers, Protecting Tenants Act*), extended the mandatory exemption from payment of D.C.s for addition residential units new residential buildings or in existing houses to all lands versus just urban lands.

### 1.3.2.2 *Removal of Housing as an Eligible D.C. Service*

Housing services is removed as an eligible service. Municipalities with by-laws that include a charge for housing services can no longer collect for this service.

### 1.3.2.3 *New Statutory Exemptions for Affordable Units, Attainable Units, and Inclusionary Zoning Units*

Affordable units, attainable units, inclusionary zoning units and non-profit housing developments will be exempt from the payment of D.C.s, as follows:

- Affordable Rental Units:
  - The rent is no greater than the lesser of,
  - the income-based affordable rent for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (5), and
  - the average market rent identified for the residential unit set out in the Affordable Residential Units bulletin.



- Affordable Owned Units:
  - The price of the residential unit is no greater than the lesser of,
    - the income-based affordable purchase price for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (6), and
    - 90 per cent of the average purchase price identified for the residential unit set out in the Affordable Residential Units bulletin.
- Attainable Units: Excludes affordable units and rental units; will be defined as prescribed development or class of development and sold to a person who is at “arm’s length” from the seller.
  - Note: for affordable and attainable units, the municipality shall enter into an agreement that ensures the unit remains affordable or attainable for 25 years. Also exemptions for affordable and attainable units will come into effect on a day to be named by proclamation of the Lieutenant Governor.
- Inclusionary Zoning Units: Affordable housing units required under inclusionary zoning by-laws are exempt from a D.C.

#### *1.3.2.4 New Statutory Exemption for Non-Profit Housing*

Non-profit housing development has been removed from the instalment payment section of the Act (section 26.1), as these units are now exempt from the payment of D.C.s.

#### *1.3.2.5 Rental Housing Discount*

The D.C. payable for rental housing development will be reduced based on the number of bedrooms in each unit as follows:

- Three or more bedrooms – 25% reduction;
- Two bedrooms – 20% reduction; and
- All other bedroom quantities – 15% reduction.

#### *1.3.2.6 Historical Level of Service extended to 15-year period instead of the historical 10-year period*

Prior to Royal Assent of Bill 23, the increase in need for service was limited by the average historical level of service calculated over the 10-year period preceding the



preparation of the D.C. background study. This average historical level of service is now extended to the historical 15-year period.

### ***1.3.2.7 Revised Definition of Capital Costs***

The definition of capital costs has been revised to remove studies. Further, the regulations to the Act will prescribe services for which land or an interest in land will be restricted. As at the time of writing, no services have been prescribed for this purpose.

### ***1.3.2.8 Mandatory Phase-in of a D.C.***

For all D.C. by-laws passed after January 1, 2022, the charge must be phased-in annually over the first five years the by-law is in force, as follows:

- Year 1 – 80% of the maximum charge;
- Year 2 – 85% of the maximum charge;
- Year 3 – 90% of the maximum charge;
- Year 4 – 95% of the maximum charge; and
- Year 5 to expiry – 100% of the maximum charge.

### ***1.3.2.9 D.C. By-law Expiry***

A D.C. by-law now expires ten years after the day it comes into force (unless the by-law provides for an earlier expiry date). This extends the by-law's maximum life from what was previously five years.

### ***1.3.2.10 Maximum Interest Rate for Instalments and Determination of Charge for Eligible Site Plan and Zoning By-law Amendment Applications***

The Act allows interest to be charged on D.C.s calculated at the time of Site Plan or Zoning By-law Amendment applications (S.26.2 of the Act) and for mandatory installment payments (S. 26.1 of the Act). No maximum interest rate was previously prescribed, which allowed municipalities to choose the interest rate to impose. As per Bill 23, the maximum interest rate is set at the average prime rate plus 1%. This maximum interest rate provision would apply to all instalment payments and eligible site plan and zoning by-law amendment applications occurring after November 28, 2022.



### ***1.3.2.11 Requirement to Allocate Funds Received***

Annually, beginning in 2023, municipalities will be required to spend or allocate at least 60% of the monies in a reserve fund at the beginning of the year for water services, wastewater services, and services related to a highway. Other services may be prescribed by the regulation.

### ***1.3.3 Cutting Red Tape to Build More Homes Act, 2024 (Bill 185)***

On June, 6, 2024, Bill 185 received Royal Assent and includes the following changes to the D.C.A.

- The removal of the Mandatory Phase-in for D.C. by-laws passed after Bill 185 comes into effect;
- A reduction to the D.C. rate freeze timelines for developments proceeding through site plan and zoning by-law amendment applications under the Planning Act. Charges are currently held at rates in place on the date the application is made until building permit issuance, provided the building permit is issued within two (2) years of the approval of the application. This time period is proposed to be reduced to 18 months under Bill 185 (note that the two (2) year timeline will still apply to applications received prior to Bill 185 receiving Royal Assent);
- Inclusion of growth-related studies, including the D.C. background study, as a D.C.-eligible costs;
- Provide a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date;
- To allow minor amendments related to the imposition of studies, removal of the mandatory phase-in, and extension of by-law expiry dates (subject to the 10-year limitations provided in the D.C.A.) to be undertaken for by-laws passed after November 28, 2022 and before Bill 185 takes effect; and
- To modernize public notice requirements.



## 4. The Approach to the Calculation of the Charge

### 4.1 Introduction

---

This chapter addresses the requirements of subsection 5 (1) of the D.C.A. with respect to the establishment of the need for service which underpins the D.C. calculation. These requirements are illustrated schematically in Figure 4-1.

### 4.2 Services Potentially Involved

---

Table 4-2 lists the full range of municipal services that are provided by the Town.

A number of these services are not listed as eligible services for inclusion in a D.C. by-law as per subsection 2 (4) of the D.C.A. These are shown as “ineligible” on Table 4-2. Two ineligible costs defined in subsection 5 (3) of the D.C.A. are “computer equipment” and “rolling stock with an estimated useful life of (less than) seven years.” In addition, local roads are covered separately under subdivision agreements and related means (as are other local services). Services which are potentially eligible for inclusion in the Town’s D.C. are indicated with a “Yes.”

### 4.3 Increase in the Need for Service

---

The D.C. calculation commences with an estimate of “the increase in the need for service attributable to the anticipated development,” for each service to be covered by the by-law. There must be some form of link or attribution between the anticipated development and the estimated increase in the need for service. While the need could conceivably be expressed generally in terms of units of capacity, subsection 5 (1) 3, which requires that Council indicate that it intends to ensure that such an increase in need will be met, suggests that a project-specific expression of need would be most appropriate.



Categories of Municipal Services	Inclusion in the D.C. Calculation	Service Components
13. Parks and Recreation Services	Ineligible  Yes Yes Yes  Yes	13.1 Acquisition of land for parks, woodlots and E.S.A.s 13.2 Development of municipal parks 13.3 Parks rolling stock <sup>1</sup> and yards 13.4 Facilities, such as arenas, indoor pools, fitness facilities, community centres, etc. 13.5 Recreation vehicles and equipment <sup>1</sup>
14. Services Related to Public Health	n/a n/a	14.1 Public Health department space 14.2 Public Health department vehicles <sup>1</sup>
15. Child Care and Early Years Programs and Services within the meaning of Part VI of the <i>Child Care and Early Years Act, 2014</i> and any related services.	n/a n/a	15.1 Childcare space 15.2 Vehicles <sup>1</sup>
16. Services related to proceedings under the <i>Provincial Offences Act, including by-law enforcement services and municipally administered court services</i>	n/a  n/a	16.1 P.O.A. space, including by-law enforcement and municipally administered court services 16.2 Vehicles <sup>1</sup>
17. Services Related to Emergency Preparedness	No No	17.1 Emergency Preparedness Space 17.2 Equipment
18. Services Related to Airports	n/a  Ineligible	18.1 Airports (in the Regional Municipality of Waterloo) 18.2 Other Airports

---

<sup>1</sup> with a 7+ year useful life





Categories of Municipal Services	Inclusion in the D.C. Calculation	Service Components
19. Other	Yes	19.1 Interest on money borrowed to pay for growth-related capital 19.2 Studies in connection with acquiring buildings, rolling stock, materials and equipment, and improving land [2] and facilities, including the D.C. background study cost

[2] same percentage as service component to which it pertains

## 4.4 Local Service Policy

---

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

## 4.5 Capital Forecast

---

Paragraph 7 of subsection 5 (1) of the D.C.A. requires that “the capital costs necessary to provide the increased services must be estimated.” The Act goes on to require potential cost reductions and the regulation sets out the way in which such costs are to be presented. These requirements are outlined below.

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

The capital costs include:

- a) costs to acquire land or an interest therein (including a leasehold interest);
- b) costs to improve land;
- c) costs to acquire, lease, construct or improve buildings and structures;



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

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

## 4.6 Treatment of Credits

---

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

The Town has no outstanding D.C. credit obligations.

## 4.7 Eligible Debt and Committed Excess Capacity

---

Section 66 of the D.C.A. states that for the purposes of developing a D.C. by-law, a debt incurred with respect to an eligible service may be included as a capital cost, subject to any limitations or reductions in the Act. Similarly, s.18 of O. Reg. 82/98 indicates that debt with respect to an ineligible service may be included as a capital cost, subject to several restrictions.



In order for such costs to be eligible, two conditions must apply. First, they must have funded excess capacity which is able to meet service needs attributable to the anticipated development. Second, the excess capacity must be “committed,” that is, either before or at the time it was created, Council must have expressed a clear intention that it would be paid for by D.C.s or other similar charges. For example, this may have been done as part of previous D.C. processes.

## 4.8 Existing Reserve Funds

Section 35 of the D.C.A. states that:

“The money in a reserve fund established for a service may be spent only for capital costs determined under paragraphs 2 to 8 of subsection 5(1).”

There is no explicit requirement under the D.C.A. calculation method set out in s.s.5(1) to net the outstanding reserve fund balance as part of making the D.C. calculation; however, s.35 does restrict the way in which the funds are used in future.

The Town’s D.C. Reserve Funds balances, by service, are presented in Table 4-3 below. 2022 year-end reserve fund balances have been adjusted to account for eligible and actual reserve fund draws and commitments occurring over the 2019 to 2023 period. Furthermore, the reserve funds have also been adjusted to account for actual 2023 D.C. revenues. These balances have been applied against future spending requirements for all services.

Table 4-3  
Town of Tillsonburg  
Estimated D.C. Reserve Funds Balances

	2022 Year-End Reserve Fund Balance	2019-2023 Adjustment	2023 Revenues	Adjusted Balance
Fire Services	709,701	(24,897)	51,066	735,870
Roads and Related Services	2,865,906	(965,477)	358,042	2,258,471
Police Services	36,473	-	4,839	41,312
Parks and Recreation	1,365,654	(527,197)	198,681	1,037,139
Administration Studies	306,280	(41,075)	46,688	311,893
<b>Total</b>	<b>5,284,015</b>	<b>(1,558,646)</b>	<b>659,316</b>	<b>4,384,685</b>



## 4.9 Deductions

---

The D.C.A. potentially requires that four deductions be made to the increase in the need for service. These relate to:

- the level of service ceiling;
- uncommitted excess capacity;
- benefit to existing development; and
- anticipated grants, subsidies, and other contributions.

The requirements behind each of these reductions are addressed as follows:

### **4.9.1 Reduction Required by Level of Service Ceiling**

This is designed to ensure that the increase in need included in 4.3 does “...not include an increase that would result in the level of service (for the additional development increment) exceeding the average level of the service provided in the Municipality over the 15-year period immediately preceding the preparation of the background study...”

O. Reg. 82.98 (s.4) goes further to indicate that, “...both the quantity and quality of a service shall be taken into account in determining the level of service and the average level of service.”

In many cases, this can be done by establishing a quantity measure in terms of units as floor area, land area or road length per capita, and a quality measure in terms of the average cost of providing such units based on replacement costs, engineering standards or recognized performance measurement systems, depending on circumstances. When the quantity and quality factors are multiplied together, they produce a measure of the level of service which meets the requirements of the Act, i.e., cost per unit.

The average service level calculation sheets for each service component in the D.C. calculation are set out in Appendix B.

### **4.9.2 Reduction for Uncommitted Excess Capacity**

Paragraph 5 of subsection 5 (1) requires a deduction from the increase in the need for service attributable to the anticipated development that can be met using the municipality’s “excess capacity,” other than excess capacity which is “committed.”



“Excess capacity” is undefined, but in this case must be able to meet some or all of the increase in need for service, in order to potentially represent a deduction. The deduction of uncommitted excess capacity from the future increase in the need for service would normally occur as part of the conceptual planning and feasibility work associated with justifying and sizing new facilities, e.g., if a road widening to accommodate increased traffic is not required because sufficient excess capacity is already available, then widening would not be included as an increase in need, in the first instance.

### **4.9.3 Reduction for Benefit to Existing Development**

Section 5 (1) 6 of the D.C.A. provides that, “The increase in the need for service must be reduced by the extent to which an increase in service to meet the increased need would benefit existing development.” The general guidelines used to consider benefit to existing development included:

- the repair or unexpanded replacement of existing assets that are in need of repair;
- an increase in average service level of quantity or quality (compare water as an example);
- the elimination of a chronic servicing problem not created by growth; and
- providing services where none previously existed (generally considered for water or wastewater services).

This step involves a further reduction in the need by the extent to which such an increase in service would benefit existing development. The level of service cap in section 4.9.1 is related but is not the identical requirement. Sanitary, storm, and water trunks are highly localized to growth areas and can be more readily allocated in this regard than other services such as services related to a highway, which do not have a fixed service area.

Where existing development has an adequate service level which will not be tangibly increased by an increase in service, no benefit would appear to be involved. For example, where expanding existing library facilities simply replicates what existing residents are receiving, they receive very limited (or no) benefit as a result. On the other hand, where a clear existing service problem is to be remedied, a deduction should be made accordingly.



In the case of services such as recreation facilities, community parks, libraries, etc., the service is typically provided on a Town-wide system basis. For example, facilities of the same type may provide different services (i.e., leisure pool vs. competitive pool), different programs (i.e., hockey vs. figure skating), and different time availability for the same service (i.e., leisure skating available on Wednesdays in one arena and Thursdays in another). As a result, residents will travel to different facilities to access the services they want at the times they wish to use them, and facility location generally does not correlate directly with residence location. Even where it does, displacing users from an existing facility to a new facility frees up capacity for use by others and generally results in only a very limited benefit to existing development. Further, where an increase in demand is not met for a number of years, a negative service impact to existing development is involved for a portion of the planning period.

#### **4.9.4 Reduction for Anticipated Grants, Subsidies and Other Contributions**

This step involves reducing the capital costs necessary to provide the increased services by capital grants, subsidies, and other contributions (including direct developer contributions required due to the local service policy) made or anticipated by Council and in accordance with various rules such as the attribution between the share related to new vs. existing development. That is, some grants and contributions may not specifically be applicable to growth or where Council targets fundraising as a measure to offset impacts on taxes (O. Reg. 82/98, section 6).

### **4.10 Town-Wide vs. Area Rating**

---

This step involves determining whether all the subject costs are to be recovered on a uniform Town-wide basis or whether some or all are to be recovered on an area-specific basis. Under the D.C.A., it is now mandatory to “consider” area-rating of services (providing charges for specific areas and services), however, it is not mandatory to implement area-rating. Further discussion is provided in section 7.3.8.

### **4.11 Allocation of Development**

---

This step involves relating the costs involved to anticipated development for each period under consideration and using allocations between residential and non-residential

---



development and between one type of development and another, to arrive at a schedule of charges.



The capital needs, which have been factored into the calculation of the charge over the 10-year forecast period, were determined through discussions with staff. In total, \$28.0 million in gross capital costs of growth-related projects have been identified. \$6.6 million has been deducted as a benefit to existing development and \$5.7 million has been deducted as a benefit to growth beyond the 10-year forecast period. After deducting \$2.3 million for an existing reserve fund surplus and \$547,500 for other contributions towards the needs, \$12.9 million of costs are included in the calculation of the charge.

These D.C.-eligible costs are then attributed 76% to residential development and 24% to non-residential development based on the relationship of population to employment growth anticipated over the 10-year forecast period (i.e., 5,657 population and 1,834 employment). These growth-related projects and costs are detailed in Table 5-1.

### **5.2.2 Fire Protection Services**

Fire protection services in the Town is provided through one fire station totalling 9,472 sq.ft. of G.F.A. Included within the fire station are 7 vehicles and 60 items of equipment. This total historical level of investment results in an average level of service of \$739 per capita over the past 15-years. When applied against the anticipated population growth over the 10-year forecast period (i.e., 5,657 net population growth including institutional population), this results in a maximum D.C.-eligible amount of \$4.2 million that could be included in the calculation of the charge.

To provide service to new development over the 10-year forecast period, \$7.3 million in gross capital costs of growth-related projects have been identified which primarily include renovating and expanding the current fire station. \$551,000 has been deducted as a benefit to existing development. After deducting \$1.7 million for costs that are of a benefit to growth beyond the 10-year forecast period, and \$736,000 for an existing reserve fund surplus, \$4.3 million of costs are included in the calculation of the charge.

These D.C.-eligible costs are then attributed 76% to residential development and 24% to non-residential development based on the relationship of population to employment growth anticipated over the 10-year forecast period (i.e., 5,657 population and 1,834 employment). These growth-related projects and costs are detailed in Table 5-2.





### **5.2.3 Policing Services**

Policing services in the Town is provided through one OPP facility totalling 12,686 sq.ft. of G.F.A. This total historical level of investment results in an average level of service of \$347 per capita over the past 15-years. When applied against the anticipated population growth over the 10-year forecast period (i.e., 5,657 net population growth including institutional population), this results in a maximum D.C.-eligible amount of \$1.9 million that could be included in the calculation of the charge.

To provide service to new development over the 10-year forecast period, \$390,000 in gross capital costs of growth-related projects have been identified. After deducting \$41,300 for an existing current D.C. reserve fund surplus and \$333,000 for the post period benefit, \$15,300 of costs are included in the calculation of the charge.

These D.C.-eligible costs are then attributed 76% to residential development and 24% to non-residential development based on the relationship of population to employment growth anticipated over the 10-year forecast period (i.e., 5,657 population and 1,834 employment). These growth-related projects and costs are detailed in Table 5-3.

### **5.2.4 Parks and Recreation Services**

The Town currently provides parks and recreation services through 53 park amenities, 555 paved and unpaved parking lots, 45 items of vehicles and equipment, 16.5 km of paths and trails (which includes 7 pedestrian bridges) and 136,000 sq.ft of facility space. This total historical level of investment results in an average level of service of \$6,676 per capita over the past 15-years. When applied against the anticipated population growth over the 10-year forecast period (i.e., 5,657 net population growth including institutional population), this results in a maximum D.C.-eligible amount of \$37.8 million that could be included in the calculation of the charge

To provide service to new development over the 10-year forecast period, \$42.2 million in gross capital costs of growth-related projects have been identified including the construction of a third ice pad and additional facility space. \$4.8 million has been deducted as a benefit to existing development and \$11.5 million removed for growth-related costs that are of a benefit to growth beyond the 10-year forecast period. After deducting \$1.0 million to account for the current D.C. reserve fund surplus, and deducting \$3.0 million in grants and subsidies, \$22.0 million of costs are included in the calculation of the charge.



These D.C.-eligible costs are then attributed 95% to residential development as they are the primary uses of parks and recreation services. These growth-related projects and costs are detailed in Table 5-4.

### **5.2.5 Growth-Related Studies**

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

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

These provisions allow for services to be grouped together to create a class for the purposes of the D.C. by-law and D.C. reserve funds. The D.C. calculations and draft by-law provided herein include a class for growth-related studies. This class is comprised of the following municipal-wide services:

- Services Related to a Highway;
- Fire Protection Services;
- Parks and Recreation Services;
- Police Services;
- Stormwater Management Services; and
- Waste Diversion Services.

The following provides a list of the studies that have been identified for the 2024 to 2034 forecast period:

- D.C. Background Studies (2028 & 2033);
- Asset Management Plans (2024, 2025 & 2029);
- Community Strategic Plan (2030);
- Solid Waste Management Plan (2031); and
- Stormwater Master Plan (2026).



Future D.C. background studies, secondary plans, and asset management plans have been allocated to the services in the following manner:

- Services Related to a Highway – 32.9%
- Fire Protection Services – 11.0%
- Parks and Recreation Services – 56.1%
- Policing Services – 0.04%

The total cost of these studies is \$859,800 of which \$302,600 is a benefit to existing development. A deduction of \$10,500 has been made to recognize the portion of planning studies related to D.C.-ineligible services, as mentioned above. After deducting \$311,900 to account for the current D.C. reserve fund surplus, \$234,800 of D.C.-eligible costs are included in the calculation of the charge as presented in Table 5-5.

The allocation of the net growth-related costs between residential and non-residential development is based on the residential and non-residential allocations for each service area and are presented in Table 5-6 below.



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

Prj. No	Increased Service Needs Attributable to Anticipated Development  2024-2033	Length (km)	Existing Road Surface	Surface Work	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Net Capital Cost	Benefit to Existing Development	Less:	Potential D.C. Recoverable Cost		
										Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 76%	Non-Residential Share 24%
	<b>Project Name</b>					-	-	-	-		-	-	-
	<b>Public Works Buildings</b>					-	-	-	-		-	-	-
1	New Public Works Facility				2026-2027	14,000,000	5,680,800	8,319,200	5,004,100		3,315,100	2,519,476	795,624
	<b>Public Works Fleet</b>					-	-	-	-		-	-	-
2	Heavy Duty Fleet				2025	463,500	-	463,500	-		463,500	352,260	111,240
3	Sidewalk Plow				2024	226,600	-	226,600	-		226,600	172,216	54,384
4	Sidewalk Plow				2027	226,600	-	226,600	-		226,600	172,216	54,384
5	Backhoe				2024-2033	231,800	-	231,800	-		231,800	176,168	55,632
6	Loader				2024-2033	363,100	-	363,100	-		363,100	275,956	87,144
7	Provision for Additional Fleet				2024-2033	1,150,641	-	1,150,641	-		1,150,641	874,487	276,154
	<b>Road Reconstructions</b>					-	-	-	-		-	-	-
8	Concession Street - Tillson Ave to Maple Lane	0.32	Asphalt	Asphalt	2024-2033	1,046,800	-	1,046,800	159,360		887,440	674,454	212,986
9	West Town Line - boundary road with Norwich (Simcoe to Potters)	1	Asphalt	Asphalt	2024-2033	2,057,800	-	2,057,800	498,000	547,500	1,012,300	769,348	242,952
10	Cranberry Rd. - North St. to North Town Limit	0.8	Rural	Asphalt	2024-2033	1,344,200	-	1,344,200	140,800		1,203,400	914,584	288,816
11	Concession St. East - Broadway to Tillson Ave.	0.8	Asphalt	Asphalt	2024-2033	3,405,700	-	3,405,700	398,400		3,007,300	2,285,548	721,752
12	Townline Rd and Goshen St Reconstruction	0.26	Asphalt	Asphalt	2024-2033	1,058,000	-	1,058,000	129,480		928,520	705,675	222,845
	<b>Signalization</b>					-	-	-	-		-	-	-
13	Town-wide Signalization				2024-2033	386,900	-	386,900	-		386,900	294,044	92,856
14	Signal Priority Control System Expansion - Phase 2				2024	54,100	-	54,100	-		54,100	41,116	12,984
15	Signal Priority Control System Expansion Phase 3				2025	24,200	-	24,200	-		24,200	18,392	5,808
16	Signal Priority Control System Expansion Phase 4				2026	24,200	-	24,200	-		24,200	18,392	5,808
17	Sidewalk Connectivity Plan				2024-2033	1,529,400	-	1,529,400	152,900		1,376,500	1,046,140	330,360
	<b>Studies</b>					-	-	-	-		-	-	-
18	Transportation Master Plan				2024	186,221	-	186,221	46,600		139,621	106,112	33,509
19	Transportation Master Plan				2033	186,221	-	186,221	46,600		139,621	106,112	33,509
	Reserve Fund Adjustment					-	-	-	-		(2,258,471)	(1,716,438)	(542,033)
	<b>Total</b>					<b>27,965,982</b>	<b>5,680,800</b>	<b>22,285,182</b>	<b>6,576,240</b>	<b>547,500</b>	<b>12,902,971</b>	<b>9,806,258</b>	<b>3,096,713</b>

**Note:**

1. For newly constructed projects benefit to existing or non-growth share is considered to be nil. For road widenings or upgrades, benefit to existing or non-growth share is based on the cost to the Town of repaving the existing sections of road twice to build-out of the Town. In short the non-growth share is the capital cost the Town would incur if there was no growth over the forecast period. The calculation of the non-growth share assumes the following resurfacing costs per km:

2-Lane Asphalt - \$249,000

Road Surface Treatment - \$88,000



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

Prj. No	Increased Service Needs Attributable to Anticipated Development  2024-2033	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	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 76%	Non-Residential Share 24%
	<b>Facilities</b>		-	-	-	-		-	-	-
1	Current Station Renovation and Expansion	2025-2026	5,300,000	1,653,378	3,646,622	-		3,646,622	2,771,433	875,189
	<b>Equipment</b>		-	-	-	-		-	-	-
2	Additional Firefighter Equipment (10)	2024-2033	82,000	-	82,000	-		82,000	62,320	19,680
3	New SCBA Units and Personal Face Masks (8)	2024-2033	122,400	-	122,400	110,000		12,400	9,424	2,976
	<b>Vehicles</b>		-	-	-	-		-	-	-
4	Single Axle Enclosed Trailer	2024-2033	15,000	-	15,000	-		15,000	11,400	3,600
5	ATV	2025	40,000	-	40,000	-		40,000	30,400	9,600
6	Full Size Rescue Unit	2024-2033	1,500,000	-	1,500,000	381,100		1,118,900	850,364	268,536
	<b>Studies</b>									
7	Fire Services Master Plan	2028	80,000	-	80,000	20,000		60,000	45,600	14,400
8	Fire Services Master Plan	2033	80,000	-	80,000	20,000		60,000	45,600	14,400
9	Community Risk Assessment	2025	20,000	-	20,000	10,000		10,000	7,600	2,400
10	Community Risk Assessment	2030	20,000	-	20,000	10,000		10,000	7,600	2,400
	Reserve Fund Adjustment		-	-	-	-		(735,870)	(559,261)	(176,609)
			-	-	-	-		-	-	-
	<b>Total</b>		<b>7,259,400</b>	<b>1,653,378</b>	<b>5,606,022</b>	<b>551,100</b>	<b>-</b>	<b>4,319,052</b>	<b>3,282,480</b>	<b>1,036,573</b>



**Table 5-3**  
**Infrastructure Costs Covered in the D.C. Calculation – Police Services**

Prj. No	Increased Service Needs Attributable to Anticipated Development  2024-2033	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	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 76%	Non-Residential Share 24%
1	Police Parking Improvements (Phase 1)	2024-2033	42,000	35,900	6,100	-		6,100	4,636	1,464
2	Police Parking Improvements (Phase 2)	2024-2033	348,000	297,500	50,500	-		50,500	38,380	12,120
	Reserve Fund Adjustment		-	-	-	-		(41,312)	(31,397)	(9,915)
	<b>Total</b>		<b>390,000</b>	<b>333,400</b>	<b>56,600</b>	<b>-</b>	<b>-</b>	<b>15,288</b>	<b>11,619</b>	<b>3,669</b>



**Table 5-4  
Infrastructure Costs Covered in the D.C. Calculation – Parks and Recreation Services**

Prj.No	Increased Service Needs Attributable to Anticipated Development  2024-2033	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	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 95%	Non-Residential Share 5%
	<b>Facilities</b>									
1	Community Complex Renovation and Expansion	2024	5,282,750	-	5,282,750	1,022,800	2,956,280	1,303,670	1,238,486	65,183
2	Provision for additional Gymnasium and Multi-Use Space	2024-2033	6,180,000	1,816,000	4,364,000	-		4,364,000	4,145,800	218,200
3	Third Ice Pad	2030-2033	22,607,200	9,662,000	12,945,200	-		12,945,200	12,297,940	647,260
	<b>Parkland and Park Facilities</b>		-	-	-	-		-	-	-
4	New Picnic Pavilion	2024-2033	46,900	-	46,900	36,300		10,600	10,070	530
5	Rolling Meadows Park	2024-2033	167,100	-	167,100	-		167,100	158,745	8,355
6	Kinsmen Bridge Upgrades	2024-2033	4,200,000	-	4,200,000	3,252,800		947,200	899,840	47,360
7	Pickleball Courts	2024	204,000	-	204,000	-		204,000	193,800	10,200
8	Victoria Woods Park	2024-2033	167,100	-	167,100	-		167,100	158,745	8,355
9	Parking Lot Expansion	2024-2025	206,000	-	206,000	159,500		46,500	44,175	2,325
10	Provision for Additional Parkland	2024-2033	1,698,162	-	1,698,162	-		1,698,162	1,613,254	84,908
11	Baseball Diamond	2024-2033	48,300	-	48,300	-		48,300	45,885	2,415
12	Softball Diamonds (4)	2024-2033	193,200	-	193,200	-		193,200	183,540	9,660
13	Tennis Courts	2024-2033	100,000	-	100,000	-		100,000	95,000	5,000
14	Pickleball Courts (3)	2027	300,000	-	300,000	-		300,000	285,000	15,000
	<b>Trail Development</b>		-	-	-	-		-	-	-
15	New Trail Development	2024-2033	137,400	-	137,400	106,400		31,000	29,450	1,550
16	Upgrade Participark Trail	2024-2033	120,700	-	120,700	93,500		27,200	25,840	1,360
17	Trail Head Improvements	2024-2033	51,500	-	51,500	39,900		11,600	11,020	580



Table 5-4 (cont'd)  
Infrastructure Costs Covered in the D.C. Calculation – Parks and Recreation Services

Prj.No	Increased Service Needs Attributable to Anticipated Development  2024-2033	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	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 95%	Non-Residential Share 5%
	<b>Vehicles</b>		-	-	-	-		-	-	-
18	Pick-Up Truck	2024-2033	59,200	-	59,200	-		59,200	56,240	2,960
19	Ice Resurfacer	2030-2033	103,000	-	103,000	-		103,000	97,850	5,150
20	Tractor	2024	25,800	-	25,800	-		25,800	24,510	1,290
21	Mini Excavator	2024	133,900	-	133,900	-		133,900	127,205	6,695
22	Scissor Lift	2024	36,100	-	36,100	-		36,100	34,295	1,805
	<b>Studies</b>		-	-	-	-		-	-	-
23	Recreation Master Plan	2024	84,766	-	84,766	21,200		63,566	60,388	3,178
24	Recreation Master Plan	2033	84,766	-	84,766	21,200		63,566	60,388	3,178
			-	-	-	-		-	-	-
	Reserve Fund Adjustment		-	-	-	-		(1,037,139)	(985,282)	(51,857)
			-	-	-	-		-	-	-
	<b>Total</b>		<b>42,237,844</b>	<b>11,478,000</b>	<b>30,759,844</b>	<b>4,753,600</b>	<b>2,956,280</b>	<b>22,012,826</b>	<b>20,912,184</b>	<b>1,100,641</b>





**Table 5-5  
Infrastructure Costs Covered in the D.C. Calculation – Growth-Related Studies**

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	
	<b>2024-2033</b>							
1	D.C. Background Study	2028	40,000		40,000	-		40,000
2	D.C. Background Study	2033	40,000		40,000	-		40,000
3	Asset Management Plan	2024	43,500	980	42,520	33,700		8,820
4	Asset Management Plan	2025	45,000	1,010	43,990	34,900		9,090
5	Asset Management Plan	2029	45,000	1,010	43,990	34,900		9,090
6	Community Strategic Plan	2030	150,000	7,500	142,500	75,000		67,500
7	Solid Waste Mgmt Study	2031	46,301		46,301	11,600		34,701
8	Stormwater Master Plan	2026	450,000		450,000	112,500		337,500
			-		-	-		-
	Reserve Fund Adjustment				-	-		(311,893)
	<b>Total</b>		<b>859,801</b>	<b>10,500</b>	<b>849,301</b>	<b>302,600</b>	<b>-</b>	<b>234,808</b>



Table 5-6  
Infrastructure Costs Covered in the D.C. Calculation – Growth-Related Studies – Residential/Non-Residential Shares

Class/ Service	Total	Residential Share	Non-Residential Share
Fire Protection Services	8,247	6,268	1,979
Services Related to a Highway	24,638	18,725	5,913
Parks and Recreation Services	42,033	39,932	2,102
Police Services	29	22	7
Stormwater Management Services	144,956	110,167	34,790
Waste Diversion Services	14,904	14,159	745
<b>Total</b>	<b>234,808</b>	<b>189,272</b>	<b>45,536</b>
Residential/Non-Residential %		81%	19%



## 6. D.C. Calculation

The calculation of the maximum D.C.s that could be imposed by Council has been undertaken using a cash-flow approach for the growth-related capital costs identified in Chapter 5. Table 6-1 presents the Town-wide D.C. calculation for all Town-wide services over the 10-year planning horizon (i.e., 2024-2034).

The calculation for residential development is generated on a per capita basis and is based upon four forms of housing types (single and semi-detached, apartments 2+ bedrooms, apartment's bachelor and 1 bedroom, and all other multiples). Special care/special needs facilities would be considered residential dwelling units and charged the small apartment D.C. The non-residential D.C. has been calculated uniformly on a per sq.m. of G.F.A. basis.

Wind Turbine developments would be defined as industrial development within the growth forecast. As these developments do not produce G.F.A. similar to other industrial developments, a charging mechanism is deemed. For each Wind Turbine, a charge is deemed equivalent to a residential single detached unit, as it relates to Services Related to a Highway, Police Services, Fire Protection Services, and Growth-Related Studies.

The cash-flow calculations of the maximum D.C.s s that could be imposed by Council have been undertaken to account for the timing of revenues and expenditures and the resultant financing needs. The cash-flow calculations have been undertaken by service for each forecast development type, i.e. residential, and non-residential. D.C. cash flow calculation tables are provided in Appendix C and have been undertaken to account for 1% earnings on D.C. reserve fund balances and 3% interest charged for reserve fund borrowing.

Table 6-2 summarizes the recommended schedule of charges, reflecting the maximum D.C.s by residential dwelling type, per sq.m. of G.F.A. for non-residential development, and per wind turbine.

Table 6-3 compares the Town's existing charges to the charges proposed herein in Table 6-2, for a single detached residential dwelling unit and per sq.m. of G.F.A. for non-residential development. The proposed charges are \$14,782 for a single detached residential dwelling unit, and \$36.00 per sq.m. of non-residential G.F.A. The proposed



residential charges for a single detached dwelling unit represent a 54% increase (+\$5,198) over the current charges of \$9,584. The non-residential charges per sq.m. represent a 2% decrease (-\$0.75) over the current charges of \$36.75. The Town does not currently impose D.C.s on non-residential development.

Table 6-1  
Town-Wide Services D.C. Calculation  
2024-2034

SERVICE/CLASS	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.m.
	\$	\$	\$	\$
1. Services Related to a Highway	9,806,258	3,096,713	4,170	20.98
2. Fire Protection Services	3,282,480	1,036,573	1,392	7.01
3. Parks and Recreation Services	20,912,184	1,100,641	9,129	7.66
4. Policing Services	11,619	3,669	6	0.03
5. Growth-Related Studies	189,272	45,536	85	0.33
<b>TOTAL</b>	<b>\$34,201,813</b>	<b>\$5,283,132</b>	<b>\$14,782</b>	<b>36.00</b>
Financing Costs/(Earnings)	\$741,591	\$57,700		
D.C.-Eligible Capital Cost	\$34,943,404	\$5,340,831		
10-Year Gross Population/GFA Growth (sq.m.)	6,463	148,366		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$5,406.68</b>	<b>\$36.00</b>		
<b>By Residential Unit Type</b>	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	2.734	\$14,782		
Other Multiples	2.179	\$11,781		
Apartments - 2 Bedrooms +	1.745	\$9,437		
Apartments - Bachelor and 1 Bedroom	1.108	\$5,991		

Table 6-2  
Schedule of Calculated D.C.s

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
<b>Municipal Wide Services/Class of Service:</b>						
Services Related to a Highway	4,170	3,324	2,662	1,690	20.98	4,170
Fire Protection Services	1,392	1,110	889	564	7.01	1,392
Parks and Recreation Services	9,129	7,276	5,828	3,699	7.66	
Policing Services	6	5	4	2	0.03	6
Growth-Related Studies	85	68	54	34	0.33	85
<b>Total Municipal Wide Services/Class of Services</b>	<b>14,782</b>	<b>11,783</b>	<b>9,437</b>	<b>5,989</b>	<b>36.00</b>	<b>5,653</b>



Table 6-3  
Comparison of Current and Calculated D.C.s

**Residential (Single Detached) Comparison**

Service/Class of Service	Current	Calculated (2024\$)	Change (\$)	Change (%)
<b>Municipal Wide Services/Classes:</b>				
Services Related to a Highway	6,552	4,170	(2,382)	-36%
Fire Protection Services	808	1,392	584	72%
Parks and Recreation Services	1,720	9,129	7,409	431%
Policing Services	68	6	(62)	-91%
Growth-Related Studies	436	85	(351)	-81%
<b>Total Municipal Wide Services/Classes</b>	<b>9,584</b>	<b>14,782</b>	<b>5,198</b>	<b>54%</b>

**Non-Residential (per sq.m.) Comparison**

Service/Class of Service	Current	Calculated (2024\$)	Change (\$)	Change (%)
<b>Municipal Wide Services/Classes:</b>				
Services Related to a Highway	29.15	20.98	(8.17)	-28%
Fire Protection Services	3.78	7.01	3.23	85%
Parks and Recreation Services	1.51	7.66	6.15	407%
Policing Services	0.32	0.03	(0.29)	-91%
Growth-Related Studies	1.99	0.33	(1.66)	-84%
<b>Total Municipal Wide Services/Classes</b>	<b>36.75</b>	<b>36.00</b>	<b>(0.75)</b>	<b>-2%</b>



## 7. D.C. Policy Recommendations and D.C. Policy Rules

### 7.1 Introduction

---

This chapter outlines the D.C. policy recommendations and by-law rules.

Subsection 5 (1) 9 of the D.C.A. states that rules must be developed:

“to determine if a development charge is payable in any particular case and to determine the amount of the charge, subject to the limitations set out in subsection 6.”

Paragraph 10 of the section goes on to state that the rules may provide for exemptions, phasing in and/or indexing of D.C.s.

Subsection 5 (6) establishes the following restrictions on the rules:

- the total of all D.C.s that would be imposed on anticipated development must not exceed the capital costs determined under subsection 5 (1) 2-7 for all services involved;
- if the rules expressly identify a type of development, they must not provide for it to pay D.C.s that exceed the capital costs that arise from the increase in the need for service for that type of development; however, this requirement does not relate to any particular development; and
- if the rules provide for a type of development to have a lower D.C. than is allowed, the rules for determining D.C.s may not provide for any resulting shortfall to be made up via other development.

With respect to “the rules,” section 6 states that a D.C. by-law must expressly address the matters referred to above re subsection 5 (1) paragraphs 9 and 10, as well as how the rules apply to the redevelopment of land.

The rules provided give consideration for the recent changes to the D.C.A. resulting from Bills 109, 23, 97, 134 and 185. However, these policies are provided for Council’s consideration and may be refined prior to adoption of the by-law.



based on the amount of square feet of G.F.A. constructed for eligible uses (i.e., primary, industrial, commercial, and institutional).

2) Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each municipal circumstance, as follows:

- For Parks and Recreation Services, a 5% non-residential attribution has been made to recognize use by the non-residential sector; and
- For Fire Protection Services, Police Services, and Services Related to a Highway and 76% residential and 24% non-residential attribution has been made based on a population vs. employment growth ratio over the Town-wide forecast period.
- For Growth-Related Studies, an 81% residential and 19% non-residential attribution has been made based on the allocations summarized in Table 5-6.

### ***7.3.3 Application to Redevelopment of Land (Demolition and Conversion)***

If a development involves the demolition and replacement of a building or structure on the same site, or the conversion from one principal use to another, the developer shall be allowed a credit equivalent to:

- the number of dwelling units demolished/converted multiplied by the applicable residential D.C. in place at the time the D.C. is payable; and/or
- the G.F.A. of the building demolished/converted multiplied by the current non-residential D.C. in place at the time the D.C. is payable.

The demolition credit is allowed only if the land was improved by occupied structures, and if the demolition permit related to the site was issued less than 60 months (5 years) prior to the issuance of a building permit.

The credit can, in no case, exceed the amount of D.C.s that would otherwise be payable. In cases where the existing residential dwelling cannot be removed until the new dwelling is constructed, the applicant can apply for a refund, provided the existing residential dwelling unit is removed within an agreed upon time period.



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

#### **Statutory**

- The municipality or local board thereof;
- A board of education; and
- Industrial additions of up to and including 50% of the existing G.F.A. of the building – for industrial additions which exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50% is subject to D.C.s. Exemptions will only apply to 50% of the G.F.A. prior to the first expansion for which there was an exemption to the payment of D.C.s.
- An enlargement to an existing dwelling unit;
- Additional units in existing and new residential buildings:
  - May add up to two apartments for a single detached, semi-detached or row house (only one unit can be in an ancillary structure)
  - One additional unit or 1% of the units in an existing rental residential building with four or more residential units
- Affordable Units, Attainable Units, and Inclusionary Zoning Units;
- Non-Profit Housing; and
- Universities.

#### **Non-Statutory**

- Industrial buildings;
- Non-residential farm buildings;
- Places of worship;
- Public hospitals;
- Temporary buildings and structures;
- Long-term care homes;
- Affordable housing; and
- Temporary dwelling units.

For the purposes of funding non-statutory exemptions, the charge for Farm Buildings as defined in the by-law, has been determined to be \$0.83 per sq.m. of G.F.A. reflective of the lower demand for service and density of development.





### **7.3.5 Transition**

The by-law will come into effect on June 13, 2024.

### **7.3.6 Timing of Collection**

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

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

Installment payments and payments determined at the time of Site Plan or Zoning By-law Amendment application are subject to annual interest charges. The maximum interest rate the Town can impose is the average prime rate plus 1% as defined in s.s. 26.3(1) of the Act.

### **7.3.7 Indexing**

Indexing of the D.C.s shall be implemented on a mandatory basis annually on June 13<sup>th</sup> (i.e., the anniversary date of the by-law coming into effect) each year 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 D.C Spatial Applicability**

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

---

<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.



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

The rationale for maintaining a Town-wide D.C. approach is based, in part, on the following:

- The 15-year service level from all applicable services across the Town can be included to establish an upper ceiling on the amount of funds which can be collected. If a D.C. by-law applied to only a part of the Town, the level of service cannot exceed that which would be determined if the by-law applied to the whole municipality. As such, when applied to forecast growth within the specific area, it would establish an area specific level of service ceiling which could reduce the total revenue recoverable for the municipality, potentially resulting in D.C. revenue shortfalls and impacts on property taxes.
- Town-wide D.C.s ensures a consistent approach to financing the entire cost associated with growth-related capital projects. For example, user rates and property taxes are required to finance the share of growth-related capital projects not recoverable by D.C.s and all associated operating costs. Therefore, the use of area specific D.C.s results in a share of growth-related capital costs being recovered from a specific area, with the remaining capital costs of the projects (i.e., non-D.C. recoverable share) and the associated operating costs with those new assets being recovered from uniform user rates and property taxes, applied to the entire Town.
- Attempting to impose an area-specific D.C. potentially causes equity issues in transitioning from a Town-wide approach to an area-specific approach. An area of a municipality that is less developed and becomes subject to an area specific D.C., could face a significant increase in D.C. rates, as the municipality will not benefit from drawing on the pool of D.C. funding and may have contributed D.C.s to fund capital required to support development in other communities of the municipality. Whereas another part of the municipality that has experienced significant growth which required substantial capital investments, benefitted from the capital investments being financed by Town-wide D.C.s. The implementation



of area specific D.C.s could result in varying D.C.s across the municipality, which may impact the ability to attract investment into parts of the community.

- Services are generally available across the municipality, used often by all residents and are not restricted to one specific geographic area. The use of a Town-wide D.C. approach reflects these system-wide benefits of service and more closely aligns with the funding principles of service provision (e.g., uniform Town-wide property tax rates, etc.).

Based on the foregoing and discussions with staff, the municipal practice of providing and funding services on a Town-wide basis is proposed to be maintained.

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

---

**It is recommended that:**

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

It is recommended that the Town's D.C. collections be contributed into four (4) separate reserve funds, including:

- Services Related to a Highway;
- Fire Protection Services;
- Police Services;
- Parks and Recreation Services; and
- Growth-Related Studies.

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

The by-law will come into force on June 13, 2024.

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

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



## 7.5 Other Recommendations

---

### It is recommended that Council:

“Adopt the D.C. approach to calculate the charges on a uniform Town-wide basis for all services within this background study.”

“Approve the capital project listing set out in Chapter 5 of the D.C. Background Study dated April 12, 2024, as amended, subject to further annual review during the capital budget process.”

“Approve the D.C.s Background Study dated April 12, 2024, as amended.”

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

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



**Table C-1**  
**Cash Flow Calculation – Services Related to a Highway – Residential**

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Population Growth	\$1,525.25	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		Per Capita per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings/ (Cost)	
2024	1,716,438	1,121,084	1,121,084		646	1,525.25	985,771	1,581,125	16,488	1,597,613
2025	1,597,613	1,172,292	1,207,461		646	1,571.01	1,015,344	1,405,496	15,016	1,420,511
2026	1,420,511	2,079,770	2,206,428		646	1,618.14	1,045,805	259,888	8,402	268,290
2027	268,290	2,233,594	2,440,709		646	1,666.69	1,077,179	(1,095,241)	(12,404)	(1,107,645)
2028	(1,107,645)	801,640	902,253		646	1,716.69	1,109,494	(900,404)	(30,121)	(930,525)
2029	(930,525)	801,640	929,321		646	1,768.19	1,142,779	(717,067)	(24,714)	(741,781)
2030	(741,781)	801,640	957,201		646	1,821.23	1,177,062	(521,920)	(18,956)	(540,875)
2031	(540,875)	801,640	985,917		646	1,875.87	1,212,374	(314,418)	(12,829)	(327,247)
2032	(327,247)	801,640	1,015,494		646	1,932.15	1,248,745	(93,996)	(6,319)	(100,314)
2033	(100,314)	907,752	1,184,411		646	1,990.11	1,286,208	1,482	(1,482)	(0)
<b>Total</b>		<b>11,522,696</b>	<b>12,950,280</b>	<b>0</b>	<b>6,463</b>		<b>11,300,761</b>		<b>-66,920</b>	

Note: Numbers may not add due to rounding



**Table C-2**  
**Cash Flow Calculation – Services Related to a Highway – Non-Residential**

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Sq. M. of Gross Floor Area	\$20.982	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		per sq.m. per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings /(Cost)	
2024	542,033	354,027	354,027		14,837	20.982	311,296	499,303	5,207	504,509
2025	504,509	370,198	381,304		14,837	21.611	320,635	443,841	4,742	448,583
2026	448,583	656,770	696,767		14,837	22.259	330,254	82,070	2,653	84,723
2027	84,723	705,346	770,750		14,837	22.927	340,162	(345,865)	(3,917)	(349,783)
2028	(349,783)	253,150	284,922		14,837	23.615	350,367	(284,338)	(9,512)	(293,850)
2029	(293,850)	253,150	293,470		14,837	24.323	360,878	(226,442)	(7,804)	(234,247)
2030	(234,247)	253,150	302,274		14,837	25.053	371,704	(164,817)	(5,986)	(170,803)
2031	(170,803)	253,150	311,342		14,837	25.805	382,855	(99,290)	(4,051)	(103,341)
2032	(103,341)	253,150	320,682		14,837	26.579	394,341	(29,683)	(1,995)	(31,678)
2033	(31,678)	286,659	374,024		14,837	27.376	406,171	468	(468)	(0)
<b>Total</b>		<b>3,638,746</b>	<b>4,089,562</b>	<b>0</b>	<b>148,366</b>		<b>3,568,661</b>		<b>-21,132</b>	

Note: Numbers may not add due to rounding



**Table C-3  
Cash Flow Calculation – Fire Protection Services – Residential**

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Population Growth	\$509.24	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		Per Capita per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings/ (Cost)	
2024	559,261	93,351	93,351		646	509.24	329,119	795,030	6,771	801,801
2025	801,801	1,517,067	1,562,579		646	524.51	338,993	(421,785)	1,900	(419,885)
2026	(419,885)	1,479,067	1,569,142		646	540.25	349,163	(1,639,865)	(30,896)	(1,670,761)
2027	(1,670,761)	93,351	102,007		646	556.46	359,637	(1,413,131)	(46,258)	(1,459,389)
2028	(1,459,389)	138,951	156,390		646	573.15	370,427	(1,245,353)	(40,571)	(1,285,924)
2029	(1,285,924)	93,351	108,219		646	590.34	381,539	(1,012,604)	(34,478)	(1,047,082)
2030	(1,047,082)	100,951	120,541		646	608.05	392,986	(774,637)	(27,326)	(801,962)
2031	(801,962)	93,351	114,810		646	626.30	404,775	(511,997)	(19,709)	(531,706)
2032	(531,706)	93,351	118,254		646	645.08	416,918	(233,042)	(11,471)	(244,513)
2033	(244,513)	138,951	181,299		646	664.44	429,426	3,613	(3,613)	0
<b>Total</b>		<b>3,841,741</b>	<b>4,126,592</b>	<b>0</b>	<b>6,463</b>		<b>3,772,983</b>		<b>-205,652</b>	

Note: Numbers may not add due to rounding



**Table C-4  
Cash Flow Calculation – Fire Protection Services – Non-Residential**

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Sq. M. of Gross Floor Area	\$7.005	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		per sq.m. per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings /(Cost)	
2024	176,609	29,479	29,479		14,837	7.005	103,932	251,062	2,138	253,200
2025	253,200	479,074	493,446		14,837	7.215	107,050	(133,195)	600	(132,595)
2026	(132,595)	467,074	495,519		14,837	7.432	110,262	(517,852)	(9,757)	(527,609)
2027	(527,609)	29,479	32,213		14,837	7.655	113,570	(446,252)	(14,608)	(460,860)
2028	(460,860)	43,879	49,386		14,837	7.884	116,977	(393,269)	(12,812)	(406,081)
2029	(406,081)	29,479	34,174		14,837	8.121	120,486	(319,770)	(10,888)	(330,657)
2030	(330,657)	31,879	38,065		14,837	8.364	124,101	(244,622)	(8,629)	(253,251)
2031	(253,251)	29,479	36,256		14,837	8.615	127,824	(161,683)	(6,224)	(167,907)
2032	(167,907)	29,479	37,343		14,837	8.874	131,658	(73,592)	(3,622)	(77,215)
2033	(77,215)	43,879	57,252		14,837	9.140	135,608	1,141	(1,141)	(0)
<b>Total</b>		<b>1,213,181</b>	<b>1,303,134</b>	<b>0</b>	<b>148,366</b>		<b>1,191,468</b>		<b>-64,943</b>	

Note: Numbers may not add due to rounding





**Table C-7**  
**Cash Flow Calculation – Parks and Recreation Services – Residential**

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Population Growth	\$3,338.94	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		Per Capita per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings/ (Cost)	
2024	985,282	2,316,910	2,316,910		646	3,338.94	2,157,955	826,327	9,058	835,385
2025	835,385	765,430	788,393		646	3,439.10	2,222,693	2,269,685	15,525	2,285,210
2026	2,285,210	870,548	923,564		646	3,542.28	2,289,374	3,651,020	29,681	3,680,701
2027	3,680,701	1,028,343	1,123,698		646	3,648.55	2,358,055	4,915,058	42,979	4,958,037
2028	4,958,037	743,343	836,639		646	3,758.00	2,428,797	6,550,195	57,541	6,607,736
2029	6,607,736	743,343	861,738		646	3,870.74	2,501,661	8,247,658	74,277	8,321,935
2030	8,321,935	3,842,290	4,587,896		646	3,986.86	2,576,711	6,310,750	73,163	6,383,914
2031	6,383,914	3,842,290	4,725,533		646	4,106.47	2,654,012	4,312,393	53,482	4,365,875
2032	4,365,875	3,842,290	4,867,299		646	4,229.66	2,733,632	2,232,208	32,990	2,265,199
2033	2,265,199	3,902,678	5,092,110		646	4,356.55	2,815,641	(11,270)	11,270	(0)
<b>Total</b>		<b>21,897,466</b>	<b>26,123,779</b>	<b>0</b>	<b>6,463</b>		<b>24,738,531</b>		<b>399,966</b>	

Note: Numbers may not add due to rounding



**Table C-8  
Cash Flow Calculation – Parks and Recreation Services – Non-Residential**

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Sq. M. of Gross Floor Area	\$7.655	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		per sq.m. per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings /(Cost)	
2024	51,857	121,943	121,943		14,837	7.655	113,577	43,491	477	43,968
2025	43,968	40,286	41,494		14,837	7.885	116,984	119,457	817	120,274
2026	120,274	45,818	48,609		14,837	8.121	120,493	192,159	1,562	193,721
2027	193,721	54,123	59,142		14,837	8.365	124,108	258,687	2,262	260,949
2028	260,949	39,123	44,034		14,837	8.616	127,831	344,747	3,028	347,776
2029	347,776	39,123	45,355		14,837	8.874	131,666	434,087	3,909	437,997
2030	437,997	202,226	241,468		14,837	9.141	135,616	332,145	3,851	335,995
2031	335,995	202,226	248,712		14,837	9.415	139,685	226,968	2,815	229,783
2032	229,783	202,226	256,174		14,837	9.697	143,875	117,485	1,736	119,221
2033	119,221	205,404	268,006		14,837	9.988	148,192	(593)	593	0
<b>Total</b>		<b>1,152,498</b>	<b>1,374,936</b>	<b>0</b>	<b>148,366</b>		<b>1,302,028</b>		<b>21,051</b>	

Note: Numbers may not add due to rounding



**Table C-9  
Cash Flow Calculation – Growth-Related Studies – Residential**

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Population Growth	\$31.07	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		Per Capita per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings/ (Cost)	
2024	251,408	7,110	7,110		646	31.07	20,078	264,377	2,579	266,956
2025	266,956	7,327	7,547		646	32.00	20,681	280,089	2,735	282,824
2026	282,824	272,049	288,617		646	32.96	21,301	15,508	1,492	17,000
2027	17,000	-	-		646	33.95	21,940	38,940	280	39,219
2028	39,219	32,243	36,290		646	34.97	22,598	25,528	324	25,852
2029	25,852	7,327	8,494		646	36.01	23,276	40,634	332	40,966
2030	40,966	54,410	64,968		646	37.09	23,974	(28)	205	177
2031	177	27,972	34,401		646	38.21	24,694	(9,531)	(140)	(9,671)
2032	(9,671)	-	-		646	39.35	25,434	15,763	30	15,794
2033	15,794	32,243	42,070		646	40.53	26,197	(79)	79	0
<b>Total</b>		<b>440,680</b>	<b>489,497</b>	<b>0</b>	<b>6,463</b>		<b>230,174</b>		<b>7,915</b>	

Note: Numbers may not add due to rounding



**Table C-10  
Cash Flow Calculation – Growth-Related Studies – Non-Residential**

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Sq. M. of Gross Floor Area	\$0.326	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		per sq.m. per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings /(Cost)	
2024	60,485	1,710	1,710		14,837	0.326	4,830	63,605	620	64,225
2025	64,225	1,763	1,816		14,837	0.335	4,975	67,385	658	68,043
2026	68,043	65,451	69,437		14,837	0.345	5,125	3,731	359	4,090
2027	4,090	-	-		14,837	0.356	5,278	9,368	67	9,436
2028	9,436	7,757	8,731		14,837	0.366	5,437	6,142	78	6,220
2029	6,220	1,763	2,044		14,837	0.377	5,600	9,776	80	9,856
2030	9,856	13,090	15,630		14,837	0.389	5,768	(7)	49	43
2031	43	6,729	8,276		14,837	0.400	5,941	(2,293)	(34)	(2,327)
2032	(2,327)	-	-		14,837	0.412	6,119	3,792	7	3,800
2033	3,800	7,757	10,121		14,837	0.425	6,303	(19)	19	0
<b>Total</b>		<b>106,021</b>	<b>117,765</b>	<b>0</b>	<b>148,366</b>		<b>55,376</b>		<b>1,904</b>	

Note: Numbers may not add due to rounding

**Town of Tillsonburg**  
**By-Law No. XXXX-2024**

**A By-law to Establish Town-Wide Development Charges for the Town of Tillsonburg**

**WHEREAS** subsection 2 (1) of the *Development Charges Act, 1997*, S.O. 1997, c.27 (hereinafter called “the Act”) provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for Services arising from the Development of the area to which the by-law applies;

**AND WHEREAS** Council has before it a report entitled “Development Charges Background Study” (the “Study”), the Town of Tillsonburg hereinafter referred to as the “Town”, dated April 12, 2024 by Watson & Associates Economists Ltd., as amended on June 10, 2024, wherein it is indicated that the Development of any land within the Town will increase the need for Services as defined herein;

**AND WHEREAS** Council gave notice to the public and held a public meeting pursuant to section 12 of the Act on May 27, 2024 prior to and at which the Study and the proposed Development Charge by-law were made available to the public in accordance with the Act and regulations thereto and Council heard comments and representations from all persons who applied to be heard (the “Public Meeting”);

**AND WHEREAS** Council intends to ensure that the increase in the need for Services attributable to the anticipated development, including any capital costs, will be met, by updating its capital budget and forecast where appropriate;

**AND WHEREAS** by approval of the Study, dated April 12, 2024, Council has indicated its intent that the future excess capacity identified in the Study, shall be paid for by the development charges or other similar charges.

**NOW THEREFORE THE COUNCIL OF THE TOWN OF TILLSONBURG ENACTS AS FOLLOWS:**

**1. DEFINITIONS**

In this by-law,

- (1) “**Act**” means the *Development Charges Act, 1997*, c. 27, as amended;
- (2) “**Affordable housing**” means Dwelling Units and incidental facilities, primarily for persons of low and moderate income, that meet the requirements of any program for such purpose as administered by any agency of the Federal or Provincial government, the County of Oxford and/or the Area Municipality and

for which an agreement has been entered into with the County of Oxford with respect to the provision of such Dwelling Units and facilities;

- (3) “**Apartment Dwelling**” means any Dwelling Unit within a Building containing more than four Dwelling Units where the units are connected by an interior corridor. Notwithstanding the foregoing, an Apartment Dwelling includes a Stacked Townhouse Dwelling;
- (4) “**Area Municipality**” means a lower-tier municipality that forms part of the County of Oxford;
- (5) “**Back-to-back Townhouse Dwelling**” means a building containing four (4) or more Dwelling Units separated vertically by a common wall, including a rear common wall, that does not have a rear yard with amenity area;
- (6) “**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;
- (7) “**Board of Education**” means a board defined in subsection 1 (1) of the *Education Act*, R.S.O. 1990, c. E,2, as amended;
- (8) “**Building Code Act**” means the *Building Code Act*, R.S.O. 1992, S.O. 1992, c. 23, as amended;
- (9) “**Building**” means a permanent enclosed structure occupying an area greater than ten square metres (10 m<sup>2</sup>) and, notwithstanding the generality of the foregoing, includes, but is not limited to:
  - (a) An above-grade storage tank;
  - (b) An air-supported structure;
  - (c) An industrial tent;
  - (d) A roof-like structure over a gas-bar or service station; and
  - (e) An area attached to and ancillary to a retail Development delineated by one or more walls or part walls, a roof-like structure, or any one or more of them;
- (10) “**Bunk House**” means a Building accessory to a permitted farming use containing kitchen and sanitary facilities and sleeping accommodation in individual or combination rooms for seasonal workers directly employed by the permitted use. For clarity, a Bunk House is not a Residential Use;

- (11) “**Capital Cost**” means costs incurred or proposed to be incurred by the Town or a local board thereof directly or by others on behalf of, and as authorized by, the Town or local board,
- (a) to acquire land or an interest in land, including a leasehold interest;
  - (b) to improve land;
  - (c) to acquire, lease, construct or improve buildings and structures;
  - (d) to acquire, lease, construct or improve facilities including (but not limited to),
    - (i) furniture and equipment, other than computer equipment;
    - (ii) material acquired for circulation, reference or information purposes by a library board within the meaning of the *Public Libraries Act*; and
    - (iii) rolling stock with an estimated useful life of seven years or more;
  - (e) interest on money borrowed to pay for costs in (a) to (e);
  - (f) to undertake studies in connection with any matter under the Act and any of the matters in clauses (a) to (d) above, including the development charge background study

required for provision of Services designated in this by-law within or outside the Town;

- (12) “**Council**” means the Council of the Town of Tillsonburg;
- (13) “**Development**” means any activity or proposed activity in respect of land that requires one or more of the actions referred to in section 5 of this by-law and including the redevelopment of land or the redevelopment, expansion, extension or alteration of a use, building or structure except interior alterations to an existing Building or structure which do not change or intensify the use of land;
- (14) “**Development Charge**” means a charge imposed pursuant to this by-law;
- (15) “**Dwelling**” or “**Dwelling Unit**” means any part of a building or structure with a room or suite of rooms used, or designed or intended for use, by one person or persons living together, in which sanitary facilities and a separate kitchen may or may not be provided for the exclusive use of such person or persons;

- (16) **“Farm Building”** means a Building or structure associated with and located on land devoted to the practice of farming, as defined by the *Farming and Food Production Protection Act, 1998*, and that is used essentially for the housing of farm equipment or livestock, or the production, storage or processing of agricultural and horticultural produce or feeds, and as part of or in connection with a bona fide farming operation and includes barns, silos, Bunk Houses, and other Buildings or structures ancillary to that farming operation, but excludes:
- (a) any Building or portion thereof used or intended to be used for any other Non-Residential Use, including, but not limited to: retail sales; commercial services; restaurants; banquet facilities; hospitality and accommodation facilities; gift shops; contractors shops; services related to grooming, boarding, or breeding of household pets; and alcohol or cannabis production facilities;
- (17) **“Grade”** means the average level of finished ground adjoining a Building or structure at all exterior walls;
- (18) **“Gross Floor Area”** means the total floor area measured between the outside of exterior walls, or between the outside of exterior walls and the centre line of party walls dividing the Building from another Building, of all floors above the average level of finished ground adjoining the Building at its exterior walls;
- (19) **“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;

and shall not include self-storage facilities or retail warehouses;



- (20) **"Institutional Development"** means development of a Building or structure intended for use,
- (a) as a long-term care home within the meaning of subsection 2(1) of the *Long-Term Care Homes Act, 2007*;
  - (b) as a retirement home within the meaning of subsection 2(2) of the *Retirement Homes Act, 2010*;
  - (c) by any of the following post-secondary institutions for the objects of the institutions:
    - (i) a university in Ontario that receives direct, regular and ongoing operating funding from the Government of Ontario
    - (ii) a college or university federated or affiliated with a university described in subclause 1.19.3.2; or
    - (iii) an Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institutes Act, 2017*
  - (d) as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion; or
  - (e) as a hospice to provide end of life care;
- (21) **"Local Board"** means a municipal service board, public utility commission, public library board, board of health, police services board or any other board, commission, committee or body or local authority established or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes, including school purposes, of the Town or any part or parts thereof, excluding a conservation authority, any municipal business corporation not deemed to be a local board under O. Reg. 168/03 under the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, and any corporation enacted under the *Electricity Act, 1998*, S.O. 1998, c. 15, Sched. A, as amended, or successor legislation;
- (22) **"Local Services"** means those services or facilities which are under the jurisdiction of the Town and are related to a plan of subdivision or within the area to which the plan relates, required as a condition of approval under s.51 of the *Planning Act*, or as a condition of approval under s.53 of the *Planning Act*;
- (23) **"Long-Term Care Home"** means the floor area of a facility directly related to beds that are licensed, regulated or funded by the Ministry of Health and Long-Term Care, in an approved charitable home for the aged (as defined in the *Charitable Institutions Act*, R.S.O. 1990, c. C.9), a home (as defined in the

*Homes for the Aged and Rest Homes Act*, R.S.O. 1990, c. H.13), or a nursing home (as defined in the *Nursing Homes Act*, R.S.O. 1990, c. N.7);

- (24) “**Mezzanine**” means an intermediate floor assembly between the floor and ceiling of any room or storey and includes an interior balcony;
- (25) “**Multiple Dwelling**” means all Dwellings other than Single Detached Dwellings, Semi-Detached Dwellings, and Apartment Dwellings, and shall include Park Model Trailers;
- (26) “**Non-Profit Housing Development**” means development of a Building or structure intended for use as residential premises by:
  - (a) a corporation to which the *Canada Not-for-profit Corporation Act, 2010* applies, that is in good standing under that Act and whose primary objective is to provide housing,
  - (b) a corporation without share capital to which the *Canada Not-for-profit Corporation Act, 2010* applies, that is in good standing under that Act and whose primary object is to provide housing, or
  - (c) a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act, 2022*;
- (27) “**Non-Residential Uses**” means a Building or structure, or portions thereof, used, or designed or intended for a use other than a Residential Use;
- (28) “**Official Plan**” means the Official Plan of the County of Oxford and any amendments thereto;
- (29) “**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;
- (30) “**Park Model Trailer**” means a trailer conforming to National Standard of Canada CAN CSA-Z241.0-92, CAN CSA-Z240 or similar standard that is up to a maximum size of 50 square metres and designed to facilitate relocation from time to time;
- (31) “**Planning Act**” means the *Planning Act, 1990*, R.S.O. 1990, c.P.13, as amended;
- (32) “**Private School**” means an academic education school to which all of the following apply:
  - (a) registered with the Province as a “private school” under section 16 of the *Education Act*;

- (b) non-publicly funded;
  - (c) operated on a not-for-profit basis;
  - (d) operated by a non-share non-profit corporation, or an established or a “religious organization” as defined by the *Religious Organizations’ Land Act*; and
  - (e) offering elementary or secondary academic education;
- (33) **“Regulation”** means any regulation made pursuant to the Act;
- (34) **“Rental Housing Development”** means development of a Building or structure with four or more residential units all of which are intended for use as rented residential premises;
- (35) **“Residential Uses”** means lands, Buildings or structures or portions thereof used, or designed or intended for use as a home or residence of one or more individuals, and shall include Single Detached Dwelling, Semi-Detached Dwelling, Multiple Dwelling, Apartment Dwelling, and the residential portion of a mixed-use Building or structure;
- (36) **“Row Townhouse Dwelling”** means a Building vertically divided into three or more Dwelling Units by common walls extending from the base of the foundation to the roof. Each Dwelling Unit shall have separate entrance directly to the outside;
- (37) **“Semi-Detached Dwelling”** means a Building divided vertically into two Dwelling Units each of which has a separate entrance and access to grade;
- (38) **“Services”** means services set out in Schedule “A” to this by-law;
- (39) **“Single Detached Dwelling”** means a completely detached Building containing only one Dwelling Unit;
- (40) **“Special Care/Special Need Dwelling”** means a Building, or part of a Building:
- (a) containing two or more Dwelling Units which units have a common entrance from street level;
  - (b) where the occupants have the right to use in common with other occupants, halls, stairs, yards, common rooms and accessory Buildings;
  - (c) that is designed to accommodate persons with specific needs, including but not limited to independent permanent living arrangements; and

- (d) where support services, such as meal preparation, grocery shopping, laundry, housekeeping, nursing, respite care and attendant services are provided at any one or more various levels;

and includes, but is not limited to, retirement homes or lodges, charitable dwellings, group homes (including correctional group homes) and hospices;

Special Care/Special Needs Dwellings will be charged the D.C. rate for Bachelor and 1 Bedroom Apartment Units;

- (41) **“Stacked Townhouse Dwelling”** means a Building, other than a Row Townhouse or Back to Back Townhouse, containing at least 3 Dwelling Units; each Dwelling Unit separated from the other vertically and/or horizontally and each Dwelling Unit having a separate entrance to grade;
- (42) **“Temporary Building or Structure”** means a Building or structure constructed or erected or placed on land for a continuous period not exceeding twelve months, or an addition or alteration to a Building or structure that has the effect of increasing the total floor area thereof for a continuous period not exceeding twelve months;
- (43) **“Temporary Dwelling Unit”** means a Dwelling Unit, which is:
  - (a) designed to be portable (e.g. mobile home);
  - (b) clearly ancillary to, and fully detached from, an existing permanent Dwelling Unit located on the same lot;
  - (c) only permitted to be in place for a limited period of time; and
  - (d) subject to an agreement with the Area Municipality specifying the maximum period of time the Dwelling Unit is to be permitted and any other matters that may be deemed necessary or appropriate by the Area Municipality, such as installation, maintenance and removal provisions, financial security requirements and restrictions on occupancy;
- (44) **“Total Floor Area”** means, the sum total of the total areas of all floors in a Building or structure whether at above or below grade measured between the exterior faces of the exterior walls of the building or structure or from the centre line of a common wall separating two uses or from the outside edge of a floor where the outside edge of the floor does not meet an exterior or common wall, and;
  - (a) includes the floor area of a mezzanine, atrium, or air supported structure, and the space occupied by interior wall partitions;

- (b) excludes those areas used exclusively for parking garages or structures; and
  - (c) where a Building or structure does not have any walls, the total floor area of the building or structure shall be the total of the area of all floors including the ground floor that are directly beneath the roof of the Building or structure;
- (45) **“Wind Turbine”** means any wind energy conversion system with a nameplate generating capacity greater than 300 kilowatts, that converts wind energy into electricity for sale to an electrical utility or intermediary.

## 2. **CALCULATION OF DEVELOPMENT CHARGES**

- (1) Subject to the provisions of this by-law, the Development Charge against land in the Town shall be imposed, calculated and collected in accordance with the rates set out in Schedules “B1”, “B2”, “B3”, “B4” and “B5” relating to the Services set out in Schedule “A”.
- (2) Council hereby determines that the Development of land, Buildings or structures for Residential and Non-Residential uses will require the provision, enlargement or expansion of the Services referenced in Schedule “A”; and shall be calculated as follows:
  - (a) In the case of Residential Development, or a Residential portion of a mixed-use Development or redevelopment, the Development Charge shall be the sum of the products of:
    - (i) the number of Dwelling Units of each type, multiplied by,
    - (ii) the corresponding total dollar amount for such Dwelling Unit as set out in Schedules “B1”, “B2”, “B3”, “B4” and “B5”, further adjusted by section 13; and
  - (b) In the case of Non-Residential Development, or a Non-Residential portion of a mixed-use Development or redevelopment, the Development Charge shall be the sum of the products of
    - (i) the Total Floor Area of Non-Residential Development or Non-Residential portion of mixed-use Development multiplied by,
    - (ii) the corresponding total dollar amount per square metre of Total Floor Area, as set out in Schedules “B1”, “B2”, “B3”, “B4” and “B5”, further adjusted by section 13; and
  - (c) In the case of Wind Turbines, the sum of the number of Wind Turbines multiplied by the corresponding amount for each Wind Turbine as set

out in Schedules “B1”, “B2”, “B3”, “B4” and “B5”, further adjusted by section 13.

- (d) The Development Charge payable for Rental Housing developments will be reduced based on the number of bedrooms in each unit as follows:
  - (i) Three or more bedrooms – 25% reduction;
  - (ii) Two bedrooms – 20% reductions; and
  - (iii) All other bedroom quantities – 15% reduction.

### 3. **APPLICABLE LANDS**

- (1) Subject to the exceptions and exemptions described in the following subsections, this by-law applies to all lands in the Town, whether or not the land or use is exempt from taxation under section 3 of the *Assessment Act*, R.S.O. 1990, c.A.31, as amended.
- (2) This by-law shall not apply to land that is owned by and used for the purposes of:
  - (a) a Board of Education;
  - (b) any municipality or Local Board thereof;
  - (c) a Place of Worship exempt under s.3 of the *Assessment Act*, R.S.O. 1990, c. A31, as amended;
  - (d) a Public Hospital under the *Public Hospitals Act*, R.S.O. 1990, c. P.40, as amended;
  - (e) land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education if the Development in respect of which Development Charges would otherwise be payable is intended to be occupied and used by the university.
- (3) This by-law shall not apply to:
  - (a) Industrial Buildings as defined herein, excluding Wind Turbines;
  - (b) Farm Buildings as defined herein;
  - (c) Private Schools as defined herein;
  - (d) Temporary Buildings or structures as defined herein;

- (e) Affordable Housing as defined herein;
- (f) Temporary Dwelling Units as defined herein;
- (g) Long-Term Care home, as defined herein;
- (h) Lands shown in Schedule "C". For greater certainty, these lands are designated as "Central Business District" and "Entrepreneurial District" in the County of Oxford Official Plan, Schedule T-1.
- (i) Notwithstanding any other provision of this by-law, no Development Charge is payable with respect to an enlargement of the Gross Floor Area of an existing Industrial Building where the Gross Floor Area is enlarged by 50 percent or less. If the Gross Floor Area of an existing Industrial Building is enlarged by greater than 50 percent, the amount of the Development Charge payable in respect of the enlargement is the amount of the Development Charge that would otherwise be payable multiplied by Gross Floor Area created that is greater than 50% of the existing Gross Floor Area:
  - (iv) notwithstanding subsection 3 (3) (i), the exemption for an existing Industrial Building shall be applied to a maximum of fifty percent (50%) of the Gross Floor Area before the first enlargement for which an exemption from the payment of Development Charges was granted pursuant to this by-law or its predecessor.
  - (v) The Total Floor Area of an existing Industrial Building is enlarged where there is a bona fide increase in the size of the existing Industrial Building, the enlarged area is attached to the existing Industrial Building, there is a direct means of ingress and egress from the existing Industrial Building to and from the enlarged area for persons, goods and equipment and the existing Industrial Building and the enlarged area are used for or in connection with an Industrial purpose as set out in subsection 1(1) of the Regulation. Without limiting the generality of the foregoing, the exemption in this section shall not apply where the enlarged area is attached to the existing Industrial Building by means only of a tunnel, bridge, canopy, corridor, or other passageway, or through a shared below grade connection such as a service tunnel, foundation, footing or parking facility.
- (j) Affordable residential units required pursuant to section 34 and 16(4) of the *Planning Act* (Inclusionary Zoning);
- (k) Affordable and attainable residential units as follows:

- (i) As of the date on which section 4.1 of the Act is proclaimed into force, affordable residential units that meet the criteria set out in subsection 4.1 (2) or 4.1 (3) of the Act shall be exempt from Development Charges
- (ii) As of the date on which subsection 4.1 (4) of the Act is proclaimed into force, attainable residential units that meet the criteria set out in subsection 4.1 (4) of the Act shall be exempt from Development Charges

4. **RULES WITH RESPECT TO EXEMPTIONS FOR INTENSIFICATION OF HOUSING**

- (1) Notwithstanding section 3 above, no Development Charges shall be imposed with respect to Developments or portions of Developments as follows:
  - (a) The enlargement of an existing Dwelling Unit;
  - (b) a second residential Dwelling Unit in an existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling on a parcel of land on which Residential Use, other than ancillary Residential Use, is permitted, if all Buildings and structures ancillary to the existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling cumulatively contain no more than one residential Dwelling Unit;
  - (c) a third residential Dwelling Unit in an existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling on a parcel of land on which Residential Use, other than ancillary Residential Use, is permitted, if no Building or structure ancillary to the existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling contains any residential Dwelling Units;
  - (d) one residential Dwelling Unit in a Building or structure ancillary to an existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling on a parcel of land, if the existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling contains no more than two residential Dwelling Units and no other Building or structure ancillary to the existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling contains any residential Dwelling Units; or
  - (e) in an existing rental residential Building, which contains four or more residential Dwelling Units, the creation of the greater of one residential Dwelling Unit or one per cent of the existing residential Dwelling Units;
- (2) For the purposes of subsections 4 (1) (d) a residential Dwelling Unit in a Building or structure ancillary to an existing or new Single Detached Dwelling,



Semi-Detached Dwelling, or Row-Townhouse Dwelling must be clearly secondary and subordinate to the principal Dwelling Unit on the lot and:

- (a) have Gross Floor Area of no greater than 60% of the Gross Floor Area of the principal Dwelling Unit, to a maximum of 140 m<sup>2</sup>; and
- (b) shall be located a maximum distance of 30 m from the principal Dwelling Unit.

5. **TIMING OF CALCULATION FOR DEVELOPMENT CHARGES**

- (1) Subject to subsection 5 (2), Development Charges shall be calculated and collected in accordance with the provisions of this by-law and be imposed on land to be developed for Residential and Non-Residential Use, where, the Development requires;
  - (a) the passing of a zoning by-law or an amendment thereto under section 34 of the *Planning Act*, R.S.O. 1990, c.P.13;
  - (b) the approval of a minor variance under section 45 of the *Planning Act*, R.S.O. 1990, c.P.13;
  - (c) conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act*, R. S.O. 1990, c.P.13 applies;
  - (d) the approval of a plan of subdivision under section 51 of the *Planning Act*, R.S.O. 1990, c.P.13;
  - (e) a consent under section 53 of the *Planning Act*, R.S.O. 1990, c.P.13;
  - (f) the approval of a description under section 9 of the *Condominium Act*, S.O. 1998, c.9, as amended; or
  - (g) the issuing of a permit under the *Building Code Act*, 1992, S.O. 1992, c.23, as amended in relation to a Building or structure.
- (2) Subsection 5 (1) shall not apply in respect to:
  - (a) Local Services installed or paid for by the owner within a plan of subdivision or within the area to which the plan relates, as a condition of approval under section 51 of the *Planning Act*, R.S.O. 1990, c.P.13;
  - (b) Local Services installed or paid for by the owner as a condition of approval under section 53 of the *Planning Act*, R.S.O. 1990 c.P.13.
- (3) A Development Charge shall be calculated and payable in full in money or by provision of Services as may be agreed upon, or by credit granted pursuant to the Act or this by-law, 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.

- (4) Where a Development Charge applies 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.
- (5) Notwithstanding subsection 5 (1), Development Charges for Rental Housing and Institutional Developments are due and payable in 6 equal installments commencing with the first installment payable on the date of occupancy, and each subsequent installment, including interest, payable on the anniversary date each year thereafter.
- (6) Notwithstanding subsections 5 (1) and 5 (3), where the development of land results from the approval of a Site Plan or Zoning By-law Amendment application received on or after January 1, 2020, and the approval of the application occurred within the prescribed amount of time of building permit issuance, the Development Charges under section 2 shall be calculated based on the rates set out in Schedules "B1", "B2", "B3", "B4" and "B5" on the date of the planning application. Where both planning applications apply, Development Charges under section 2 shall be calculated on the rates set out in Schedules "B1", "B2", "B3", "B4" and "B5" on the date of the later planning application.
- (7) Interest for the purposes of subsections 5 (5) and 5 (6) shall be calculated as per the Town's Development Charge Interest Rate Policy.

## **6. LOCAL SERVICE INSTALLATION**

- (1) Nothing in this by-law prevents Council from requiring, as a condition of an agreement under section 51 or 53 of the *Planning Act* that the Owner, at his or her own expense, shall install or pay for such Local Services, within the Plan of Subdivision or within the area to which the plan relates, as Council may require.

## **7. MULTIPLE CHARGES**

- (1) Where two or more of the actions described in subsection 5 (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, as prescribed in section 5.
- (2) Notwithstanding subsection 7 (1), if two or more of the actions described in subsection 5 (1) occur at different times, and if the subsequent action has the effect of a net increase in the number of Residential Dwelling Units and/or a net increase in the amount of Non-Residential Gross Floor Area, additional Development Charges shall be calculated and collected in accordance with the provisions of this by-law.

## **8. SERVICES IN LIEU**

- (1) Council may authorize an Owner, through an agreement under section 38 of the Act, to substitute such part of the Development Charge applicable to the Owner's Development as may be specified in the 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 in accordance with the agreement provisions and the provisions of section 39 of the Act, equal to the reasonable cost to the Owner of providing the services in lieu. In no case shall the agreement provide for a credit which exceeds the total Development Charge payable by an Owner to the Town in respect of the Development to which the agreement relates.
- (2) In any agreement under subsection 8 (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 8 (2) shall not be charged to any Development Charge reserve fund.

## **9. FRONT-ENDING AGREEMENTS**

- (1) Council may authorize a front-ending agreement in accordance with the provisions of Part III of the Act, upon such terms as Council may require, in respect of the Development of land.

## **10. DEMOLITION AND CONVERSION CREDITS FOR REDEVELOPMENT OF LAND**

- (1) If a Development involves the demolition of and replacement of all or part of a Building or structure, or the conversion from one principal use to another, a credit shall be allowed, provided that the land was improved by occupied structures, or structures capable of being occupied without structural improvement, within the five years prior to the issuance of the building permit, and the building permit has been issued for the development within five years from the date the demolition permit has been issued; and;
- (2) Subject to subsection 10 (3), the credit shall be calculated:
  - (a) in the case of the demolition or conversion of a Building, or a part of a Building, used for a Residential purpose, by multiplying the number and type of Dwelling Units demolished or converted by the relevant Development Charge in effect under this by-law on the date when the Development Charge with respect to the redevelopment is payable pursuant to this by-law; or

- (b) in the case of the demolition or conversion of a Building, or part of a Building, used for a Non-Residential purpose, by multiplying the Non-Residential Total Floor Area demolished or converted, by the relevant Development Charge in effect under this by-law on the date when the Development Charge with respect to the redevelopment is payable pursuant to this by-law.
- (3) A credit can, in no case, exceed the amount of the development charge that would otherwise be payable. No credit is available if the use for which the demolished/converted buildings or structures was last lawfully occupied is exempt under this by-law.
- (4) Notwithstanding subsection 10 (1) above, where the Building cannot be demolished until the new Building has been erected, the Owner shall notify the Town in writing and pay the applicable Development Charge for the new Building in full and, if the existing Building is demolished not later than twelve (12) months from the date a building permit is issued for the new Building, the Town shall provide a refund calculated in accordance with this section to the Owner without interest. If more than twelve (12) months is required to demolish the existing Building, the Owner may make a written request to the Town, and the Town's Treasurer or designate, in his or her sole and absolute discretion and upon such terms and conditions as he or she considers necessary or appropriate, may extend the time in which the existing Building must be demolished, and such decision shall be made prior to the issuance of the first building permit for the new Building.

## **11. RESERVE FUNDS**

- (1) Monies received from payment of Development Charges under this by-law shall be maintained in a separate reserve fund for each Service category set out in Schedule "A".
- (2) Monies received for the payment of Development Charges shall be used only in accordance with the provisions of section 35 of the Act.
- (3) Council directs the Town Treasurer to divide the reserve fund created hereunder into separate accounts in accordance with the Service categories set out in Schedule "A" to which the Development Charge payments, together interest earned thereon, shall be credited.
- (4) Where any Development Charge, or part thereof, remains unpaid after the due date, the amount unpaid shall be added to the tax roll for the property on which the Development occurred and shall be collected as taxes.
- (5) Where any unpaid Development Charges are collected as taxes under subsection 13 (4), the monies so collected shall be credited to the development charge reserve funds referred to in subsection 13 (1).

- (6) The Town Treasurer shall in each year commencing in 2025 for the 2024 year, furnish to Council a statement in respect of the reserve funds established hereunder for the prior year, containing the information set out in section 12 of O. Reg. 82/98.

## **12. BY-LAW AMENDMENT OR APPEAL**

- (1) Where this by-law or any Development Charge prescribed thereunder is amended or repealed either by order of the Ontario Land Tribunal (OLT) or by resolution of Council, the Town 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 12 (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 Bank of Canada interest rate in effect on the date of enactment of this by-law shall be used.
- (3) Refunds that are required to be paid under subsection 12 (1) shall include the interest owed under this section.

## **13. BY-LAW INDEXING**

- (1) The Development Charges set out in Schedules "B1", "B2", "B3", "B4" and "B5" to this by-law shall be adjusted annually as of June 13, without amendment to this by-law, in accordance with the most recent twelve month change in the Statistics Canada Quarterly, "Construction Price Statistics".

## **14. SEVERABILITY**

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

## **15. BY-LAW ADMINISTRATION**

- (1) This by-law shall be administered by the Town Treasurer.

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

- (1) The following Schedules to this by-law form an integral part of this by-law:  
Schedule A – Schedule of Municipal Services

Schedule B1 – Schedule of Development Charges – Services Related to a Highway

Schedule B2 – Schedule of Development Charges – Fire Protection Services

Schedule B3 – Schedule of Development Charges – Parks and Recreation Services

Schedule B4 – Schedule of Development Charges – Policing Services

Schedule B5 – Schedule of Development Charges – Growth-Related Studies

Schedule C – Schedule of Lands exempt from the Town-Wide Development Charge By-law-2024

- (2) Any or all Schedules may be amended, revised and/or replaced from time to time during the term of the by-law as set out in accordance with the provisions of the *Development Charges Act, 1997*, S.O. 1997, c.27 as may be amended and/or replaced from time to time.

**17. DATE BY-LAW EFFECTIVE**

- (1) This by-law shall come into force and effect on June 13, 2024.

**18. EXISTING BY-LAW REPEAL**

- (1) By-law 4315 as amended by By-law 2021-036 is repealed on the date this by-law comes into effect.

**19. SHORT TITLE**

- (1) This by-law may be cited as the “2024 Town of Tillsonburg Development Charge By-law”.

**READ a first and second time this 12<sup>th</sup> day of June, 2024.**

**READ a third time and finally passed in Open Council this 12<sup>th</sup> day of June, 2024.**

---

MAYOR

---

CLERK

**SCHEDULE "A"**  
**TO BY-LAW NO. XXXX-2024**

**DESIGNATED MUNICIPAL SERVICES UNDER THIS BY-LAW**

- (1) Services Related to a Highway
- (2) Fire Protection Services
- (3) Parks and Recreation Services
- (4) Policing Services
- (5) Growth-Related Studies



**SCHEDULE "B1"**  
**TO BY-LAW NO. XXXX-2024**

**SCHEDULE OF DEVELOPMENT CHARGES – SERVICES RELATED TO A HIGHWAY**

Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
Services Related to a Highway	4,170	3,324	2,662	1,690	20.98	4,170

**SCHEDULE "B2"**  
**TO BY-LAW NO. XXXX-2024**

**SCHEDULE OF DEVELOPMENT CHARGES – FIRE PROTECTION SERVICES**

Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
Fire Protection Services	1,392	1,110	889	564	7.01	1,392

**SCHEDULE "B3"**  
**TO BY-LAW NO. XXXX-2024**

**SCHEDULE OF DEVELOPMENT CHARGES – PARKS AND RECREATION SERVICES**

Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
Parks and Recreation Services	9,129	7,276	5,828	3,699	7.66	-

**SCHEDULE "B4"**  
**TO BY-LAW NO. XXXX-2024**

**SCHEDULE OF DEVELOPMENT CHARGES – POLICING SERVICES**

Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
Policing Services	6	5	4	2	0.03	6

**SCHEDULE "B5"  
TO BY-LAW NO. XXXX-2024**

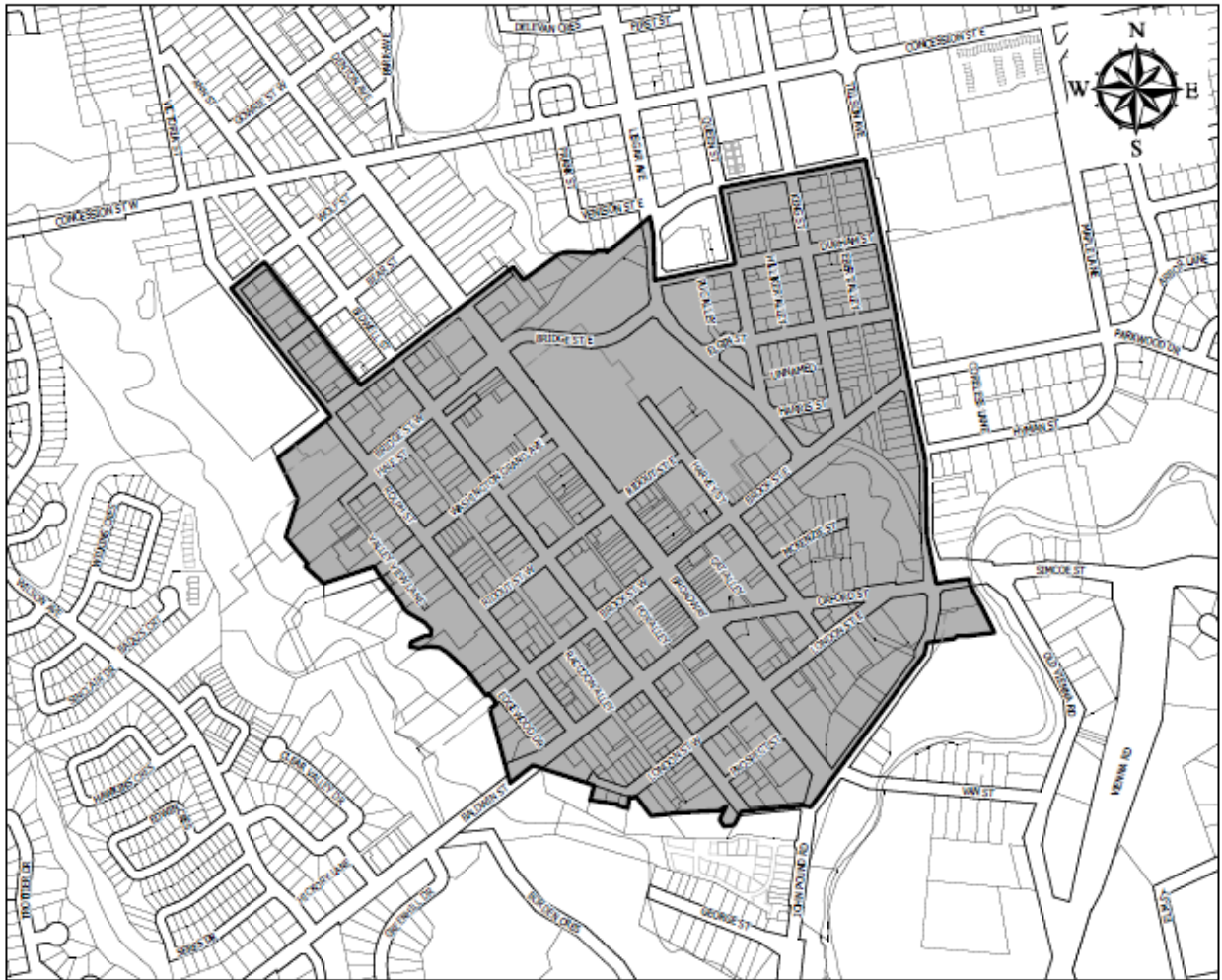
**SCHEDULE OF DEVELOPMENT CHARGES – GROWTH-RELATED STUDIES**


Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
Growth-Related Studies	85	68	54	34	0.33	85

**SCHEDULE "C"  
TO BY-LAW NO. XXXX-2024**

**SCHEDULE OF LANDS EXEMPT FROM THE  
DEVELOPMENT CHARGE BY-LAW**

**COUNTY OF OXFORD - TOWN OF TILLSONBURG  
CENTRAL BUSINESS DISTRICT**



 LANDS TO WHICH THE BY-LAW DOES NOT APPLY