



Addendum to 2024 Development Charges Background Study

Municipality of West Perth

For Public Circulation and Comment

June 28, 2024

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1. Summary of Revisions to the May 23, 2024 Development Charges Background Study

Commensurate with the provisions of the Development Charges Act (D.C.A.), 1997, the Municipality of West Perth (Municipality) 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:

- May 23, 2024 – Release D.C.B.S. and draft by-law
- July 2, 2024 – Public Meeting of Council
- July 29, 2024 – Anticipated passage of D.C. By-law
- July 29, 2024 – Anticipated date of by-law enactment.

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 reduced to 18 months under Bill 185. Note that the two-year timeline will still apply to applications received between January 1, 2020, prior to Bill 185 receiving Royal Assent (i.e., June 6, 2024), where approval of the application was received prior to June 6, 2024;
- Inclusion of growth-related studies, including the D.C. background study, as a D.C.-eligible cost;
- A provision to permit the repeal of the expiry date for existing D.C. by-laws;
- 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 prior to Bill 185 taking effect (i.e., June 6, 2024); and



- To modernize public notice requirements, to allow municipalities to post D.C. public notices on municipal websites where newspapers of general circulation are not available.

The purpose of the addendum to the May 23, 2024, D.C.B.S. is to include and correct an error related to the calculation for D.C. eligible costs associated with growth-related studies, reflect other changes in the D.C.A. as per Bill 185 (such as the changes to the D.C. “freeze” time period, and the removal of the statutory phase-in of the charges in the proposed new by-law). With the removal of the statutory phase-in, the draft by-laws provided in the D.C.B.S., may now be contained in one by-law for all services and class of services. Therefore, a revised draft by-law has been included herein.

The refinements, as they related to the calculation of the D.C.s 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. A revised draft proposed by-law is included herein, which embraces the legislative changes and updates to the calculate charges.



2. Addendum

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

2.1 Growth-Related Studies

The D.C.A. permits the inclusion of studies undertaken to facilitate the completion of the Municipality's capital works program. These studies have been included within a Growth-Related Studies class of services, based on the eligible D.C. services to which the studies relate.

In anticipation of the legislative change, the D.C.B.S. included a calculation related to growth-related studies. However, a refinement was required to the calculations of the D.C.s for this class of services, to align the residential/non-residential proportionate shares for the Growth-Related Studies, with the residential/non-residential proportionate shares for each of the eligible services to which the studies relate.

In aggregate, the study costs that have been identified total \$564,400. Deductions of \$232,004 related to the costs that benefit existing development, \$9,000 to recognize the cost which benefit non-D.C.-eligible services, and \$30,639 related to the current D.C. reserve fund, have been made. The net D.C. eligible costs for studies that have been considered with the calculation of the charge within the class of services totals \$292,757.

These costs have been allocated between residential and non-residential benefits based on the same shares identified for each applicable service. This results in an overall residential share of \$244,220 (83%), and non-residential share of \$48,536 (17%).

The refinements have increased the calculated D.C. for residential developments, and decreased the D.C. for non-residential developments. The revised D.C. for a single and semi-detached residential dwelling unit related to Growth-Related Studies is \$711 (increasing from \$704) and the D.C. for non-residential development is \$0.13 per sq.ft. of gross floor area (decreasing from \$0.66 per sq.ft.).



2.2 Impacts on the Calculated D.C.

Based on the changes identified, as noted above, the amended schedule of charges is presented in Table 2-1.



Table 2-1
Amended Schedule of Development Charges

| Services/Class of Services | RESIDENTIAL | | | | | NON-RESIDENTIAL |
|--|-----------------------------------|-----------------|---------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| | Single and Semi-Detached Dwelling | Other Multiples | Apartments - 2 Bedrooms + | Apartments - Bachelor and 1 Bedroom | Special Care/Special Dwelling Units | (per sq.ft. of Gross Floor Area) |
| Municipal Wide Services: | | | | | | |
| Services Related to a Highway | 5,593 | 3,546 | 3,232 | 2,129 | 2,040 | 2.13 |
| Fire Protection Services | 1,310 | 830 | 757 | 499 | 478 | 0.50 |
| Policing Services | 5 | 3 | 3 | 2 | 2 | 0.00 |
| Parks and Recreation Services | 1,262 | 800 | 729 | 480 | 460 | 0.06 |
| Library Services | 823 | 522 | 476 | 313 | 300 | 0.04 |
| Provincial Offences Act including By-Law Enforcement | 14 | 9 | 8 | 5 | 5 | 0.01 |
| Waste Diversion | 19 | 12 | 11 | 7 | 7 | 0.01 |
| Municipal Wide Class of Services: | | | | | | |
| Growth-Related Studies | 711 | 451 | 411 | 271 | 259 | 0.13 |
| Total Municipal Wide Services/Class of Services | \$9,737 | \$6,173 | \$5,627 | \$3,706 | \$3,551 | \$2.88 |
| Urban Services: | | | | | | |
| Stormwater Drainage and Control Services | 856 | 543 | 495 | 326 | 312 | 0.33 |
| Wastewater Services | 6,912 | 4,382 | 3,995 | 2,631 | 2,521 | 2.64 |
| Water Services | 3,463 | 2,195 | 2,001 | 1,318 | 1,263 | 1.32 |
| Total Urban Services | \$11,231 | \$7,120 | \$6,491 | \$4,275 | \$4,096 | \$4.29 |
| GRAND TOTAL RURAL AREA | \$9,737 | \$6,173 | \$5,627 | \$3,706 | \$3,551 | \$2.88 |
| GRAND TOTAL URBAN AREA | \$20,968 | \$13,293 | \$12,118 | \$7,981 | \$7,647 | \$7.17 |



By comparison to the charges presented in the May 23, 2024, D.C.B.S., including the draft charges related to growth-related studies, and the amended total charge for a single and semi-detached residential dwelling would increase by \$7 (from \$20,292 to \$20,968). The non-residential charges presented in the D.C.B.S., would decrease by \$0.53 per square foot of gross floor area (from \$7.71 to \$7.17), including the growth-related studies.

The updated charges presented herein (as per Table 2-2 to 2-3), provide a comparison to the current charges, the charges in the May 23, 2024, D.C.B.S, and the revised charges as per this addendum report. The comparison Tables are provided for a single and semi-detached residential dwelling unit and the cost per sq.ft. of G.F.A. for non-residential development.

Table 2-2
Comparison of Current, Calculated, and Amended D.C.s - Single-detached Dwelling

| Services/Class of Services | Current | Calculated (As per D.C. Study May 24, 2024) | Calculated (As Addendum Report) |
|--|-----------------|--|--|
| Municipal Wide Services: | | | |
| Services Related to a Highway | 2,161 | 5,593 | 5,593 |
| Fire Protection Services | 396 | 1,310 | 1,310 |
| Policing Services | - | 5 | 5 |
| Parks and Recreation Services | 614 | 1,262 | 1,262 |
| Library Services | - | 823 | 823 |
| Provincial Offences Act including By-Law Enforcement | - | 14 | 14 |
| Waste Diversion | - | 19 | 19 |
| Municipal Wide Class of Services: | | | |
| Growth-Related Studies | 277 | 704 | 711 |
| Total Municipal Wide Services/Class of Services | \$3,448 | \$9,730 | \$9,737 |
| Urban Area Specific Services: | | | |
| Stormwater Drainage and Control Services | 1,498 | 856 | 856 |
| Wastewater Services | 4,360 | 6,912 | 6,912 |
| Water Services | 2,263 | 3,463 | 3,463 |
| Total Urban Area Specific Services | \$8,121 | \$11,231 | \$11,231 |
| Grand Total - Urban Area Services/Class of Services | \$11,569 | \$20,962 | \$20,968 |



Table 2-3
Comparison of Current, Calculated, and Amended D.C.s – Non-residential (on a per sq.ft. of Gross Floor Area)

| Service/Class of Service | Current | Calculated (As per D.C. Study May 24, 2024) | Calculated (As Addendum Report) |
|--|---------------|--|--|
| Municipal Wide Services: | | | |
| Services Related to a Highway | - | 2.14 | 2.13 |
| Fire Protection Services | - | 0.50 | 0.50 |
| Policing Services | - | - | - |
| Parks and Recreation Services | - | 0.06 | 0.06 |
| Library Services | - | 0.04 | 0.04 |
| Provincial Offences Act including By-Law Enforcement | - | 0.01 | 0.01 |
| Waste Diversion | - | 0.01 | 0.01 |
| Municipal Wide Class of Services: | | | |
| Growth-Related Studies | - | 0.66 | 0.13 |
| Total Municipal Wide Services/Class of Services | \$0.00 | \$3.42 | \$2.88 |
| Urban Area Specific Services: | | | |
| Stormwater Drainage and Control Services | - | 0.33 | 0.33 |
| Wastewater Services | - | 2.64 | 2.64 |
| Water Services | - | 1.32 | 1.32 |
| Total Urban Area Specific Services | \$0.00 | \$4.29 | \$4.29 |
| Grand Total - Urban Area Services/Class of Services | \$0.00 | \$7.71 | \$7.17 |



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

Based on the foregoing, the following revisions are made to the May 23, 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 ii to x) - Updated to reflect the revised charges, inclusion of growth-related study costs, refinements related to legislative changes, and updated Tables ES-3 to ES-5;
- Pages 1-2 to 1-4 – Updated text and Figure 1-1 related to the D.C. process, including the Addendum release date. Further, textual changes have been made throughout these pages related to legislative changes;
- Pages 1-13 to 1-14 – Updated to reflect legislative changes;
- Pages 4-5 to 4-7 – Updates to Table 4-1B, section 4.5 updated to reflect the eligible funding of study costs, and section 4.7 updated to reflect the enactment of Bill 185 to identify growth-related studies as a class of services;
- Pages 4-11 and 4-12 – Section 4.10 updated to reflect the enactment of Bill 185 to identify class of services in text and added section 4.12 related to asset management;
- Pages 5-1 – Textual updates to include class of services.
- Pages 5-6 to 5-8 - Updated to include the refinements for the growth-related study costs in the calculation of the charge and updated page numbering, as required;
- Pages 5-14 and 5-15 – Updated Table 5-8 to provide the revised capital program related to Growth-Related Studies and added Table 5-9 for the residential and non-residential splits for Growth-Related Studies;
- Pages 5-16 to 5-19 – Updated table numbering as required.
- Pages 6-1 to 6-4 – Chapter 6 updated to include the refinements for the revised growth-related study costs, including all supporting tables in this chapter. Tables 6-3 and 6-5 have been removed remaining tables have been renumbered and retitled accordingly;
- Pages 7-2 to 7-3, 7-5 to 7-9:
 - Section 7.2 updated to identify the class of services for growth-related studies;
 - Section 7.3.2 updated to include growth-related study costs allocation;



- Section 7.3.5 updated to reflect legislative changes for timing of collection (removal of phase-in) and section 7.3.6 to 7.3.8 have been renumbered accordingly;
 - Section 7.3.6 (now renumbered to Section 7.3.5) updated to reflect legislative changes related to the D.C. “rate freeze;”
 - Section 7.3.8 (now renumbered to Section 7.3.7) updated to note the inclusion of growth-related studies to be applied on a Municipal-wide basis;
 - Section 7.4.2 added to reflect legislative changes and recommend a separate reserve fund for the growth-related studies class of services (all other sections thereafter are renumbered); and
 - Section 7.5 updated to reflect this addendum and the class of services for the growth-related studies.
- Page C-3 - Updated Table C-2 to reflect the growth-related studies class of service;
 - Pages D-5 and D-10 – Updated Table D-1 and Table D-6 to reflect the growth-related studies class of services;
 - Pages F-4 and F-5 – Updated for revision to Table F-1;
 - Appendix G – Updated proposed by-law to reflect the inclusion of growth-related study costs as a class of services and include other legislative changes, due to the enactment of Bill 185; and
 - Throughout the report - updated page numbering, including additional pages, due to this addendum report, where required.



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

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

If Council is satisfied with the above noted changes to the D.C.B.S. and 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



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- 5) Net capital costs are then allocated between residential and non-residential development types; and
- 6) Net costs divided by the anticipated development to provide the D.C.

(c) Subsequent to the passage of the Municipality's 2019 D.C. By-law (By-law 2019-48), a number of amendments to the D.C.A. have taken place. These changes have been incorporated throughout the report and in the draft by-law, as necessary. The legislative amendment to the D.C.A. include the following (details of each Act are provided in Chapter 1 of this report):

- Bill 108: *More Homes, More Choice Act, 2019*
- Bill 138: *Plan to Build Ontario Together Act, 2019*
- Bill 197: *COVID-19 Economic Recovery Act, 2020*
- Bill 213: *Better for People, Smarter for Business Act, 2020*
- Bill 109: *More Homes for Everyone Act, 2022*
- Bill 23: *More Homes Built Faster Act, 2022*
- Bill 97: *Helping Homebuyers, Protecting Tenants Act, 2023*
- Bill 134: *Affordable Homes and Good Jobs Act, 2023*
- Bill 185: *Cutting Red Tape to Build More Homes Act, 2024*

A summary of some of the amendments are outlined below:

- Historical level of service calculation extended to a 15-year period;
- Capital cost definition revised to remove prescribe services for which land or an interest in land will be restricted (no services currently prescribed);
- Annual installment payments for rental and institutional development, in six equal payments commencing at occupancy;
- The determination^[1] of D.C.s for development occurring within two years of a site plan or zoning by-law amendment planning approval for applications received and approved between January 1, 2020, and June 5, 2024, and for development occurring within 18 months of a site plan or zoning by-law amendment planning approval for applications received on or after January 1, 2020 where approval has not been granted prior to June 6, 2024;

¹ With charges determined at the time of planning application



- 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%;
 - Additional residential unit exemption includes allowance of a third unit as-of-right;
 - Statutory exemptions for Affordable Units, Attainable Units (currently not in force);
 - Statutory exemptions for Affordable Inclusionary Zoning Units;
 - Statutory exemption for non-profit housing;
 - Mandatory discount for rental housing, based on the number of bedrooms;
 - Maximum life of a D.C. by-law extended from 5 years to 10 years after the by-law comes into force;
 - Requirement to Allocate Funds Received - municipalities are 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;
 - Additional requirements related to the annual D.C. reserve fund Treasurer's statement;
 - Provision to allow minor amendments to D.C. by-laws concerning by-law expiry dates; and
 - D.C. public notice requirements.
- (d) The growth forecast (provided in Chapter 3), summarized in Table ES-1, on which the D.C. is based, projects the following population, housing, and non-residential employment and associated gross floor area for the 10-year (mid-2024 to mid-2034) and urban buildout forecast periods.



Table ES-1
Municipality of West Perth
Summary of Anticipated Municipal-Wide D.C. Residential and Non-Residential
Development

| Measure | 10 Year mid-2024 to mid-2034 | Urban Buildout mid-2024 to Urban Buildout |
|---|---|--|
| (Net) Population Increase | 843 | 1,648 |
| (Gross) Population Increase in New Households* | 1,036 | 1,760 |
| Residential Unit Increase | 380 | 708 |
| Non-Residential Employment Increase | 355 | 711 |
| Non-Residential Gross Floor Area Increase (sq.ft.) | 384,300 | 654,200 |

*Growth includes population in both permanent, seasonal, and institutional households

(e) Table ES-2 includes a summary of the D.C. eligible capital costs for each eligible service arising from the anticipated development. These capital costs are provided in detail in Chapter 5. The D.C.A. requires that the background study include a summary of the gross and net capital costs to be incurred over the term of the by-law (i.e., 10-years) for existing and future development. This summary is provided by service in Table 6-4 of the D.C. Background Study.

In total, gross capital costs of approximately \$18 million are forecast for the 10-year by-law term. These capital costs have been identified through discussion with Municipal staff. A portion of these capital costs, \$198,000, relate to the needs of growth beyond the forecast period. These costs are not included in the D.C. calculation, however, will be considered in future D.C. studies. Other deductions in the determination of the D.C. recoverable costs include approximately \$7 million related to the portion of capital projects that will benefit the existing development, \$445,000 related to anticipated grants, subsidies, and other contributions, and



\$89,900 relates to the portion of capital costs that are related to D.C. ineligible services.

The resultant net D.C. recoverable costs included in the calculations for capital works anticipated over the 10-year forecast period totals approximately \$10.27 million, of which \$7.17 million is attributed to the forecasted residential development and \$2.80 million allocated to the forecasted non-residential development.

Table ES-2
Municipality of West Perth
Summary of Costs Anticipated During the Term of the By-law

| Description | Value (2024\$) |
|--|---------------------|
| Total gross expenditures planned over the next ten years | \$17,997,273 |
| Less: benefit to existing development | \$6,996,602 |
| Less: post planning period benefit | \$198,000 |
| Less: costs associated with D.C. ineligible services | \$89,900 |
| Less: grants, subsidies, and other contributions | \$445,000 |
| Net costs to be recovered from D.C.s. over the term of the by-law | \$10,267,771 |

(f) At present, the Municipality imposes D.C.s on residential developments in accordance with By-Law 63-2019. The Municipality is undertaking a D.C. public process and anticipates passing a new D.C. by-law for the services identified in the D.C. Background Study. The statutory mandatory public meeting has been set for June 18, 2024, with adoption of the D.C. by-law anticipated for July 16, 2024.

This report provides the calculations of the residential and non-residential charges to recover the capital costs of the anticipated increase in need for services arising from the forecast development (summarized in Schedule ES-3). The following services and class of services are calculated based on a municipal-wide 10-year forecast period:

- Services Related to a Highway;
- Fire Protection Services;



- Policing Services;
- Parks and Recreation Services;
- Library Services;
- Provincial Offences Act Including By-law Enforcement;
- Waste Diversion; and
- Growth-Related Services (Class of Services).

The following services are calculated based on an urban-wide buildout forecast period:

- Water Services; and
- Wastewater Services; and
- Stormwater Services.

(g) The calculated D.C. for a single detached unit within the urban service area is \$20,968. The calculated non-residential charge for developments within the urban service area is \$7.17 per sq.ft. of gross floor area. Table ES-4 provides the calculated D.C.s for residential and non-residential developments by service.



Table ES-3
Municipality of West Perth
Calculated Schedule of Development Charges

| Services/Class of Services | RESIDENTIAL | | | | | NON-RESIDENTIAL |
|--|-----------------------------------|-----------------|---------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| | Single and Semi-Detached Dwelling | Other Multiples | Apartments - 2 Bedrooms + | Apartments - Bachelor and 1 Bedroom | Special Care/Special Dwelling Units | (per sq.ft. of Gross Floor Area) |
| Municipal Wide Services: | | | | | | |
| Services Related to a Highway | 5,593 | 3,546 | 3,232 | 2,129 | 2,040 | 2.13 |
| Fire Protection Services | 1,310 | 830 | 757 | 499 | 478 | 0.50 |
| Policing Services | 5 | 3 | 3 | 2 | 2 | 0.00 |
| Parks and Recreation Services | 1,262 | 800 | 729 | 480 | 460 | 0.06 |
| Library Services | 823 | 522 | 476 | 313 | 300 | 0.04 |
| Provincial Offences Act including By-Law Enforcement | 14 | 9 | 8 | 5 | 5 | 0.01 |
| Waste Diversion | 19 | 12 | 11 | 7 | 7 | 0.01 |
| Municipal Wide Class of Services: | | | | | | |
| Growth-Related Studies | 711 | 451 | 411 | 271 | 259 | 0.13 |
| Total Municipal Wide Services/Class of Services | \$9,737 | \$6,173 | \$5,627 | \$3,706 | \$3,551 | \$2.88 |
| Urban Services: | | | | | | |
| Stormwater Drainage and Control Services | 856 | 543 | 495 | 326 | 312 | 0.33 |
| Wastewater Services | 6,912 | 4,382 | 3,995 | 2,631 | 2,521 | 2.64 |
| Water Services | 3,463 | 2,195 | 2,001 | 1,318 | 1,263 | 1.32 |
| Total Urban Services | \$11,231 | \$7,120 | \$6,491 | \$4,275 | \$4,096 | \$4.29 |
| GRAND TOTAL RURAL AREA | \$9,737 | \$6,173 | \$5,627 | \$3,706 | \$3,551 | \$2.88 |
| GRAND TOTAL URBAN AREA | \$20,968 | \$13,293 | \$12,118 | \$7,981 | \$7,647 | \$7.17 |



(h) Tables ES-4 and ES-5 provide a comparison of the D.C.s currently imposed in the Municipality and the calculated charges herein. These comparisons are provided for a single-detached residential dwelling unit and non-residential development on a per sq.ft. of gross floor basis, respectively. Note that the Municipality currently exempts non-residential development from payment of D.C.s.

Table ES-4
Municipality of West Perth
Single-Detached Residential Dwelling Unit D.C. Comparison

| Services/Class of Services | Current | Calculated (As per D.C. Study May 24, 2024) | Calculated (As Addendum Report) |
|--|-----------------|--|--|
| Municipal Wide Services: | | | |
| Services Related to a Highway | 2,161 | 5,593 | 5,593 |
| Fire Protection Services | 396 | 1,310 | 1,310 |
| Policing Services | - | 5 | 5 |
| Parks and Recreation Services | 614 | 1,262 | 1,262 |
| Library Services | - | 823 | 823 |
| Provincial Offences Act including By-Law Enforcement | - | 14 | 14 |
| Waste Diversion | - | 19 | 19 |
| Municipal Wide Class of Services: | | | |
| Growth-Related Studies | 277 | 704 | 711 |
| Total Municipal Wide Services/Class of Services | \$3,448 | \$9,730 | \$9,737 |
| Urban Area Specific Services: | | | |
| Stormwater Drainage and Control Services | 1,498 | 856 | 856 |
| Wastewater Services | 4,360 | 6,912 | 6,912 |
| Water Services | 2,263 | 3,463 | 3,463 |
| Total Urban Area Specific Services | \$8,121 | \$11,231 | \$11,231 |
| Grand Total - Urban Area Services/Class of Services | \$11,569 | \$20,962 | \$20,968 |



**Table ES-5
Municipality of West Perth
Non-Residential D.C. Comparison per sq.ft.
of Gross Floor Area**

| Service/Class of Service | Current | Calculated (As per D.C. Study May 24, 2024) | Calculated (As Addendum Report) |
|--|---------------|--|--|
| Municipal Wide Services: | | | |
| Services Related to a Highway | - | 2.14 | 2.13 |
| Fire Protection Services | - | 0.50 | 0.50 |
| Policing Services | - | - | - |
| Parks and Recreation Services | - | 0.06 | 0.06 |
| Library Services | - | 0.04 | 0.04 |
| Provincial Offences Act including By-Law Enforcement | - | 0.01 | 0.01 |
| Waste Diversion | - | 0.01 | 0.01 |
| Municipal Wide Class of Services: | | | |
| Growth-Related Studies | - | 0.66 | 0.13 |
| Total Municipal Wide Services/Class of Services | \$0.00 | \$3.42 | \$2.88 |
| Urban Area Specific Services: | | | |
| Stormwater Drainage and Control Services | - | 0.33 | 0.33 |
| Wastewater Services | - | 2.64 | 2.64 |
| Water Services | - | 1.32 | 1.32 |
| Total Urban Area Specific Services | \$0.00 | \$4.29 | \$4.29 |
| Grand Total - Urban Area Services/Class of Services | \$0.00 | \$7.71 | \$7.17 |

(i) Chapter 7 herein, provides the D.C. by-law policy recommendations and rules that govern the imposition of the charges. Council will consider the findings and recommendations provided herein and, in conjunction with public input, approve such policies and rates it deems appropriate. These directions will refine the draft D.C. by-law for each service, which is appended in Appendix G. These decisions may include:

- adopting the charges and policies recommended herein;
- considering additional exemptions to the D.C. by-law; and
- considering reductions in the charges (obtained by removing certain services or capital costs on which the charge is based and/or by a general reduction in the charge).



The D.C.A. does not allow for D.C. revenue foregone as a result of an exemption or reduction in the charge to be made up through higher D.C.s on other development. As such, any decision to provide further exemptions or reductions should consider alternative funding sources to address the foregone revenue.



1.2 Summary of the Process

The public meeting required under section 12 of the D.C.A., has been scheduled for July 2, 2024. Its purpose is to present the study to the public and to solicit public input. The meeting is also being held to answer any questions regarding the study's purpose, methodology and the proposed D.C. by-law.

In accordance with the legislation, the background study and proposed D.C. by-law will be available for public review on May 23, 2024.

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

- Consideration of responses received prior to, at, or immediately following the public meeting;
- Refinements to the report, if required; and
- Council consideration of the by-law subsequent to the public meeting.

Figure 1-1 outlines the proposed schedule to be followed with respect to the D.C. by-law adoption process.



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

| Process Steps | Dates |
|---|--|
| Data collection, growth forecast development, staff review, engineering work, D.C. calculations and policy work | Early 2024 to Mid-2024 |
| Public release of final D.C. Background study and proposed by-law | May 23, 2024 |
| Public meeting advertisement placed in newspaper(s) | By 21 Days prior to the Public Meeting |
| Public Release of Addendum #1 to Background Study | July 2, 2024 |
| Public meeting of Council | July 2, 2024 |
| Council considers adoption of background study and passage of by-law | July 29, 2024 |
| Newspaper notice given of by-law passage | By 20 days after passage |
| Last day for by-law appeal | 40 days after passage |
| Municipality makes pamphlet available (where by-law not appealed) | By 60 days after in force date |

1.3 Changes to the *Development Charges Act, 1997*

Over the past five (5) years, a number of changes to the D.C.A. have been introduced through various legislation including the following:

- Bill 108: *More Homes, More Choice Act, 2019*;
- Bill 138: *Plan to Build Ontario Together Act, 2019*;
- Bill 197: *COVID-19 Economic Recovery Act, 2020*;
- Bill 213: *Better for People, Smarter for Business Act, 2020*;



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

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

1.3.1 Bill 108: *More Homes, More Choice Act, 2019*

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

- A D.C. for rental housing and institutional developments will pay the charge in six equal annual installments, with the first payment commencing on the date of occupancy. Non-profit housing developments will pay D.C.s in 21 equal annual payments (note, that further changes related to non-profit housing have been made under the *More Homes Built Faster Act, 2022*, summarized below). Any unpaid D.C. amounts may be added to the property and collected as taxes.
- For all developments triggering a D.C. within two years of a Site Plan or Zoning By-law Amendment planning approval, the D.C. shall be determined based on the charges in effect on the date the planning application was submitted. These provisions only apply to Site Plan and Zoning By-law Amendment planning applications received on or after January 1, 2020. These amendments do not affect developments approved under other planning application types (e.g., plan of subdivision, minor variance, etc.).
- The removal of the 10% statutory deduction for soft services, i.e., services limited to a 10-year forecast period.

1.3.2 Bill 138: *Plan to Build Ontario Together Act, 2019*

The *Plan to Build Ontario Together Act, 2019* provided further amendments to the D.C.A. and *Planning Act*. This Act received Royal Assent on December 10, 2019.



- For Affordable Ownership Units: the average household income provides the amount to be measured against, being \$380,900, as the 90% of average purchase prices is greater for all unit types, as follows:
 - Detached House: \$576,000
 - Semi-Detached House: \$468,000
 - Row/townhouse: \$504,000
 - Condominium Apartment \$459,000
- For Affordable Rental Units: the average rent based on household income would equal \$2,060 per month. The average market rent for a bachelor, 1-bedroom, 2-bedroom, and for units with 3 or more bedrooms, is lower than the average household income and therefore, provides the amount to be measured against, being where monthly rent is lower than:
 - For a bachelor unit: \$1,058
 - For a 1-bedroom unit: \$1,403
 - For a 2-bedroom unit: \$1,445
 - For a unit with 3 or more bedrooms: \$1,456

1.3.9 Bill 185: Cutting Red Tape to Build More Homes Act, 2024

The Cutting Red Tape to Build More Homes Act, 2024 (Bill 185), was introduced on April 10, 2024, and received Royal Assent on June 6, 2024. This Act amends the D.C.A as follows:

- Reintroduces studies as an eligible cost for services, including a D.C. background study;
- Removes the mandatory phase-in of a D.C. by-law;
- Reduces the time period for the determination of a D.C. applicable to site plan and zoning by-law amendment applications, whereby the time period between the building permit issuance and planning application approval is reduced to 18 months from two years (note, the two-year time period still applies to applications received and approved between January 1, 2020 and June 5, 2024);
- Permits the repeal of the date the D.C. by-law expires (allowing for the 10-year by-law term provided in the D.C.A.);
- Allows minor D.C. by-law amendments related to the inclusion of studies, removal of the mandatory phase-in of a D.C. by-law and removal of expiry date for by-laws passed between November 28, 2022 and June 6, 2024; and



- Permits municipalities to publish D.C. public notice on municipal websites where newspapers of general circulation are not available.

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



| Categories of Municipal Services | Inclusion in the D.C. Calculation | Service Components |
|---|-----------------------------------|---|
| 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 ¹¹ |
| 16. Services related to proceedings under the <i>Provincial Offences Act, including by-law enforcement services and municipally administered court services</i> | Yes Yes | 16.1 P.O.A. space, including by-law enforcement and municipally administered court services 16.2 Vehicles ¹ |
| 17. Services Related to Emergency Preparedness | No No | 17.1 Emergency Preparedness Space 17.2 Equipment |
| 18. Services Related to Airports | Ineligible Ineligible | 18.1 Airports 18.2 Other Airports |
| 20. Other | No Yes | 20.1 Interest on money borrowed to pay for growth-related capital 20.2 Growth-Related Studies, including the D.C. background study |

4.4 Local Service Policy

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

¹ With a 7+ year useful life



4.5 Capital Forecast

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

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

The capital costs include:

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

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.

Currently, there are no outstanding credits to be included in the D.C. calculations.

4.7 Class of Services

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. As of June 6, 2024, Bill 185 has received Royal Assent, thereby the growth-related studies have been provided as a class of service for purposes of calculating the D.C.s

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 7 of subsection 5 (1).”

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

For services that are subject to a per-capita-based, service level “cap,” the reserve fund balance should be applied against the development-related costs for which the charge was imposed once the project is constructed (i.e., the needs of recent growth). This



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 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 Municipal-wide vs. Area-Specific

This step involves determining whether all of the subject costs are to be recovered on a uniform municipal-wide basis or whether some or all are to be recovered on an area-specific basis. Under the amended 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*.

The calculated D.C.s herein are based on an urban area basis for water, wastewater, and stormwater services. All other services/class of services are calculated based on a Municipal-wide basis.

4.11 Allocation by Type 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.



4.12 Asset Management

The legislation now requires that a D.C. background study must include an asset management plan (subsection 10 (2) c.2). The asset management plan (A.M.P.) must deal with all assets that are proposed to be funded, in whole or in part, by D.C.s. The current regulations provide very extensive and specific requirements for the A.M.P. related to transit services (as noted in the subsequent subsection); however, they are silent with respect to how the A.M.P. is to be provided for all other services. As part of any A.M.P., the examination should be consistent with the municipality's existing assumptions, approaches, and policies on asset management planning. This examination has been included in Appendix F.



5. D.C. Eligible Cost Analysis by Service and Class of Service

5.1 Introduction

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

The service component is evaluated on two format sheets:

- The service standards that provide the average historical 15-year level of service calculation (see Appendix B), which “caps” the D.C. amounts; and
- The infrastructure cost calculation, which determines the potential D.C. recoverable cost.

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

5.2 Service Levels and 10-Year Capital Costs for Municipal-wide D.C. Services/Class of Services Calculation

This section evaluates the development-related capital requirements for Municipal services/class of services under a 10-year planning period.

5.2.1 Parks and Recreation Services

The Municipality provides a variety of parks and recreation-related assets to service the community. Currently, the Municipality has 76.85 acres of parkland within its jurisdiction consisting of various sized parks. It also maintains 85 parkland amenities within the boundaries of the parks, such as baseball fields, soccer fields, playgrounds, dog parks, washrooms, and gazebos, etc. In addition, there are approximately 8.200 linear metres of paths and trails throughout the Municipality. Further, there are currently four facilities



operations facility space is owned and used by the Municipality for Services Related to a Highway, along with 71 vehicles and equipment items to service the road network.

The total inventory of assets over the past 15-years results in an invested level of service of \$15,518 per capita. When applied to the 10-year forecast population, a maximum D.C. eligible cost of approximately \$13.08 million is applicable.

Table 5-7 provides the 10-year capital program for Services Related to a Highway. The capital program includes new, upgraded, and expansions to roads, sidewalks, bridges, as well as an additional vehicles and equipment to service growth. The total gross capital cost of the program is approximately \$4.64 million over the 2024-2033 forecast period. In addition, the deficit in the current D.C. reserve fund of approximately \$633,400 has been included related capital works undertaken in prior years that will benefit the growth over the 10-year forecast period. Deductions related to the benefit to the existing development and growth in the post 10-year forecast period have been applied in the amounts of approximately \$1.57 million and \$727,700, respectfully. In addition, \$230,000 has been deducted related to the local service requirement of developing landowners along Arthur Street North. As a result, the total D.C. recoverable cost of \$2,744,919 has been included in the calculation of the charge. Approximately \$1.92 million (70%) and \$0.82 million (30%) has been attributed to residential and non-residential developments, respectfully. These attributions are based on the incremental growth anticipated in population and employment over the 10-year forecast period.

5.2.8 Growth-Related Studies (Class of Service)

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 of services for growth-related studies. This class is comprised of the following services:

- Development Charge Studies;
- Community Improve Plan;
- Zoning By-law Update;
- Strategic Plan;
- Water and Wastewater Rate Studies;
- Library Strategic Plans;
- Road Needs Studies;
- Active Transportation Master Plans; and
- Recreation, Parks, and Trails Master Plans.

The list of growth-related studies has an estimated gross capital cost of approximately \$564,400. Deductions related to non-D.C. eligible services of \$9,000, benefit to existing development of \$232,004, and the balance in the existing D.C. reserve fund of \$30,639, have been made. Therefore, the net D.C. recoverable cost of \$292,757 has been included for calculation purposes Table 5-8 provides the summary of the class of service for growth studies.

For planning related studies, a deduction of 10% of the growth-related costs have been applied to recognize the extent to which the studies relate to non-D.C.-eligible services. Planning related studies and future D.C. background studies have been allocated to the services in the following manner:

- Services Related to a Highway: 20.3%;
- Fire Protection Services: 4.75%;
- Policing Services: 0.02%;
- Parks and Recreation Services: 3.38%
- Library Services: 2.2%;
- P.O.A. including By-law Enforcement: 0.05%;
- Waste Diversion Services: 0.07%;
- Stormwater Services: 5.28%;
- Water Services: 21.35%; and
- Wastewater Services: 42.61%.



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 5-9 (i.e., resulting in an overall split of 83% residential and 17% non-residential).



Table 5-8
Municipality of West Perth
Infrastructure Costs Included in the Development Charge Calculation
For Growth Studies Class of Service

| Proj. No. | Increased Service Needs Attributable to Anticipated Development 2024 to 2033 | Timing (year) | Service(s) to Which the Study Relates | Gross Capital Cost Estimate (2019\$) & 2024\$ Gross for shared Studies | Gross Capital Cost Estimate (2024\$) | Post Period Benefit | Other Deductions (to recognize benefit to non-D.C. services) | Net Capital Cost | Less: | | Potential D.C. Recoverable Cost | | |
|-----------|---|---------------|---------------------------------------|--|--------------------------------------|---------------------|--|------------------|---------------------------------|---|---------------------------------|-------------------|-----------------------|
| | | | | | | | | | Benefit to Existing Development | Grants, Subsidies and Other Contributions Attributable to New Development | Total | Residential Share | Non-Residential Share |
| 1 | Development Charges Study | 2024 | All D.C. Eligible Services | | 35,000 | - | - | 35,000 | - | - | 35,000 | 24,989 | 10,011 |
| 2 | Development Charges Study | 2033 | All D.C. Eligible Services | | 35,000 | - | - | 35,000 | - | - | 35,000 | 24,989 | 10,011 |
| 3 | Community Improvement Plan: | 2024 | All D.C. Eligible Services | | 30,000 | - | 3,000 | 27,000 | 6,751 | - | 20,249 | 14,456 | 5,793 |
| 4 | Zoning By-law Update | 2027-2028 | All D.C. Eligible Services | | 30,000 | - | 3,000 | 27,000 | 6,751 | - | 20,249 | 14,456 | 5,793 |
| 5 | Strategic Plan | 2025 | All D.C. Eligible Services | | 30,000 | - | 3,000 | 27,000 | 13,502 | - | 13,498 | 9,635 | 3,863 |
| 6 | Water Rate Study | 2024-2025 | Water Services | 8,000 | 11,600 | - | - | 11,600 | 10,600 | - | 1,000 | 700 | 300 |
| 7 | Water Rate Study | 2029-2030 | Water Services | 8,000 | 11,600 | - | - | 11,600 | 10,600 | - | 1,000 | 700 | 300 |
| 8 | Wastewater Rate Study | 2024-2025 | Wastewater Services | 8,000 | 11,600 | - | - | 11,600 | 10,600 | - | 1,000 | 700 | 300 |
| 9 | Wastewater Rate Study | 2029-2030 | Wastewater Services | 8,000 | 11,600 | - | - | 11,600 | 10,600 | - | 1,000 | 700 | 300 |
| 10 | Library Strategic Plan | 2027 | Library Services | 5,850 | 6,000 | - | - | 6,000 | 5,500 | - | 500 | 475 | 25 |
| 11 | Library Strategic Plan | 2031 | Library Services | 5,850 | 6,000 | - | - | 6,000 | 5,500 | - | 500 | 475 | 25 |
| 12 | Road Needs Study | 2028 | Services Related to a Highway | | 50,000 | - | - | 50,000 | 45,000 | - | 5,000 | 3,500 | 1,500 |
| 13 | Road Needs Study | 2033 | Services Related to a Highway | | 50,000 | - | - | 50,000 | 45,000 | - | 5,000 | 3,500 | 1,500 |
| 14 | Active Transportation Master Plan | 2024 | Services Related to a Highway | | 25,000 | - | - | 25,000 | 6,300 | - | 18,700 | 13,090 | 5,610 |
| 15 | Active Transportation Master Plan | 2024 | Parks and Recreation Services | | 25,000 | - | - | 25,000 | 6,300 | - | 18,700 | 17,765 | 935 |
| 16 | Recreation, Parks, and Trails Master Plan | 2024 | Parks and Recreation Services | | 98,000 | - | - | 98,000 | 24,500 | - | 73,500 | 69,825 | 3,675 |
| 17 | Recreation, Parks, and Trails Master Plan | 2029 | Parks and Recreation Services | | 98,000 | - | - | 98,000 | 24,500 | - | 73,500 | 69,825 | 3,675 |
| | Adjustments | | | | | | | | | | | | |
| 18 | Reserve Fund Adjustment | | All D.C. Eligible Services | | - | - | - | - | 30,639 | - | (30,639) | (25,560) | (5,080) |
| | Total | | | | 564,400 | - | 9,000 | 555,400 | 262,643 | - | 292,757 | 244,220 | 48,536 |



Table 5-9
Municipality of West Perth
Infrastructure Costs Included in the Development Charge Calculation
For Growth Studies Class of Services
Residential/Non-Residential Shares

| Services | Total | Residential Share | Non-Residential Share |
|---|------------------|-------------------|-----------------------|
| Fire Protection Services | 5,333 | 3,732 | 1,600 |
| Policing Services | 18 | 12 | 6 |
| Services Related to a Highway | 48,768 | 34,139 | 14,629 |
| Parks and Recreation Services | 153,791 | 146,101 | 7,689 |
| Library Services | 3,374 | 3,206 | 167 |
| Provincial Offences Act including By-law Enforcement | 54 | 38 | 16 |
| Waste Diversion Services | 75 | 53 | 23 |
| Stormwater | 5,927 | 4,149 | 1,778 |
| Wastewater Services | 49,642 | 34,749 | 14,893 |
| Water Services | 25,774 | 18,041 | 7,734 |
| Total | \$292,757 | \$244,220 | \$48,536 |
| Overall Growth Studies Class of Services Residential/Non-Residential % | | 83% | 17% |



5.3 Service Levels and Capital Costs for Urban-wide D.C. Services Calculation

5.3.1 Stormwater Services

The Municipality anticipates the need to undertake works to provide new and upgraded storm sewers in three locations within the Mitchell serviced area. The gross capital costs identified total \$667,800. The Town's external engineer, B.M. Ross, has provided estimated costing for these capital projects. In addition, the deficit in the current D.C. reserve fund of \$146,327 for recent works constructed to service growth, has been included.

Table 5-10 provides the 10-year capital program, including deductions to the gross costs of \$100,000 for the local service component requirement of the new storm sewer on Arthur Street between Frances Street and Henry Street, as required for a specific development. As a result, a total D.C. recoverable cost of \$714,127 has been included in the calculated charge. The D.C. recoverable costs are attributable to residential development, in the amount of \$499,889 (70%), and non-residential development, in the amount of \$214,238 (30%). The attribution of D.C. recoverable costs by development is based on the incremental population and employment growth anticipated over the urban buildout forecast period.

5.3.2 Water Services

The Municipality currently provides water services to the Mitchell service area. The Municipality's engineer has assisted in reviewing the growth anticipated to the full buildout of the urban serviced area of Mitchell, to provide a capital program for inclusion in the calculated charges. The capital works identified to benefit the urban growth include new, expanded, and upgraded watermains, as well as work required for water storage.

Table 5-11 provides the capital program for Water Services with an estimated total gross capital cost of approximately \$5.86 million. In addition, the existing deficit in the water D.C. reserve fund of approximately \$1.03 million, related to recent works constructed to benefit growth, has been included. A deduction related to the benefit to existing development for the water storage upgrade of \$4 million have been applied.



As a result, the total D.C. recoverable cost for Water Services is approximately \$1.89 million, of which \$2.02 million (70%) is attributable to residential development and \$0.87 million (30%) is attributable to non-residential development. The allocation of D.C. recoverable costs by development type is based on the incremental growth anticipated in population and employment over the urban buildout forecast period.

5.3.3 Wastewater Services

Similar to water services, the B.M. Ross, the Municipality's engineer, provided the anticipated capital needs to expand the wastewater services in Mitchell to service the anticipated growth over the buildout forecast period. The capital program includes new, expanded, and oversized sanitary sewers to service growth. In addition a provision has been made as an expansion to the treatment plant is anticipated. It is noted that the Municipality is currently undertaking a detailed review of the upgrades and expansionary needs for the wastewater treatment plant related to both hydraulic and organic loading requirements. Therefore, the provision provided herein, has been based on a conservative estimated and may be amended in a future D.C. update study.

Table 5-12 provides the capital program anticipated for the Wastewater Service with gross costs of approximately \$5.95 million. Deductions related to the costs that benefit existing development of \$72,100, along with the amount in the current D.C. reserve fund of \$120,062 have been made. As a result, the growth-related capital expense included in the calculated charges equate to approximately \$5.76 million.

These costs have been allocated \$4.03 million (70%) residential and \$1.73 million (30%) non-residential based on the incremental growth in population to employment for the urban buildout forecast period.



Table 5-10
Municipality of West Perth
Infrastructure Costs Included in the Development Charge Calculation
For Stormwater Services

| Prj. No. | Increased Service Needs Attributable to Anticipated Development | Timing (year) | Gross Capital Cost Estimate (2024\$) | Post Period Benefit | Other Deductions | Net Capital Cost | Less: | | Potential D.C. Recoverable Cost | | |
|------------------------|---|---------------|--------------------------------------|---------------------|------------------|------------------|---------------------------------|---|---------------------------------|-------------------|-----------------------|
| | | | | | | | Benefit to Existing Development | Grants, Subsidies and Other Contributions Attributable to New Development | Total | Residential Share | Non-Residential Share |
| 2024 to Urban Buildout | | | | | | | | | | | |
| 1 | New Storm Sewer: Arthur St.: Frances to Henry | 2033 | 200,000 | - | - | 200,000 | - | 100,000 | 100,000 | 70,000 | 30,000 |
| 2 | Wellington St. Reconstruction (Georgina to Frank) (435 lm) - Storm pipe | 2025 | 435,000 | - | - | 435,000 | - | - | 435,000 | 304,500 | 130,500 |
| 3 | Wimpole St. (Huron Rd. to approx. Park Lane N.) | 2024 | 32,800 | - | - | 32,800 | - | - | 32,800 | 22,960 | 9,840 |
| Adjustments | | | | | | | | | | | |
| 4 | Reserve Fund Adjustment | | 146,327 | - | - | 146,327 | - | - | 146,327 | 102,429 | 43,898 |
| | Total | | 814,127 | - | - | 814,127 | - | 100,000 | 714,127 | 499,889 | 214,238 |

Table 5-11
Municipality of West Perth
Infrastructure Costs Included in the Development Charge Calculation
For Water Services

| Prj. No. | Increased Service Needs Attributable to Anticipated Development | Timing (year) | Gross Capital Cost Estimate (2024\$) | Post Period Benefit | Other Deductions | Net Capital Cost | Less: | | Potential D.C. Recoverable Cost | | |
|------------------------|---|---------------|--------------------------------------|---------------------|------------------|------------------|---------------------------------|---|---------------------------------|-------------------|-----------------------|
| | | | | | | | Benefit to Existing Development | Grants, Subsidies and Other Contributions Attributable to New Development | Total | Residential Share | Non-Residential Share |
| 2024 to Urban Buildout | | | | | | | | | | | |
| 1 | Rail Crossing at Dungey Lane/Vivian | 2024-2026 | 140,000 | - | - | 140,000 | - | - | 140,000 | 98,000 | 42,000 |
| 2 | Provision for Watermain Upgrades to Service Growth | 2035-2045 | 500,000 | - | - | 500,000 | - | - | 500,000 | 350,000 | 150,000 |
| 3 | Frank Street, Wimpole to Vivian | 2030-2040 | 168,000 | - | - | 168,000 | - | - | 168,000 | 117,600 | 50,400 |
| 5 | Water Standpipe Upgrades - Critical Water Infrastructure | 2030 | 5,000,000 | - | - | 5,000,000 | 4,000,000 | - | 1,000,000 | 700,000 | 300,000 |
| 6 | Henry St. East of Arthur Oversizing | 2024 | 26,300 | - | - | 26,300 | - | - | 26,300 | 18,410 | 7,890 |
| 7 | Wimpole St. (Huron Rd. to approx. Park Lane N.) | 2024 | 22,800 | - | - | 22,800 | - | - | 22,800 | 15,960 | 6,840 |
| Adjustments | | | | | | | | | | | |
| 8 | Reserve Fund Adjustment | | 1,029,459 | - | - | 1,029,459 | - | - | 1,029,459 | 720,622 | 308,838 |
| | Total | | 6,886,559 | - | - | 6,886,559 | 4,000,000 | - | 2,886,559 | 2,020,592 | 865,968 |



Table 5-12
Municipality of West Perth
Infrastructure Costs Included in the Development Charge Calculation
For Wastewater Services

| Prj. No. | Increased Service Needs Attributable to Anticipated Development 2024 to Urban Buildout | Timing (year) | Gross Capital Cost Estimate (2024\$) | Post Period Benefit | Other Deductions | Net Capital Cost | Less: | | Potential D.C. Recoverable Cost | | |
|---------------------|---|---------------|--------------------------------------|---------------------|------------------|------------------|---------------------------------|---|---------------------------------|--------------------------|------------------------------|
| | | | | | | | Benefit to Existing Development | Grants, Subsidies and Other Contributions Attributable to New Development | Total | Residential Share 70% | Non-Residential Share 30% |
| 1 | Frank Street, Wimpole to Vivian | 2030-2040 | 192,000 | - | - | 192,000 | 1,900 | - | 190,100 | 133,070 | 57,030 |
| 2 | Frank Street, Wimpole to Blanchard (350m) | 2030-2040 | 280,000 | - | - | 280,000 | 14,000 | - | 266,000 | 186,200 | 79,800 |
| 3 | William St., Nelson to Napier, New Sanitary Sewer | 2030-2040 | 118,000 | - | - | 118,000 | 56,200 | - | 61,800 | 43,260 | 18,540 |
| 4 | Wastewater Treatment Plant Upgrades - Critical Infrastructure | 2026-2030 | 5,000,000 | - | - | 5,000,000 | - | - | 5,000,000 | 3,500,000 | 1,500,000 |
| 5 | Henry St., East of Arthur Oversizing | 2024 | 46,800 | - | - | 46,800 | - | - | 46,800 | 32,760 | 14,040 |
| 6 | Provision for Sanitary Sewer Upgrades to Service Growth | 2035+ | 100,000 | - | - | 100,000 | - | - | 100,000 | 70,000 | 30,000 |
| 7 | Wimpole St. (Huron Rd. to approx. Park Lane N.) | 2024 | 5,300 | - | - | 5,300 | - | - | 5,300 | 3,710 | 1,590 |
| 8 | Wimpole and Victoria, South of Huron to Napier Upgrade | 2031-2034 | 212,000 | - | - | 212,000 | - | - | 212,000 | 148,400 | 63,600 |
| Adjustments: | | | | | | | | | | | |
| 9 | Reserve Fund Adjustment | | - | - | - | - | 120,062 | - | (120,062) | (84,043) | (36,019) |
| | Total | | 5,954,100 | - | - | 5,954,100 | 192,162 | - | 5,761,938 | 4,033,357 | 1,728,581 |



6. D.C. Calculation

Tables 6-1 and 6-2 calculate the proposed D.C.s to be imposed on development for all urban-wide services and class of services over the urban buildout period and the 10-year forecast period, respectively. The D.C. eligible costs for each service were determined in Chapter 5 for all Municipal-wide services and Urban-wide services, based on their associated capital programs.

The calculation for residential development is generated on a per capita basis and is based upon five (5) forms of housing types (singles and semi-detached dwellings, multiple dwellings, bachelor and 1-bedroom apartments, 2+ bedrooms apartments, and special care/special dwelling units). The non-residential D.C. has been calculated on a uniform per sq.ft. of G.F.A. basis for all types of non-residential development (industrial, commercial, and institutional).

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The residential D.C. recoverable capital cost calculations set out in Chapter 5 are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units (Appendix A, Schedule 7) to calculate the charges in Tables 6-1 and 6-2.

Table 6-3 provides the schedule of charges that is applicable for all services by type of development. Table 6-4 summarizes the gross capital expenditures and sources of revenue for works to be undertake during the 10-year life of the by-law.



Table 6-1
Municipality of West Perth
Urban-Wide D.C. Calculation for the Urban Buildout Forecast Period

| SERVICE | 2024\$ D.C.-Eligible Cost | | 2024\$ D.C.-Eligible Cost | |
|---|---------------------------|--------------------|---------------------------|---------------|
| | Residential | Non-Residential | S.D.U. | per sq.ft. |
| 1. <u>Stormwater Drainage and Control Services</u> | | | | |
| 1.1 Channels, drainage and ponds | 499,889 | 214,238 | 856 | 0.33 |
| 2. <u>Wastewater Services</u> | | | | |
| 2.1 Treatment plants & Sewers | 4,033,357 | 1,728,581 | 6,912 | 2.64 |
| 3. <u>Water Services</u> | | | | |
| 3.1 Treatment, storage and distribution systems | 2,020,592 | 865,968 | 3,463 | 1.32 |
| TOTAL | \$6,553,838 | \$2,808,788 | \$11,231 | \$4.29 |
| D.C.-Eligible Capital Cost | \$6,553,838 | \$2,808,788 | | |
| Buildout Gross Population/GFA Growth (sq.ft.) | 1,760 | 654,200 | | |
| Cost Per Capita/Non-Residential GFA (sq.ft.) | \$3,723.77 | \$4.29 | | |
| By Residential Unit Type | P.P.U. | | | |
| Single and Semi-Detached Dwelling | 3.016 | \$11,231 | | |
| Other Multiples | 1.912 | \$7,120 | | |
| Apartments - 2 Bedrooms + | 1.743 | \$6,491 | | |
| Apartments - Bachelor and 1 Bedroom | 1.148 | \$4,275 | | |
| Special Care/Special Dwelling Units | 1.100 | \$4,096 | | |

Table 6-2
Municipality of West Perth
Municipal-Wide D.C. Calculation for the 10-year Forecast Period

| SERVICE/CLASS OF SERVICES | 2024\$ D.C.-Eligible Cost | | 2024\$ D.C.-Eligible Cost | |
|--|---------------------------|--------------------|---------------------------|---------------|
| | Residential | Non-Residential | S.D.U. | per sq.ft. |
| 4. <u>Services Related to a Highway</u> | | | | |
| 4.1 Roads and Related | 1,921,444 | 823,476 | 5,593 | 2.13 |
| 5. <u>Fire Protection Services</u> | | | | |
| 5.1 Fire facilities, vehicles & equipment | 449,870 | 192,801 | 1,310 | 0.50 |
| 6. <u>Policing Services</u> | | | | |
| 6.1 Facilities, vehicles and equipment, small equipment and gear | 1,610 | 690 | 5 | - |
| 7. <u>Parks and Recreation Services</u> | | | | |
| 7.1 Facilities, vehicles and equipment | 433,626 | 22,822 | 1,262 | 0.06 |
| 8. <u>Library Services</u> | | | | |
| 8.1 Library facilities, materials and vehicles | 282,720 | 14,880 | 823 | 0.04 |
| 9. <u>Provincial Offences Act including By-Law Enforcement</u> | | | | |
| 9.1 Facilities, vehicles and equipment | 4,690 | 2,010 | 14 | 0.01 |
| 10. <u>Waste Diversion</u> | | | | |
| 10.1 Waste diversion facilities, vehicles, equipment and other | 6,370 | 2,730 | 19 | 0.01 |
| 11. <u>Growth-Related Studies</u> | | | | |
| 11.1 Growth-Related Studies | 244,220 | 48,536 | 711 | 0.13 |
| TOTAL | \$3,344,550 | \$1,107,946 | \$9,737 | \$2.88 |
| D.C.-Eligible Capital Cost | \$3,344,550 | \$1,107,946 | | |
| 10-Year Gross Population/GFA Growth (sq.ft.) | 1,036 | 384,300 | | |
| Cost Per Capita/Non-Residential GFA (sq.ft.) | \$3,228.33 | \$2.88 | | |
| By Residential Unit Type | P.P.U. | | | |
| Single and Semi-Detached Dwelling | 3.016 | \$9,737 | | |
| Other Multiples | 1.912 | \$6,173 | | |
| Apartments - 2 Bedrooms + | 1.743 | \$5,627 | | |
| Apartments - Bachelor and 1 Bedroom | 1.148 | \$3,706 | | |
| Special Care/Special Dwelling Units | 1.100 | \$3,551 | | |



Table 6-3
Municipality of West Perth
Calculated Schedule of Development Charges
by Service/Class of Services

| Services/Class of Services | RESIDENTIAL | | | | | NON-RESIDENTIAL |
|--|-----------------------------------|-----------------|---------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| | Single and Semi-Detached Dwelling | Other Multiples | Apartments - 2 Bedrooms + | Apartments - Bachelor and 1 Bedroom | Special Care/Special Dwelling Units | (per sq.ft. of Gross Floor Area) |
| Municipal Wide Services: | | | | | | |
| Services Related to a Highway | 5,593 | 3,546 | 3,232 | 2,129 | 2,040 | 2.13 |
| Fire Protection Services | 1,310 | 830 | 757 | 499 | 478 | 0.50 |
| Policing Services | 5 | 3 | 3 | 2 | 2 | 0.00 |
| Parks and Recreation Services | 1,262 | 800 | 729 | 480 | 460 | 0.06 |
| Library Services | 823 | 522 | 476 | 313 | 300 | 0.04 |
| Provincial Offences Act including By-Law Enforcement | 14 | 9 | 8 | 5 | 5 | 0.01 |
| Waste Diversion | 19 | 12 | 11 | 7 | 7 | 0.01 |
| Municipal Wide Class of Services: | | | | | | |
| Growth-Related Studies | 711 | 451 | 411 | 271 | 259 | 0.13 |
| Total Municipal Wide Services/Class of Services | \$9,737 | \$6,173 | \$5,627 | \$3,706 | \$3,551 | \$2.88 |
| Urban Services: | | | | | | |
| Stormwater Drainage and Control Services | 856 | 543 | 495 | 326 | 312 | 0.33 |
| Wastewater Services | 6,912 | 4,382 | 3,995 | 2,631 | 2,521 | 2.64 |
| Water Services | 3,463 | 2,195 | 2,001 | 1,318 | 1,263 | 1.32 |
| Total Urban Services | \$11,231 | \$7,120 | \$6,491 | \$4,275 | \$4,096 | \$4.29 |
| GRAND TOTAL RURAL AREA | \$9,737 | \$6,173 | \$5,627 | \$3,706 | \$3,551 | \$2.88 |
| GRAND TOTAL URBAN AREA | \$20,968 | \$13,293 | \$12,118 | \$7,981 | \$7,647 | \$7.17 |



Table 6-4
Municipality of West Perth
Gross Expenditure and Sources of Revenue Summary for Costs
to be Incurred over the 10-Year Life of the By-law for all Services

| Services/Class of Services | Total Gross Cost | Sources of Financing | | | | | |
|--|---------------------|-----------------------------------|---------------------|------------------|--------------------------|--------------------|--------------------|
| | | Tax Base or Other Non-D.C. Source | | | Post D.C. Period Benefit | D.C. Reserve Fund | |
| | | Other Deductions | Benefit to Existing | Other Funding | | Residential | Non-Residential |
| 1. Stormwater Drainage and Control Services | | | | | | | |
| 1.1 Channels, drainage and ponds | 667,800 | - | - | 100,000 | - | 397,460 | 170,340 |
| 2. Wastewater Services | | | | | | | |
| 2.1 Treatment plants & Sewers | 5,425,645 | - | 146,280 | - | - | 3,695,556 | 1,583,810 |
| 3. Water Services | | | | | | | |
| 3.1 Treatment, storage and distribution systems | 5,250,191 | - | 4,000,000 | - | - | 875,134 | 375,057 |
| 4. Services Related to a Highway | | | | | | | |
| 4.1 Roads and Related | 3,204,936 | - | 863,427 | 230,000 | 82,800 | 1,420,096 | 608,613 |
| 5. Fire Protection Services | | | | | | | |
| 5.1 Fire facilities, vehicles & equipment | 1,500,000 | - | 1,308,000 | - | 115,200 | 53,760 | 23,040 |
| 6. Policing Services | | | | | | | |
| 6.1 Facilities, vehicles and equipment, small equipment and gear | 2,300 | - | - | - | - | 1,610 | 690 |
| 7. Parks and Recreation Services | | | | | | | |
| 7.1 Facilities, vehicles and equipment | 979,500 | - | 408,051 | 115,000 | - | 433,626 | 22,822 |
| 8. Library Services | | | | | | | |
| 8.1 Library facilities, materials and vehicles | 305,800 | - | 8,200 | - | - | 282,720 | 14,880 |
| 9. Provincial Offences Act including By-Law Enforcement | | | | | | | |
| 9.1 Facilities, vehicles and equipment | 6,700 | - | - | - | - | 4,690 | 2,010 |
| 10. Waste Diversion | | | | | | | |
| 10.1 Waste diversion facilities, vehicles, equipment and other | 90,000 | 80,900 | - | - | - | 6,370 | 2,730 |
| 11. Growth-Related Studies | | | | | | | |
| 11.1 Growth-Related Studies | 564,400 | 9,000 | 293,283 | - | - | 218,661 | 43,457 |
| Total Expenditures & Revenues (Services) | \$17,997,273 | \$89,900 | \$7,027,241 | \$445,000 | \$198,000 | \$7,389,683 | \$2,847,449 |



7.2 D.C. By-law Structure

It is recommended that:

- The Municipality uses a uniform Municipal-wide D.C. calculation for all services and except Water Services, Wastewater Services, and Stormwater Services;
- That the Municipality uses a uniform Urban-wide D.C. calculation for Water Services, Wastewater Services, and Stormwater Services; and
- The Municipality uses a uniform Municipal-wide D.C. calculation for the growth studies class of service.

7.3 D.C. By-law Rules

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

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

7.3.1 Payment in any Particular Case

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

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

7.3.2 Determination of the Amount of the Charge

The following conventions be adopted:



1. Costs allocated to residential uses will be assigned to different types of residential units based on the average occupancy for each housing type constructed during the previous decade. Costs allocated to non-residential uses will be assigned 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 Services Related to a Highway, Fire Protection Services, P.O.A. including By-law Enforcement, and Policing Services, a 70% residential and 30% non-residential attribution has been made, to recognize the incremental residential population and non-residential employment uses projected over the Municipal-wide 10-year forecast period for both services;
 - Similarly, for Water, Wastewater, and Stormwater Services, a 70% residential and 30% non-residential attribution has been made, to recognize the incremental residential population and non-residential employment uses projected over the urban serviced areas, on an urban buildout forecast period; and
 - Parks and Recreation and Library Services attributions for residential and non-residential splits have been determined based on an allocation of 95% to residential development and 5% to non-residential development as the predominant users of Parks and Recreation and Library Services tend to be residents of the Municipality.
 - For the Growth-Related Studies Class of Services, the cost allocations between residential and non-residential is based on the allocations for each service area based on the eligible D.C. service that each study relates to. This results in an overall allocation of 83% to residential development and 17% to non-residential development.



that results only in the creation of up to two additional dwelling units (based on prescribed limits set out in section 2 of O. Reg. 82/98);

- Full exemption for additional residential development in new dwellings: development that includes the creation of up to two additional dwelling units (based on prescribed limits set out in section 2 of O. Reg. 82/98); and
- Full exemption for a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario;
- Full exemption for affordable units (see bulletin rates identified in section 1.3.8)
- Full exemption for attainable units;
- Full exemption for affordable inclusionary zoning units; and
- Full exemption for non-profit housing developments;
- Partial exemption through a discount for rental housing units based on the number of bedrooms contained in each unit, as prescribed (note that these discounts are not part of the methodology required for calculating the charge, but a rule that has to be included in the by-law which informs implementation):
 - Residential units intended for use as a rented residential premises with three (3) or more bedrooms - 25% discount.
 - Residential units intended for use as a rented residential premises with two (2) bedrooms - 20% discount.
 - Residential units intended for use as a rented residential premises not referred to 1 or 2 above - 15% discount.

Non-statutory (discretionary exemptions) include the following:

- D.C.s shall not be imposed on the development a bona fide non-residential farm building;
- D.C.s shall not be imposed on the portion of a place of worship, used for worship, and land used in connection a churchyard, cemetery, burying ground or burial site that is exempt from taxation under section 3 of the Assessment Act.

7.3.5 Timing of Collection

The D.C.s for all services and classes are payable upon issuance of a building permit for each dwelling unit, building, or structure, subject to early or late payment agreements entered into by the Municipality and an owner under 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 two (2) years of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted and approved after January 1, 2020, and June 5, 2024), shall be determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application. The D.C. amount for all developments occurring within eighteen (18) months of a Site Plan or Zoning By-law Amendment planning approval (for applications received on or after January 1, 2020, that have not received approval prior to June 6, 2024), shall be determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application.

Installment payments and payments determined at the time of Site Plan or Zoning By-law Amendment application are subject to annual interest charges. The maximum interest rate the Municipality can impose is the average prime rate plus 1%.

7.3.6 Indexing

Indexing of the D.C.s shall be implemented on a mandatory basis annually commencing on January 1st, in accordance with the Statistics Canada Quarterly, Non-Residential Building Construction Price Index, for the most recent year-over-year period

7.3.7 D.C. Spatial Applicability

The D.C.A. historically has provided the opportunity for a municipality to impose municipal-wide charges or area specific charges. 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 one D.C. by-law may apply to the same area. The D.C.A. now require municipalities to consider the application of municipal-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, municipal-wide D.C.s. When area-specific charges are used, it is generally to underpin master servicing and front-end financing arrangements for more localized capital costs.

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

1. All Municipal services, except for Water, Wastewater, and Stormwater Services, require that the average 15-year service standard be calculated. This average



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

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

Based on the foregoing and discussions with Municipal staff, area-specific D.C.s are suitable for urban (water, wastewater, and stormwater) services. The recommendations are:

- To apply Municipal-wide D.C.s for Services Related to a Highway, Fire Protection Services, Policing Services, Parks and Recreation Services, Library Services; P.O.A. Including By-law Enforcement Services, Waste Diversion Services, and for the Growth-Related Studies class of service; and



- To continue to apply urban-wide area D.C.s for Water, Wastewater, and Stormwater Services in the Mitchell urban serviced area.

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

- Services Related to a Highway;
- Fire Protection Services;
- Policing Services;
- Parks and Recreation Services;
- Library Services;
- P.O.A. Including By-law Enforcement Act;
- Waste Diversion;
- Water Services;
- Wastewater Services; and
- Stormwater Services.

7.4.2 Categories for Class of Service for Reserve Fund and Credit Purposes

It is recommended that the Municipality's D.C. collections related to the growth-related studies class of services be contributed into a separate reserve fund from the 10 reserve funds specific for the services noted above in section 7.4.1. Note that the current D.C. reserve fund balance for Administration Studies has been included in the growth-related studies D.C. calculations.

7.4.3 By-law In-force Date

The by-law will come into force on the day after which the by-law is passed by Council unless Council determines an alternative date for enactment.



7.4.4 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:

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

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

“Adopt the D.C. approach to calculate the charges on a uniform Municipal-wide basis for all services and class of service, except Water Services, Wastewater Services, and Stormwater Services.”

“Adopt the D.C. approach to calculate the charges on a uniform Uran-wide basis for Water Services, Wastewater Services, and Stormwater Services.”

“Approve the capital project listing set out in Chapter 5 of the D.C. Background Study dated May 23, 2024, as amended, subject to further annual review during the capital budget process;”

“Approve the D.C. Background Study dated May 23, 2024, as amended;”

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

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



Table C-1 depicts the annual operating impact resulting from the proposed gross capital projects at the time they are all in place. It is important to note that, while Municipal program expenditures will increase with growth in population, the costs associated with the new infrastructure (i.e., facilities) would be delayed until the time these works are in place.

Table C-2
Operating and Capital Expenditure Impacts for Future Capital Expenditures

| SERVICES/CLASS OF SERVICES | GROSS COST LESS BENEFIT TO EXISTING | ANNUAL LIFECYCLE EXPENDITURES | ANNUAL OPERATING EXPENDITURES | TOTAL ANNUAL EXPENDITURES |
|--|-------------------------------------|-------------------------------|-------------------------------|---------------------------|
| 1. Stormwater Drainage and Control Services | | | | |
| 1.1 Channels, drainage and ponds | 814,127 | 7,571 | 6,592 | 14,163 |
| 2. Wastewater Services | | | | |
| 2.1 Treatment plants & Sewers | 5,761,938 | 111,760 | 206,299 | 318,059 |
| 3. Water Services | | | | |
| 3.1 Treatment, storage and distribution systems | 2,886,559 | 24,761 | 151,562 | 176,323 |
| 4. Services Related to a Highway | | | | |
| 4.1 Roads and Related | 3,702,619 | 114,845 | 95,381 | 210,226 |
| 5. Fire Protection Services | | | | |
| 5.1 Fire facilities, vehicles & equipment | 1,134,571 | 3,672 | 67,403 | 71,075 |
| 6. Policing Services | | | | |
| 6.1 Facilities, vehicles and equipment, small equipment and gear | 2,300 | 230 | 151,856 | 152,086 |
| 7. Parks and Recreation Services | | | | |
| 7.1 Facilities, vehicles and equipment | 571,449 | 37,460 | 136,234 | 173,694 |
| 8. Library Services | | | | |
| 8.1 Library facilities, materials and vehicles | 297,600 | 34,689 | 30,281 | 64,970 |
| 9. Provincial Offences Act including By-Law Enforcement | | | | |
| 9.1 Facilities, vehicles and equipment | 6,700 | 268 | - | 268 |
| 10. Waste Diversion | | | | |
| 10.1 Waste diversion facilities, vehicles, equipment and other | 90,000 | 455 | 21,849 | 22,304 |
| Growth-Related Studies | | | | |
| 11.1 Growth-Related Studies | 301,757 | - | - | - |
| Total | \$15,569,621 | \$335,711 | \$867,457 | \$1,203,168 |



Table D-1
Annual Treasurer's Statement of Development Charge Reserve Funds

| Description | Services/Class of Services to which the Development Charge Relates | | | | | | | | | | | Total |
|---|--|----------------|---------------------|--|-------------------|--------------------------|-------------------------------|------------------|--|-----------------|------------------------|----------|
| | Services Related to a Highway | Water Services | Wastewater Services | Stormwater Drainage and Control Services | Policing Services | Fire Protection Services | Parks and Recreation Services | Library Services | Provincial Offences Act including By-Law Enforcement | Waste Diversion | Growth-Related Studies | |
| Opening Balance, January 1, | | | | | | | | | | | | 0 |
| <u>Plus:</u> | | | | | | | | | | | | |
| Development Charge Collections | | | | | | | | | | | | 0 |
| Accrued Interest | | | | | | | | | | | | 0 |
| Repayment of Monies Borrowed from Fund and Associated Interest ¹ | | | | | | | | | | | | 0 |
| Sub-Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Less:</u> | | | | | | | | | | | | |
| Amount Transferred to Capital (or Other) Funds ² | | | | | | | | | | | | 0 |
| Amounts Refunded | | | | | | | | | | | | 0 |
| Amounts Loaned to Other D.C. Service Category for Interim Financing | | | | | | | | | | | | 0 |
| Credits ³ | | | | | | | | | | | | 0 |
| Sub-Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Closing Balance, December 31, | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

¹ Source of funds used to repay the D.C. reserve fund

² See Attachment 1 for details

³ See Attachment 2 for details

The Municipality is compliant with s.s. 59.1 (1) of the *Development Charges Act*, whereby charges are not directly or indirectly imposed on development nor has a requirement to construct a service related to development been imposed, except as permitted by the *Development Charges Act* or another Act.



Table D-6
Annual Treasurer's Statement of Development Charge Reserve Funds
Description of the Service (or Class of Service) for which each Development Charge Reserve Fund was Established

| Service/Class of Services | Description |
|--|---|
| Services Related to a Highway | The fund is used for growth-related projects for roads, bridges, culvers, streetlights, traffic signals, sidewalks, and other related road infrastructure, along with public works facilities, vehicles and equipment |
| Fire Protection Services | The fund is used for growth-related projects supporting fire protection services, including facilities, vehicles, equipment, and gear |
| Policing Services | The fund is used for growth-related projects supporting policing services, including facilities and gear |
| Parks and Recreation Services | The fund is used for growth-related projects related to parkland development, parkland amenities, parkland trails, recreation facilities, and parks & recreation vehicles and equipment |
| Library Services | The fund is used for growth-related projects including library facilities, furniture, shelving, collection materials, vehicles, and other related library infrastructure |
| Provincial Offences Act including By-Law Enforcement | The fund is used for growth-related projects including facilities, vehicles, and equipment |
| Growth-Related Studies | The fund is used for growth-related projects for, facilities, vehicles, equipment, and other waste diversion infrastructure |
| Stormwater Drainage and Control Services | The fund is used for growth-related projects for stormwater storm drainage |
| Wastewater Services | The fund is used for growth-related projects for wastewater treatment, storage, pumping, collection, and other wastewater related infrastructure |
| Water Services | The fund is used for growth-related projects for water treatment, supply, storage, pumping, distribution, and other water related infrastructure |
| Growth-Related Studies | The fund is used for projects for growth-related studies |



Commensurate with the above, the Municipality prepared an A.M.P. in 2023 for its existing core infrastructure assets; however, it did not take into account future growth-related assets. As a result, the asset management requirement for the D.C. must be undertaken in the absence of this information.

In recognition to the schematic above, the following table (presented in 2024\$) has been developed to provide the annualized expenditures and revenues associated with new growth. Note that the D.C.A. does not require an analysis of the non-D.C. capital needs or their associated operating costs so these are omitted from the table below. As well, as all capital costs included in the D.C. eligible capital costs are not included in the Municipality's A.M.P., the present infrastructure gap and associated funding plan have not been considered at this time. Hence the following does not represent a fiscal impact assessment (including future tax/rate increases) but provides insight into the potential affordability of the new assets:

1. The non-D.C. recoverable portion of the projects that will require financing from municipal financial resources (i.e., rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 2024 D.C. capital works have been presented based on a straight-line basis. The assets have been considered over their estimated useful lives.
3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are approximately \$1.75 million.
5. Consideration was given to the potential new tax and user fee revenue which will be generated as a result of new growth. These revenues will be available to assist in financing the expenditures above. The new operating revenues are \$2.01 million. This additional revenue would increase the existing revenues from \$20.42 million to \$22.43 million.
6. In consideration of the above, the capital plan is deemed to be financially sustainable.



Table F-1
Municipality of West Perth
Asset Management – Future Expenditures and Associated Revenues
2024\$

| Expenditures & Revenues | 2043 (Total) |
|--|---------------------|
| Expenditures (Annualized) | |
| Annual Debt Payment on Non-Growth Related Capital ¹ | \$522,614 |
| Annual Debt Payment on Post Period Capital ² | \$25,231 |
| Annual Lifecycle | \$335,711 |
| Incremental Operating Costs (for D.C. Services) | \$867,457 |
| Total Expenditures | \$1,751,013 |
| Revenue (Annualized) | |
| Total Existing Revenue ³ | \$20,418,538 |
| Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.) | \$2,008,876 |
| Total Revenues | \$22,427,414 |

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

² Interim Debt Financing for Post Period Benefit

³ As per Sch. 10 of FIR



Appendix G

Proposed D.C. By-law



THE CORPORATION OF THE MUNICIPALITY OF WEST PERTH
BY-LAW NO. 2024-xx
BEING A BY-LAW OF THE CORPORATION OF THE MUNICIPALITY OF WEST
PERTH
WITH RESPECT TO DEVELOPMENT CHARGES

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

AND WHEREAS a Development Charges Background Study for the Corporation of the Municipality of West Perth, dated May 23, 2024 (the "Study") as required by section 10 of the Act was presented to Council along with a draft of this By-law as then proposed on July 16, 2024, and was completed within a one-year period prior to the enactment of this By-law;

AND WHEREAS an addendum to the Development Charges Background Study dated May 23, 2024, was undertaken due to changes in the Act put in place subsequent to May 23, 2024; and

AND WHEREAS notice of a public meeting was given pursuant to subsection 12(1) of the Act, and in accordance with the regulations under the Act, on or before June 10, 2024, and copies of the Study and this proposed development charge by-law were made available to the public not later than May 23, 2024, in accordance with subsection 12(1) of the Act;

AND WHEREAS a public meeting was held on July 2, 2024, in accordance with the Act to hear comments and representations from all persons who applied to be heard (the "Public Meeting");

AND WHEREAS any person who attended the public meeting was afforded an opportunity to make representations and the public generally were afforded an opportunity to make written submissions relating to this proposed By-law;



AND WHEREAS the Council, in adopting the Municipality of West Perth` Development Charges Background Study on May 23, 2024, directed that development charges be imposed on land under development or redevelopment within the geographical limits of the municipality as hereinafter provided.

NOW THEREFORE the Council enacts as follows:

DEFINITIONS

1. In this By-law:
 - (a) "Act" means the *Development Charges Act*, 1997, S.O. 1997, c. 27;
 - (b) "Accessory Use" means where used to describe a use, building or structure, that the use, building, or structure is naturally and normally incidental, subordinate in purpose of floor area or both, and exclusively devoted to a principal use, building or structure;
 - (c) "Affordable Residential Unit" means a Residential Unit that meets the criteria set out in subsection 4.1 of the Act;
 - (d) "Agricultural Use" means a bona fide farming operation, including barns, silos, and other ancillary buildings to such agricultural development for the purposes of the growing of field crops, flower gardening, truck gardening, berry crops, tree crops, nurseries, aviaries, apiaries, maple syrup production, mushroom cultivation or farms for the grazing, breeding, raising, boarding of livestock or any other similar uses carried on in the field of general agriculture and aquaculture. Agricultural use does not include the development of a single detached dwelling on agricultural land, nor does it include a building for the growing or processing of cannabis.
 - (e) "Ancillary Residential Use" means a residential dwelling that would be ancillary to a single detached dwelling, semi-detached dwelling, or row dwelling;
 - (f) "Apartment Unit" means any residential unit within a building containing three or more dwelling units where access to each residential unit is obtained through a common entrance or entrances from the street level



and the residential units are connected by an interior corridor, and includes Stacked Townhouses;

- (g) "Attainable Residential Unit" means a residential unit that meets the criteria set out in subsection 4.1 of the Act;
- (h) "Back-to-Back Townhouse Dwelling" means a building containing three or more dwelling units separated vertically by a common wall, including a rear common wall, which do not have rear yards;
 - (i) "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;
- (i) "Benefiting Area" means an area defined by a map, plan, or legal description in a front-ending agreement as an area that will receive a benefit from the construction of a service;
- (j) "Board of Education" has the same meaning as set out in the Education Act, R.S.O. 1990, Chap. E.2, as amended, or any successor thereof;
- (k) "Bona Fide Farm Uses" means the proposed development will qualify as a farm business operating with a valid Farm Business Registration Number issued by the Ontario Ministry of Agriculture, Food and Rural Affairs and be assessed in the Farmland Realty Tax Class by the Ontario Property Assessment Corporation;
- (l) "Capital Costs" means costs incurred or proposed to be incurred by the municipality or a local board thereof directly or under an agreement,
 - (i) to acquire land or an interest in land,
 - (ii) to improve land,
 - (iii) to acquire, construct or improve buildings and structures,
 - (iv) to acquire, construct or improve facilities including:
 - a) rolling stock, furniture, and equipment with an estimated useful life of seven years or more;



- b) materials acquired for circulation, reference or information purposes by a library board as defined in the *Public Libraries Act, 1984*, S.O. 1984, c. 57;
 - c) furniture and equipment, other than computer equipment.
- (m) “Cannabis Plant” means a plant that belongs to the genus “Cannabis.”
- (n) “Cannabis Production Facilities” means a Building, or part thereof, designed, used, or intended to be used for one or more of the following: cultivation, growing, propagation, production, processing, harvesting, testing, alteration, destruction, storage, packaging, shipment, or distribution of Cannabis where a license, permit, or authorization has been issued under applicable federal law but does not include a building or part thereof solely designed, used, or intended to be used for retail sales of Cannabis;
- (o) “Charitable Dwelling” means a residential building, a part of a residential building or the residential portion of a mixed-use building maintained and operated by a corporation approved under the Charitable Institutions Act, R.S.O. 1990, c. C.9, for persons requiring residential, specialized or group care and charitable dwelling includes a children’s residence under the Child and Family Services Act, R.S.O. 1990, c. C.11, a home or a joint home under the Homes for the Aged and Rest Homes Act, R.S.O. 1990, c. H.13, an institution under the Mental Hospitals Act, R.S.O. 1990, c. M.8, a nursing home under the subsection 2 (1) of the Long-Term Care Homes Act, 2007;
- (p) “Correctional Group Home” means a residential building or the residential portion of a mixed-use building containing a single housekeeping unit supervised on a 24-hour basis on site by agency staff on a shift rotation basis, and funded wholly or in part by any government or its agency, or by public subscription or donation, or by any combination thereof, and licensed, approved or supervised by the Province of Ontario as a detention or correctional facility under any general or special act and amendments or replacement thereto. A correction group home may contain an office provided that the office is used only for the operation of



the correctional group home in which it is located. A correctional group home shall not include any detention facility operated or supervised by the Federal Government nor any correctional institution or secure custody and detention facility operated by the Province of Ontario;

- (q) “Commercial Use” means the use of land, structure or building for the purpose of buying and selling of commodities and supplying of services as distinguished from manufacturing or assembling of goods, also as distinguished from other purposes such as warehousing and/or an open storage yard;
- (r) “Council” means the Council of the Municipality of West Perth;
- (s) “Development” means the construction, erection, or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or usability thereof, and includes redevelopment;
- (t) “Development Charge” means a charge imposed with respect to growth-related net capital costs against land in the municipality under this by-law;
- (u) “Dwelling Unit” means any part of a building or structure used, designed, or intended to be used as a domestic establishment in which one or more persons may sleep and are provided with culinary and sanitary facilities for their exclusive use;
- (v) “Existing Industrial Building” means a building used for or in connection with:
 - (i) manufacturing, producing, processing, storing, or distributing something;
 - (ii) research or development in connection with manufacturing, producing, or processing something;
 - (iii) 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;



- (iv) office or administrative purposes if they are:
 - a) carried out with respect to manufacturing, producing, processing, storage or distributing of something, and
 - b) in or attached to the building or structure used for that manufacturing, producing, processing, storage, or distribution;
- (w) “Farm Building” means that part of a bona fide farm operation encompassing barns, silos, and other ancillary development to an agricultural use, but excluding a residential use and an on-farm diversified use;
- (x) “Front-end Payment” means a payment made by an owner pursuant to a front-ending agreement, which may be in addition to a development charge that the owner is required to pay under this by-law, to cover the net capital costs of the services designated in the agreement that are required to enable the land to be developed;
- (y) “Front-ending Agreement” means an agreement made under Section 44 of the Act between the municipality and any or all owners within a benefitting area providing for front-end payments by an owner or owners or for the installation of services by an owner or owners or for the installation of services by an owner or owners or any combination thereof;
- (z) “Grade” means the average level of finished ground adjoining a building or structure at all exterior walls;
- (aa) “Gross Floor Area” means the total area of all floors above grade of a dwelling unit measured between the outside surfaces of exterior walls or between the outside surfaces of exterior walls and the centre line of party walls dividing the dwelling unit from another dwelling unit or other portion of a building;
 - (i) In the case of a commercial, industrial and/or institutional building or structure, or in the case of a mixed-use building or structure in respect of the commercial, industrial and/or institutional portion thereof, the total area of all building floors above or below grade



measured between the outside surfaces of the exterior walls, or between the outside surfaces of exterior walls and the centre line of party walls dividing a commercial, industrial and/or institutional use and a residential use.

- (bb) “Group Home” means a residential building or the residential portion of a mixed-use building containing a single housekeeping unit which may or may not be supervised on a 24-hour basis on site by agency staff on a shift rotation basis, and funded wholly or in part by any government or its agency, or by public subscription or donation, or by any combination thereof and licensed, approved or supervised by the Province of Ontario for the accommodation of persons under any general or special act and amendments or replacements thereto. A group home may contain an office provided that the office is used only for the operation of the group home in which it is located;
- (cc) “Hospice” means a building or portion of a mixed-use building designed and intended to provide palliative care and emotional support to the terminally ill in a home or homelike setting so that quality of life is maintained, and family members may be active participants in care;
- (dd) "Industrial" means lands, buildings or structures used or designed or intended for use for manufacturing, processing, fabricating or assembly of raw goods, warehousing or bulk storage of goods, and includes office uses and the sale of commodities to the general public where such uses are accessory to an industrial use, but does not include the sale of commodities to the general public through a warehouse club, or any land, buildings or structures used for an agricultural use;
- (ee) “Institutional” means development of a building or structure intended for use:
 - (i) as a long-term care home within the meaning of subsection 2 (1) of the Fixing Long-Term Care Homes Act, 2021;
 - (ii) as a retirement home within the meaning of subsection 2 (1) of the Retirement Homes Act, 2010;



- (iii) by any institution of the following post-secondary institutions for the objects of the institution:
 - a) a university in Ontario that receives direct, regular, and ongoing operation funding from the Government of Ontario;
 - b) a college or university federated or affiliated with a university described in subclause (i); or
 - c) an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institute Act, 2017;

- (ff) "Live-work Unit" means a Building, or part of thereof, which contains, or is intended to contain, both a Dwelling Unit and non-residential unit and which is intended for both Residential Use and Non-residential Use concurrently, and shares a common wall or floor with or without direct access between the residential and non-residential uses;

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

- (hh) "Long-term Care Home" means a residential building or the residential portion of a mixed-use building within the meaning of subsection 2 (1) of the Long-Term Care Homes Act, 2007;

- (ii) "Mixed Use" means land, buildings or structures used, or designed or intended for use, for a combination of residential and non-residential uses;

- (jj) "Multiple Dwellings" means all dwellings other than single-detached, semi-detached, apartment, and special care/special dwelling units;

- (kk) "Municipality" (or the "Municipality") means The Corporation of the Municipality of West Perth;



- (II) "Non-profit housing development" means development of a building or structure intended for use as residential premises by:
- (i) a corporation without share capital to which the Corporations Act applies, that is in good standing under that Act and whose primary objective is to provide housing;
 - (ii) a corporation without share capital to which the Canada Not-for-profit Corporation Act applies, that is in good standing under that Act and whose primary objective is to provide housing; or
 - (iii) a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act.
- (mm) "Non-Residential Use" means a building or structure of any kind whatsoever used, designed, or intended to be used for other than a residential use;
- (nn) "On-Farm Diversified Use" means a use occurring entirely and exclusively within a detached building that is secondary and subordinate to the active and principle agricultural use occurring on a property. Such uses shall be integrated within a farm cluster of buildings which must include a dwelling, and may include, but are not limited to, uses that produce value added agricultural products or provide a service that is supportive of regional agri-business;
- (oo) "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;
- (pp) "Place of Worship" means land that is owned by and used for the purposes of worship within a place of worship, a churchyard, cemetery, or burial ground exempt from taxation under section 3 of the Assessment Act, R.S.O., 1990, c. A.31, as amended, and includes related administrative, assembly, and associated space, but does not include portions of such buildings or structures used for any commercial use, including but not limited to daycare facilities, private schools, or banquet facilities;



- (qq) “Planning Act” means the Planning Act, 1990, as amended;
- (rr) “Rate” means the interest rate established weekly by the Bank of Canada for treasury bills having a term of 30 days;
- (ss) “Redevelopment” means the construction, erection or placing of one or more buildings or structures on land where all or part of a building or structure has previously been demolished on such land, or changing the use of a building or structure from residential to non-residential or from non-residential to residential;
- (tt) “Regulation” means any regulation made pursuant to the Act;
- (uu) "Rental Housing" means development of a building or structure with four or more dwelling units all of which are intended for use as rented residential premises.
- (vv) “Residential Use” means land or buildings, or structure of any kind whatsoever used, designed, or intended to be used as living accommodations for one or more individuals;
- (ww) “Retirement Home or Lodge” means a residential building or the residential portion of a mixed-use building which provides accommodation primarily for retired persons or couples where each private bedroom or living accommodation has a separate private bathroom and separate entrance from a common hall but where common facilities for the preparation and consumption of food are provided, and common lounges, recreation rooms and medical care facilities may also be provided;
- (xx) "Rowhouse Dwelling" means a building containing three or more attached dwelling units in a single row, each of which dwelling units has an independent entrance from the outside and is vertically separated from any abutting dwelling unit;
- (yy) “School Board” has the same meaning as that specified in the Education Act, R.S.O. 1990, c. E.2, as amended or any successor thereto;
- (zz) “Semi-Detached Dwelling,” “Duplex” or “Row Housing” means a dwelling unit in a residential building consisting of two (or more in the case of row



housing) dwelling units having one vertical wall or one horizontal wall, but no other parts, attached to another dwelling unit where the residential units are not connected by an interior corridor;

- (aaa) “Services” (or “service”) means those services designated in Schedule “A” to this by-law or specified in an agreement made under Section 44 of the Act;
- (bbb) “Services in Lieu” means those services specified in an agreement made under Section 9 of this by-law;
- (ccc) “service standards” means the prescribed level of services on which the schedule of charges in Schedule “B” are based;
- (ddd) “Servicing Agreement” means an agreement between a landowner and the municipality relative to the provision of municipal services to specified lands within the municipality;
- (eee) “Single Detached Dwelling Unit” means a residential building consisting of one dwelling unit and not attached to another structure.
- (fff) "Special Care/Special Need Dwelling" means a Building, or part of a Building:
 - (i) containing two or more Dwelling Units which units have a common entrance from street level;
 - (ii) where the occupants have the right to use, in common with other occupants, halls, stairs, yards, common rooms and accessory Buildings;
 - (iii) that is designed to accommodate persons with specific needs, including but not limited to, independent permanent living arrangements;
 - (iv) 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



- (v) the residential building or the residential portion of a mixed-use building maintained and operated as a Long-term Care Home under subsection 2 (1) of the Long-Term Care Homes Act, 2007.

and includes, but is not limited to, Retirement Home or Lodge, Charitable Dwelling, Group Home (including a Correctional Group Home), Hospice, and Long-term Care Home;

- (ggg) “Stacked Townhouse Dwelling” means a Building, or part of a building, containing two or more dwelling units where each Dwelling Unit is separated horizontally and/or vertically from another Dwelling Unit by a common wall and having direct separate access to an exterior ground level main entrance/exit;

- (hhh) “Townhouse Dwelling” means a dwelling unit in a building divided vertically into no less than three nor more than eight dwelling units attached by common walls extended from the base of the foundation to the roof line, each dwelling unit having a separate entrance at grade, and includes a Back-to-Back Townhouse.

SCHEDULE OF DEVELOPMENT CHARGES

- 2. (a) Subject to the provisions of this by-law, development charges against land shall be calculated and collected in accordance with the base rates set out in Schedules “B”, which relate to the services set out in Schedule “A”.
- (b) The development charge with respect to the use of any land, buildings, or structures shall be calculated as follows:
 - (i) in the case of residential development, charges set out in Schedule B shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a residential use and, in the case of a mixed-use building or structure, on the residential uses in the mixed-use building or structure, and the residential portion for a Live-Work unit, according to the type of residential unit, and calculated with respect to the services according to the type of residential use;



- (ii) in the case of non-residential development, charges described in Schedule B to this by-law shall be imposed on non-residential uses of lands, buildings, or structures, and, in the case of a mixed-use building or structure, on the non-residential uses in the mixed-use building or structure, including the non-residential portion for a Live-Work unit, and calculated with respect to the services according to the total floor area of the non-residential use.
- (c) Council hereby determines that the development of land, buildings, or structures for residential and non-residential uses will require the provision, enlargement, expansion, or improvement of the services referenced in Schedule “A.”

APPLICABLE LANDS

- 3. (a) Subject to subsections (b), (c), (d), and (e), this by-law applies to all lands in the Municipality of West Perth whether or not the land or use is exempt from taxation under Section 3 of the *Assessment Act*, R.S.O. 1980, c.31.
- (b) This by-law shall not apply to land that is owned by and use for the purposes of:
 - (i) a board of education;
 - (ii) any municipality or local board thereof;
 - (iii) bona fide agricultural use or farm building;
 - (iv) the portion of lands, buildings, or structures used for worship in a place of worship, as well as a churchyard, cemetery, or burial ground exempt from taxation under Section 3 of the *Assessment Act*, R.S.O. 1980, c.31.
- (c) This by-law shall not apply to that category of exempt development described in the *Development Charges Act, 1997*, c.27 and O. Reg. 82/98, namely:
 - (i) an enlargement to an existing dwelling unit;



- (ii) A second residential unit in an existing detached house, semi-detached house, or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the existing detached house, semi-detached house or rowhouse cumulatively contain no more than one residential unit;
- (iii) A third residential unit in an existing detached house, semi-detached house, or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units;
- (iv) One residential unit in a building or structure ancillary to an existing detached house, semi-detached house or rowhouse on a parcel of land, if the existing detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units;
- (v) A second residential unit in a new detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the new detached house, semi-detached house or rowhouse cumulatively will contain no more than one residential unit;
- (vi) A third residential unit in a new detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the new detached house, semi-detached house or rowhouse contains any residential units;
- (vii) One residential unit in a building or structure ancillary to a new detached house, semi-detached house or rowhouse on a parcel of land, if the new detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or



structure ancillary to the new detached house, semi-detached house or rowhouse contains any residential units; or

- (viii) 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 percent of the existing residential Dwelling Units.
- (d)
 - (i) If a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge that is payable in respect of the enlargement is determined in accordance with this section.
 - (ii) If the gross floor area is enlarged by 50 percent or less, the amount of the development charge in respect of the enlargement is zero.
 - (iii) If the gross floor area is enlarged by more than 50 percent, the amount of the development charge in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:
 - a. Determine the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement.
 - b. Divide the amount determined under paragraph a by the amount of the enlargement.
 - (iv) The exemption to Development charges in (i) through (iii) above shall only apply to the first instance of an industrial expansion.
- (e) Notwithstanding the provisions of this By-law, development charges shall not be imposed on:
 - (i) 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 is intended to be occupied and used by the university;



- (ii) Non-profit Housing;
 - (iii) Affordable inclusionary residential units;
 - (iv) Affordable residential units; and
 - (v) Attainable residential units.
- (f) That where a conflict exists between the provisions of the new by-law and any other agreement between the Municipality and the owner, with respect to land to be charged under this policy, the provisions of such agreement prevail to the extent of the conflict.
- (g) This by-law is not applicable to development for which a complete application for building permit has been submitted prior to the in-force date of this by-law.
4. (a) Subject to subsection (b), development charges shall apply to, and shall be calculated and collected in accordance with, the provisions of this by-law on land to be developed for residential and commercial, industrial and/or institutional use, where:
- (i) the development of that land will increase the need for services, and
 - (ii) the development requires:
 - a) the passing of a zoning by-law or an amendment thereto under Section 34 of the *Planning Act, 1990*;
 - b) the approval of a minor variance under Section 45 of the *Planning Act, 1990*;
 - c) a conveyance of land to which a by-law passed under subsection 50(7) of the *Planning Act, 1990*;
 - d) the approval of a plan of subdivision under Section 51 of the *Planning Act, 1990*;
 - e) a consent under Section 53 of the *Planning Act, 1990*;



- f) the approval of a description under Section 51 of the *Condominium Act*, R.S.O. 1980, c.84; or
 - g) the issuing of a permit under the *Building Code Act*, R.S.O. 1992 in relation to a building or structure.
- (b) subsection (a) shall not apply in respect of:
- (i) local services installed at the expense of the owner within a plan of subdivision as a condition of approval under Section 52 of the *Planning Act*, 1990;
 - (ii) local services installed at the expense of the owner as a condition of approval under Section 53 of the *Planning Act*, 1990.

EXEMPTION FOR INDUSTRIAL DEVELOPMENT

5. Notwithstanding any other provision of this by-law:

- (a) 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, or the original gross floor area.
- (b) 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 the fraction determined as follows:
 - (i) determine the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement;
 - (ii) divide the amount determined under subsection (i) by the amount of the enlargement;
 - (iii) For the purpose of section 5 herein, "Existing Industrial Building" is used as defined in the Regulation made pursuant to the Act.

EXISTING AGREEMENTS



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

MULTIPLE CHARGES

7. (a) Where two or more of the actions described in Section 4 (a)(ii) 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.
- (b) Notwithstanding subsection (a), if two or more of the actions described in Section 4 (a)(ii) occur at different times, and if the subsequent action has the effect of increasing the need for municipal services as designated in Schedule "A", an additional development charge on the additional residential units and/or commercial and/or industrial floor area, shall be calculated and collected in accordance with the provisions of this by-law.

SERVICE STANDARDS

8. For the purposes of Section 8, the approved service standards for the municipality are those contained in the Development Charges Background Study dated May 23, 2024, as amended.

SERVICES IN LIEU

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

- (c) The credit provided for in subsection (b) shall not exceed the service standards referenced in Section 8 and used in the calculation of the charges in Schedules “B” and no credit shall be charged to any development charges reserve fund prescribed in this by-law.

FRONT-ENDING AGREEMENTS

- 10. (a) Council may enter into a front-ending agreement with any or all owners within a benefitting area pursuant to Section 21 of the *Development Charges Act, 1997*, providing for the payment by the owner or owners of a front-end payment or for the installation of services by the owners or any combination of front-end payments and installation of services, which may be in addition to the required development charge.
- (b) Front-end payments made by benefitting owners under a front-ending agreement relating to the provision of services for which a development charge is payable shall be credited with an amount equal to the reasonable cost to the owner of providing the services, against the development charges otherwise payable under Schedule “B” of this by-law.
- (c) No credit given pursuant to subsection 9(a) shall exceed the total development charge payable by the owner for the applicable service component or the standard of service outlined in Schedule “B” and referenced in Section 6.
- (d) The front-end payment required to be made by the benefitting owner under a front-ending agreement may be adjusted annually.

DEVELOPMENT CHARGE REDEVELOPMENT CREDITS

- 11. (a) Where there is a redevelopment of land on which there is a conversion of space proposed, or on which there was formerly erected a building or structure that has been demolished, a credit shall be allowed against the development charge otherwise payable by the owner pursuant to this By-



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

- (b) A credit in respect of any demolition under this section shall not be given unless a building permit has been issued or a subdivision agreement, site plan agreement or a consent application has been entered into with the Municipality for the development within 5 years from the date the demolition permit was issued.
- (c) The amount of any credit hereunder shall not exceed, in total, the amount of the development charges otherwise payable with respect to the development.

DISCOUNTS FOR RENTAL HOUSING

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

TIMING OF CALCULATION AND PAYMENT

- 13. (a) Development charges shall be calculated and payable in full in money or by provision of services as may be agreed upon, or by credit granted by the Act, on the date that the first building permit is issued in relation to a



building or structure on land to which a development charge applies, or in a manner or at a time otherwise lawfully agreed upon.

- (b) Where development charges apply to land in relation to which a building permit is required, the building permit shall not be issued until the development charge has been paid in full.
- (c) Notwithstanding 13 (a), 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.
- (d) Notwithstanding subsections 13 (a) and 13 (c), where the development of land results from the approval of a Site Plan or Zoning By-law Amendment received and approved between January 1, 2020, and June 5, 2024, and the approval of the application occurred within 2 years of building permit issuance, the Development Charges under subsections 2(b)(i) and 2(b)(ii) herein, shall be calculated based on the rates set out in Schedule "B" on the date the planning application was made. Where both planning applications apply, development charges under subsections 2(b)(i) and 2(b)(ii) herein, shall be calculated on the rates set out in Schedule "B", on the date of the latter planning application, including interest at the prescribed rate.
- (e) Notwithstanding subsections 13(a) and 13(c), where the development of land results from the approval of a Site Plan or Zoning By-law Amendment received on or after January 1, 2020, where the approval of the application occurred on or after June 6, 2024, and the approval of the application occurred within 18 months of building permit issuance, the Development Charges under subsections 2(b)(i) and 2(b)(ii) herein, shall be calculated based on the rates set out in Schedule "B" on the date of the planning application, including interest at the prescribed rate. Where both planning applications apply, development charges under subsection 2(b)(i) and 2(b)(ii) herein, shall be calculated on the rates set out in Schedule "B", on the date of the latter planning application, including interest, including interest at the prescribed rate.



- (f) Interest for the purposes of rule (c), (d) and (e) shall be determined as prescribed in the Development Charges Act, as amended from time to time.
- (g) Notwithstanding subsections 13(a), 13(b), and 13(c), an owner may enter into an agreement with the municipality to provide for the payment in full of a development charge before building permit issuance or later than the issuing of a building permit.

BY-LAW REGISTRATION

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

RESERVE FUND(S)

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

BY-LAW AMENDMENT OR REPEAL

- 16. (a) Where this by-law or any development charge prescribed thereunder is amended or repealed either by order of the Ontario Land Tribunal or by



the Municipal Council, the Municipal Treasurer shall calculate forthwith the amount of any overpayment to be refunded as a result of said amendment or repeal.

- (b) Refunds that are required to be paid under subsection (a) shall be paid to the registered owner of the land on the date on which the refund is paid.
- (c) Refunds that are required to be paid under subsection (a) shall be paid with interest to be calculated as follows:
 - (i) interest shall be calculated from the date on which the overpayment was collected to the date on which the refund is paid;
 - (ii) the refund shall include the interest owed under this Section;
 - (iii) interest shall be paid at the Bank of Canada rate in effect on the later of:
 - a) the date of enactment of this by-law, or
 - b) the date of the last quarterly adjustment, in accordance with the provisions of subsection (d).
- (d) The Bank of Canada interest rate in effect on the date of enactment of this by-law shall be adjusted on the next following business day to the rate established by the Bank of Canada on that day and shall be adjusted quarter-yearly thereafter in January, April, July, and October to the rate established by the Bank of Canada on the day of adjustment.

DEVELOPMENT CHARGE SCHEDULE INDEXING

- 17. The development charges referred to in Schedules “B” shall be adjusted annually, without amendment to this by-law, on January 1st, beginning in 2025 and thereafter in each year while this by-law is in force, in accordance with the Statistics Canada Quarterly, Construction Price Statistics as prescribed in the Act.

BY-LAW ADMINISTRATION

- 18. The Municipal Treasurer shall administer this by-law.



SCHEDULES TO THE BY-LAW

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

Schedule “A” – Designated Municipal Services and Class of Services
Under this By-law

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

DATE BY-LAW EFFECTIVE

20. This By-law shall continue in force and effect for a term not to exceed ten years from the date of its enactment unless it is repealed at an earlier date.

BY-LAW REPEAL

21. By-law No. 2019-48 is hereby repealed on the effective date this By-law comes into force.

SHORT TITLE

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

THIS By-law read a first time the 29th day of July, 2024.

THIS By-law read a second and third time and finally passed this 29th day of July, 2024.

Mayor

Municipal Clerk



SCHEDULE “A”
DESIGNATED MUNICIPAL SERVICES AND CLASS OF SERVICES UNDER THIS BY-
LAW

Municipal Wide Services

- Services Related to a Highway;
- Fire Protection Services;
- Policing Services;
- Parks and Recreation Services;
- Library Services;
- Provincial Offences Act, including By-law Enforcement; and
- Waste Diversion.

Municipal Wide Class of Services

- Growth-Related Studies

Urban Wide Services

- Water Services;
- Wastewater Services; and
- Stormwater Services.



SCHEDULE “B”
SCHEDULE OF RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES

| Services/Class of Services | RESIDENTIAL | | | | | NON-RESIDENTIAL |
|--|-----------------------------------|-----------------|---------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| | Single and Semi-Detached Dwelling | Other Multiples | Apartments - 2 Bedrooms + | Apartments - Bachelor and 1 Bedroom | Special Care/Special Dwelling Units | (per sq.ft. of Gross Floor Area) |
| Municipal Wide Services: | | | | | | |
| Services Related to a Highway | 5,593 | 3,546 | 3,232 | 2,129 | 2,040 | 2.13 |
| Fire Protection Services | 1,310 | 830 | 757 | 499 | 478 | 0.50 |
| Policing Services | 5 | 3 | 3 | 2 | 2 | 0.00 |
| Parks and Recreation Services | 1,262 | 800 | 729 | 480 | 460 | 0.06 |
| Library Services | 823 | 522 | 476 | 313 | 300 | 0.04 |
| Provincial Offences Act including By-Law Enforcement | 14 | 9 | 8 | 5 | 5 | 0.01 |
| Waste Diversion | 19 | 12 | 11 | 7 | 7 | 0.01 |
| Municipal Wide Class of Services: | | | | | | |
| Growth-Related Studies | 711 | 451 | 411 | 271 | 259 | 0.13 |
| Total Municipal Wide Services/Class of Services | \$9,737 | \$6,173 | \$5,627 | \$3,706 | \$3,551 | \$2.88 |
| Urban Services: | | | | | | |
| Stormwater Drainage and Control Services | 856 | 543 | 495 | 326 | 312 | 0.33 |
| Wastewater Services | 6,912 | 4,382 | 3,995 | 2,631 | 2,521 | 2.64 |
| Water Services | 3,463 | 2,195 | 2,001 | 1,318 | 1,263 | 1.32 |
| Total Urban Services | \$11,231 | \$7,120 | \$6,491 | \$4,275 | \$4,096 | \$4.29 |
| GRAND TOTAL RURAL AREA | \$9,737 | \$6,173 | \$5,627 | \$3,706 | \$3,551 | \$2.88 |
| GRAND TOTAL URBAN AREA | \$20,968 | \$13,293 | \$12,118 | \$7,981 | \$7,647 | \$7.17 |