



The Corporation of the TOWN OF MILTON

Report To: Committee of the Whole

From: Linda Leeds, Director, Corporate Services and Treasurer

Date: March 21, 2016

Report No: CORS-018-16

Subject: 2015 Development Charge Background Study Addendum

Recommendation: **THAT Staff Report CORS-018-16 pertaining to the Addendum to Town of Milton Development Charge Background Study, dated March 15, 2016, prepared by Watson & Associates Economists Ltd., be received for information.**

AND THAT transit service be removed from the 2015 Development Charge Background Study and a separate Study and By-law for transit be brought forward in the future.

EXECUTIVE SUMMARY

In December 2015, Council received the 2015 Development Charge Background Study (the Study) for information purposes through CORS-088-15. Subsequent to this report, the Province has approved amendments to the *Development Charges Act, 1997* (DCA) through Bill 73, *Smart Growth for Our Communities Act, 2015*, effective January 1, 2016. At the time of preparing the Study, staff and the Town's consultant, Watson & Associates Economists Ltd, were aware that changes to the legislation were imminent but were not certain what the specific changes might be, the timing of when they would take effect or what transitional provisions may be provided. As a result of the change in legislation, an amendment to the Study is required. The Town's consultant has prepared an Addendum to Town of Milton Development Charge Background Study, dated March 15, 2016.

The Town of Milton Development Charge Background Study and the Addendum to the Development Charge Background Study, attached to this report for Council's information, will be used as the basis for future discussions with key stakeholders.

REPORT

Background

The Town's current Development Charge By-law No. 087-2011 expires in September 2016. Watson was retained to work with Town staff to prepare a background study as required by the DCA prior to a new By-law being passed. The Study was completed



and received for information by Council in December, 2015. Due to changes in legislation, an addendum to the Study has been prepared.

Discussion

In order for the Study to be in conformity with the new legislation, an addendum has been prepared that addresses each of the changes in the legislation. A summary of the changes is outlined below and detailed information can be found in Section 3 of the addendum to the Study.

Area Rating - The Study must consider setting area specific rates for services which are provided on an area specific basis. Area rating has previously been in place in the Town's DC By-law in regards to Storm Water Management for recovery of the storm water monitoring costs within secondary plan areas. For all other services included in the Study, a uniform rate is in place as the services benefit the Town as a whole and not a specific area.

Asset Management Plan – The new legislation requires that an Asset Management Plan be prepared for all assets which are funded from development charges to show that the assets included in the Study are “financially sustainable” over their useful life. With each of the Secondary Plans that have been prepared to accommodate growth within the Town, a Fiscal Impact Study was prepared that included the lifecycle costs of growth related assets and addresses the requirements of the legislation.

No Additional Levies – A new section has been added to the DCA that prohibits municipalities from imposing additional charges or requiring construction of a service not authorized by the DCA. The legislation does allow for any existing agreements to be grandfathered. The Town currently has agreements in place with developers that provide financial assistance to accelerate the construction of infrastructure that is required to accommodate growth while helping the Town to remain within the debt capacity limits set by the Province and Council policy. This new section of the DCA will likely restrict future funding opportunities and potentially restrict and/or delay the pace of growth in the future.

Public Circulation – Previously the DC Background Study was to be made available to the public two weeks prior to the statutory public meeting. Under the new legislation, the Study must be available for 60 days prior to passing of the DC By-law. The Town has sufficiently met this requirement as the Study was made available to the public in December 2015.

Transit – The most significant change in the legislation relates to transit. There are four key changes to the calculation of transit DC's which include:

- elimination of the mandatory 10% deduction from the net capital cost of future projects,
- changes in the calculation of the service standard,



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- a detailed asset management strategy must be prepared, and
- must identify excess capacity in capital costs.

Since the changes to transit are quite significant and will take additional time to complete, it is being recommended that the development charge for transit be removed from the Study at this time and a separate study and By-law will be completed and brought forward later in the year to address the changes in the transit development charge.

The Town's current Development Charges By-law No. 087-2011 expires in September 2016. The Study that was prepared in December 2015 included a proposed new DC By-law for approval. With the recent changes in legislation, the proposed By-law has been updated in regards to references related to the Act and Regulations and to the timing of collection of the DCs to ensure they are collected at the time of the first building permit, where multiple permits will be issued. Also, as mentioned above, a separate study and By-law will be prepared later this year to address the significant changes to transit service and therefore the proposed By-law has been updated to remove references to transit service. Typically, with the passing of a new By-law, the old By-law would be repealed; however, since the charge for transit service needs to remain in effect until the additional work is complete, the proposed By-law amends existing By-law No. 087-2011 to remove all services except for transit.

Stakeholder consultation will occur in March and April to discuss the information provided in the Study and the Addendum. It is anticipated that the statutory public meeting will be held in May with subsequent approval of the DC By-law by Council.

Annually the Town's DC's are indexed as of April 1 in accordance with the Statistics Canada Quarterly, Construction Price Statistics, for the most recent year-over-year period. Since the new By-law will come into effect after the annual indexing of the current rates, the Addendum proposes that the rates that were calculated in the Study be increased by the same index.

Financial Impact

The financial impact related to the update to the Town's DC's was outlined in the DC Background Study prepared by Watson, dated December 8, 2015. The financial impact of the recent changes in the legislation mostly impact the Transit service area and this will be analyzed in the coming months and reported to Council later this year once known.

Respectfully submitted,
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Director, Corporate Services and Treasurer

For questions, please contact: Sheryl Hill, CPA, CGA 905-878-7252 ext. 2151



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Attachments
Addendum to: Town of Milton Development Charge Background Study

CAO Approval
William Mann, MCIP, RPP, OALA, CSLA, MCIF, RPF
Chief Administrative Officer

Addendum to:

**Town of Milton
Development Charge
Background Study**

March 15, 2016



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 Planning for growth

List of Acronyms and Abbreviations

D.C.	Development Charge
D.C.A.	Development Charges Act
F.I.A.	Fiscal Impact Analysis
G.F.A.	Gross floor area
N.F.P.O.W.	No Fixed Place of Work
O.M.B.	Ontario Municipal Board
O.Reg.	Ontario Regulation
P.P.U.	Persons per unit
S.D.E.	Single detached equivalent
S.D.U.	Single detached unit
s.s.	Subsection
sq.ft.	Square footage

1. Introduction

Commensurate with the provisions of the Development Charges Act, 1997, the Town undertook a Background Study, dated December 8, 2015 at which time it was released to the public. Since the release of the report, the Development Charges Act (D.C.A.) was amended by Bill 73 which came into effect on January 1, 2016. As there was no transitional provision for the amendments to the act, the December Background Study needs to be updated to conform, hence the need for this Addendum.

1.1 Purpose of Report

As noted, the purpose of this Addendum Report is to provide for refinements to the December 8, 2015 Background Study. The refinements are in direct relation to changes required as a result of amendments to the D.C.A. and supporting regulation (O.Reg. 428/15). The specific issues that affect the December Background Study include consideration of area rating, changes to transit service standard calculations and the 10% deduction, the need for an asset management plan, the ability to demonstrate growth related infrastructure is financially feasible, timing required for circulation of the background study and changes required to the proposed D.C. by-law. (note also within the D.C.A. amendments is a restriction on receiving additional contributions from development however the transitional provisions suggest that this should not impact the existing secondary plan areas). These changes will form part of the calculated charges being adopted on May 30, 2016.

1.2 D.C. Process to date

To date, the Town has undertaken the following process in relation to the D.C. Background Study:

- Data collection, staff review, engineering work, D.C. calculations and policy work (March – November 2015);
- Background study and draft D.C. by-law prepared (December 8, 2015);
- Background study and draft D.C. by-law received by Council (December 14, 2015);
- D.C.A. amended as per Bill 73 and O.Reg. 428/15 (January 1, 2016); and

- D.C. Addendum Report and revised draft D.C. by-law released to Public (March 15, 2016).

2. Changes to the D.C. and Items to be Addressed by this Update

The following table provides a summary of changes to the D.C. legislation to be addressed within this addendum report. Further detailed discussions on items required to be addressed for the Town are provided in section 3 to this report.

Summary of Changes to the Development Charges Act

Changes to the Act (January 1, 2016)	Commentary on Changes	Items to be Addressed in the Addendum Report
New definitions: · "Prescribed" – a reference to what may be contained in the Regulation has been included in the definitions section of the Act (section 1) · "Regulations" – used to specifically refer to regulations made under the D.C.A. has been included in the definitions section of the Act (section 1)	"Prescribed" means prescribed by the regulations "Regulations" means the regulations made under this Act	Transit becomes a "Prescribed" Service
Ineligible Services – move the definition of Ineligible Services from the D.C.A. to the Regulations – allows for easier adjustments to add or reduce ineligible services. · Section 2(4) of the Act is repealed and replaced with a new section 2(4) which references ineligible · New section 2.1(1) in Regulations provides the prescribed ineligible services	· As noted, allows for easier adjustments to add or reduce ineligible services · Solid waste was formerly an ineligible service – sections 2.1(5) and (6) identify that only landfill and incineration are ineligible, thus allowing for alternative waste disposal methods (e.g. recycle, reuse, composting, etc.)	No impact at this time based on the services Milton includes in D.C. No impact to the Town's D.C. as solid waste is a Regional service
Area Specific Charges: · New requirements which will prescribe areas and services which must be undertaken on an area-specific basis - Section 2 of the Act expanded to include new subsections (9), (10), (11), (12) · New powers to allow the Province to prescribe municipalities, services and criteria so that the prescribed municipality must pass more than one by-law for prescribed services and criteria - Former section 60(1)(d) of the Act is repealed and replaced with a new 60(1)(d) and (d.1)	· The new sections provide that prescribed services or municipalities shall consider area rating · The regulations do not provide for any prescribed services or municipalities at this time · As noted above, no services or municipalities prescribed at this time · For the future, the new powers allow the Minister to provide this by regulation changes	Area rating has been considered and is applied in relation to Stormwater Services only No impact to Milton's D.C. No impact to Milton's D.C. No impact to Milton's D.C.
Transit Service – 10% mandatory deduction from the growth-related costs will be removed		Transit Service to be removed from December 8, 2015 background study and separate process to be undertaken to update this service in line with new legislation
Service Standard Calculations: · Prescribe services which will not be subject to the 10-year historic average service restriction: · New section 5.2(1) and (2) of the Act provides for "prescribed" services · New section 6.1 of the regulations only prescribes transit service at this time · Restrictions so that a planned 10-year level of service to be achieved over the 10-year forecast is not exceeded: · New sections 5.2(3) and (4) of the Act provides for "prescribed" services · New section 8(2) of the Regulation provides for the manner in which transit service will be dealt with	· The Act allows for prescribed services to be defined · Only transit service is a prescribed service at this time	The Addendum report removes Transit Service Milton Transit Service - The service standard will have to be adjusted to reflect the excess ridership capacity at the end of the 10 year forecast preceding the by-law and the next years after that. Additional effort is required to consider this service.
· New section 8(2) of the Regulation provides for the manner in which transit service will be dealt with	· Methodology established for transit service only · Methodology requires ridership forecasts and ridership capacity for all modes of transit over the 10 years, identification of excess capacity which exists at the end of 10 years, identification of whether new ridership is from existing or planned development	Will impact on the manner in which the D.C.s are calculated for Transit Services
Development Charge Background Study: · Municipalities must examine the use of area-rating - New section 10(c.1)	· While there are no "prescribed" services for area rating at this time, this section identifies that the background study must consider this to reflect the different needs for different areas · Note that while the background study must consider the option of area rating, it is not mandatory to pass area-specific charges	Council must consider this and is included in Section 3.1
· Must include an asset management plan related to new infrastructure – the requirements of the asset management plan, the information to be provided and the manner in which it is prepared will be prescribed by regulation - New sections 10(c.2) and 10(3) · Section 8 of the Regulation amended to include subsections (2), (3) and (4) which provide for specific detailed requirements for transit (only)	· For all services except transit, the background study shall deal with all assets proposed in the study and demonstrate that these assets are financially feasible over their full life cycle · Act identifies that further information or the manner in which these are provided may be prescribed; however, only transit service is prescribed at this time · However, it is expected that this requirement will align with the Asset Management Guidelines established by the Province	Addressed in Section 3.3
· Must demonstrate that all of the new infrastructure in the asset management plan is financially sustainable over their full life cycle	· See above comments	
Payment Timing for Multiple Building Permits – when multiple building permits are issued in respect of a single building, the D.C. is payable when the first building permit is issued. · New sections 26(1.1) and (1.2) of the Act	· Requires that the development charge is calculated and payable when the first permit is issued · However, if the development has two or more phases that are not constructed concurrently, each phase is deemed a separate development	Updates to the D.C. By-law have been incorporated where necessary to ensure the timing of payment is in line with the Act.

Summary of Changes to the Development Charges Act

Changes to the Act (January 1, 2016)	Commentary on Changes	Items to be Addressed in the Addendum Report
<p>Annual Report of the Treasurer – existing reporting requirements will be continued and new requirements added to:</p> <ul style="list-style-type: none"> · Identify all assets whose capital costs were funded by D.C.s and, for each asset, identify costs which were funded by other sources - Section 43(2) of the Act is repealed and replaced with a new 43(2) · Include a statement as to the municipality's compliance in not imposing, directly or indirectly, a charge related to a development or a requirement to construct a service related to development, except as permitted by this Act - New section 43(2)(c) of the Act · Require that the report be made available to the public - New section 43(2.1) of the Act · Submit the report to the Ministry of Municipal Affairs and Housing only when requested by the Minister - Section 43(3) of the Act is modified 	<ul style="list-style-type: none"> · Annual report must include opening/closing balances, all transactions in the fund, statements identifying all assets funded by D.C.s and how the portions not funded by D.C.s were funded · Section 43(2) references the new section 59.1 of the Act (discussed below under "No Additional Levies") and requires a statement that the municipality is compliant · New section provides that "council shall ensure that the statement is made available to the public" · The modification removes the requirement to file statements with the Ministry unless requested to provide 	<p>The annual reporting will incorporate the additional requirements of the Act and be presented to Council at a later date</p> <p>The annual report will provide a statement that ensure the Town is in compliance with the new rules. (See below regarding "no additional levies").</p> <p>The annual reporting will be made available to the public as required under the Act</p> <p>Staff will provide the annual statements to the Ministry upon request</p>
<p>No Additional Levies:</p> <ul style="list-style-type: none"> · New provisions to prohibit municipalities from imposing additional payments or requiring construction of a service not authorized under the D.C.A. (note that exceptions may be made for a prescribed class of development, a prescribed class of services related to development or a prescribed Act or a prescribed provision of an Act) - New sections 59.1(1) and (2) of the Act · Transitional provisions will make exceptions for existing payment agreements - New section 59.1(3) of the Act · Ministry of Municipal Affairs and Housing may investigate a municipality for compliance. Cost of all or a portion of the investigation may be imposed on the municipality - New sections 59.1(4), (5), (6) and (7) of the Act 	<ul style="list-style-type: none"> · New section prohibits municipalities from imposing additional payments or requiring construction of a service not authorized under the D.C.A. except as permitted by this Act (e.g. Section 59, "Local Services") or another Act (e.g. Local Improvements under the Municipal Act) · Subsection (2) does allow for exceptions if a class of service or development, or an Act is prescribed – no provision is made in the Regulations at this time · Section 59.1 does not affect a charge imposed prior to January 1, 2016 · Minister may at any time investigate a municipality for compliance - note that the powers provided to the Minister to investigate are extensive 	<p>Additional levies that exist currently under the Financial agreements with Bristol, Sherwood, and Boyne Secondary Plans will not be impacted by this change in the legislation.</p>
<p>Housekeeping Change to the Act – to update the reference to the <i>Condominium Act</i> - Section 2(2)(f) of the Act is amended</p>	<ul style="list-style-type: none"> · Reference to the <i>Condominium Act</i> changed from "section 50" to "section 9" 	<p>No impact to the Town's D.C.</p>
<p>Other Changes not Identified at the beginning of the Process</p> <ul style="list-style-type: none"> · Minimum 60 day circulation of the D.C. Background Study - New section 10(4) of the Act 	<ul style="list-style-type: none"> · Council shall ensure that the D.C. Background Study is made available to the public 60 days prior to the passing of the D.C. by-law · Report must be available on the website for 60 days prior to passage and be available as long as the by-law is in effect 	<p>The D.C. Background Study was provided to Council in December 2015 however, with the changes in the legislation, and addendum report is required and will be provided to Council and made available to the public.</p> <p>Both the initial D.C. Background Study and the Addendum report will be made available on the Town's website for at least 60 days prior to the passage of the new D.C. by-law</p>

3. Changes to the December 8, 2015 Report and By-law

With the amendment of the Act (as a result of Bill 73 and O.Reg. 428/15), there are a number of areas that must be addressed to ensure that the December 8, 2015 report is in compliance with the D.C.A., as amended. The following provides an explanation of the changes to the Act that affect the Town's Background Study and how they have been dealt with to ensure compliance with the amended legislation.

3.1 Area Rating

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

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

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

Presently, the Town's by-law does include area rated charges for Stormwater Management which are imposed in the Sherwood, Boyne and Derry Green secondary plan areas. These charges are for recovery of the stormwater monitoring costs for each of the areas. Note that there were similar costs for the Bristol area but these were cost shared directly by the individual landowners under agreement. In subsequent secondary plans, the landowners asked that these costs be included in the D.C. and recovered by area specific charges.

All other Town services are recovered based on a uniform, Town-wide basis. In past D.C. studies, discussion has been undertaken to consider area rating, however there have been several reasons why they have not been imposed:

1. All Town services, with the exception of Stormwater, require that the average 10-year service standard be calculated. This average service standard multiplied by growth in the Town, establishes an upper ceiling on the amount of funds which can be collected from all developing landowners. Section 4(4) of O. Reg. 82/98 provides that "...if a development charge by-law applies to a part of the municipality, the level of service and average level of service cannot exceed that which would be determined if the by-law applied to the whole municipality." Put in layman's 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 Town hence potentially resulting in D.C. revenue shortfalls and impacts on property taxes.
2. Extending on item 1, attempting to impose an area charge potentially causes equity issues in transitioning from a Town-wide approach to an area specific approach. For example, if all services were now built (and funded) within Area A (which is 75% built out) and this was funded with some revenues from Areas B and C, moving to an area rating approach would see Area A contribute no funds to the costs of services in Areas B & C. The development charges would be lower in Area A (as all services are now funded) and higher in 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 which are provided (roads, parks, recreation facilities, and library) are not restricted to one specific area and are often used by all residents. For example, arenas located in different parts of the Town will be used by residents from all areas depending on the programming of the facility (i.e. a public skate is available each night, but at a different arena; hence usage of any one facility at any given time is based on programming availability).

For the reasons noted above, it is recommended that Council continue the D.C. approach to calculate the charges on a uniform Town-wide basis for all services except Stormwater Management.

3.2 Transit

The most significant changes to the Act relate to the transit service. These changes relate to four areas of the calculations, as follows:

- A. Transit no longer requires the statutory 10% mandatory deduction from the net capital cost (section 5.2.(i) of the D.C.A.).

- B. The Background Study requires the following in regard to transit costs (as per section 8(2) of the Regulations):
1. The calculations that were used to prepare the estimate for the planned level of service for the transit services, as mentioned in subsection 5.2 (3) of the Act, be provided.
 2. An identification of the portion of the total estimated capital cost relating to the transit services that would benefit,
 - i. the anticipated development over the 10-year period immediately following the preparation of the background study, or
 - ii. the anticipated development after the 10-year period immediately following the preparation of the background study.
 3. An identification of the anticipated excess capacity that would exist at the end of the 10-year period immediately following the preparation of the background study.
 4. An assessment of ridership forecasts for all modes of transit services proposed to be funded by the development charge over the 10-year period immediately following the preparation of the background study, categorized by development types, and whether the forecasted ridership will be from existing or planned development.
 5. An assessment of the ridership capacity for all modes of transit services proposed to be funded by the development charge over the 10-year period immediately following the preparation of the background study.
- C. A new forward looking service standard (as per 6.1(2) of the Regulations):
1. The service is a discrete service.
 2. No portion of the service that is intended to benefit anticipated development after the 10-year period immediately following the preparation of the background study may be included in the estimate.
 3. No portion of the service that is anticipated to exist as excess capacity at the end of the 10-year period immediately following the preparation of the background study may be included in the estimate.

- D. A very detailed asset management strategy and reporting requirements (section 6.1(3) of the Regulation) that includes lifecycle costs, action plans that will enable the assets to be sustainable, summary of how to achieve the proposed level of service, discussion on procurement measures and risk.

As presented above, these are numerous new requirements which need to be considered in order to develop a new charge for transit service. It is anticipated that this service will require additional analysis and input by a transit specialist. Given that this may take some time to undertake, it is recommended that this service be removed from the calculations being done at this time and that they be presented later this year in a separate D.C. Background Study. However, it is recommended that the present by-law be continued for this service only (note that the present By-law 087-2011 remains in effect until September 27, 2016).

To facilitate the above, an amendment to the Town's present by-law has been provided to remove all services except transit in order for the present charge to continue.

3.3 Asset Management Plan for New Infrastructure

The new legislation now requires that a D.C. Background Study must include an Asset Management Plan (s. 10 (2)c.2). The asset management plan 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 asset management plan related to transit services (as noted earlier) however, are silent with respect to how the asset management plan is to be provided for all other services. As part of any asset management plan, the examination should be consistent with the municipality's existing assumptions, approaches and policies on the asset management planning. This examination may include both qualitative and quantitative measures such as examining the annual future lifecycle contributions needs.

As part of each of the secondary plan processes undertaken by the Town, such as the previous Boyne and Derry Green secondary plans, a detailed fiscal impact analysis (F.I.A.) was undertaken which forms an integral part of the approval process for the secondary plans.

The F.I.A.s undertaken by the Town have each included provision for the future replacement of the growth related assets and therefore embraced the asset management plan therein.

The new legislation also provides that municipalities must demonstrate that all assets included in the D.C. study are “financially sustainable” over their useful life. In this regard, the F.I.A. examination also considered this.

3.4 No Additional Levies

A new section has been added to the Act, Section 59.1(1) & (2), which prohibits municipalities from imposing additional payments or requiring construction of a service not authorized by the D.C.A. Exceptions to this may be provided for a class of service or development, by regulation however, there has been no provision made at this time. The legislation also provides that the Minister may investigate a municipality at any time and provides extensive powers to the Minister. Further, the legislation provides for any existing agreements to be grandfathered.

In Milton, past financial agreements have been used to 1) assist in accelerating the timing of projects at the request of developers, 2) to assist in providing the infrastructure required while staying within debt capacity limits, and 3) maintaining tax/rate increases at acceptable levels. The Town will continue to complete financial impact analyses prior to approving expansions to the urban area. Consideration will need to be given on how to mitigate any negative financial impacts which could include moderating or slowing the rate of growth, alternative provision of infrastructure or legislatively permitted revenue sources.

In regard to the financial agreements for Bristol, Sherwood and Boyne, these agreements are grandfathered under the Act and will continue.

3.5 60-Day Circulation of D.C. Background Study

Previously the legislation required that a D.C. Background study be made available to the public at least two weeks prior to the public meeting. The amended legislation now provides that the D.C. Background study must be made available to public (including posting on the municipal website) at least 60 days prior to passage of the D.C. by-law. No other changes were made to timing requirements for such things as notice of the public meeting and notice of by-law passage.

The current D.C. Background study was provided to the public in December, 2015 when it was provided to Council. Although this addendum report is being circulated, it is extending off of the original study and hence, has already received 60 days circulation.

3.6 Changes to the Draft D.C. By-law

With the changes to the legislation, a number of changes are required to the draft D.C. by-law included in the December 8, 2015 Background Study. An updated draft by-law is included in Appendix A. Changes to the by-law include refinements to references related to the Act and Regulations, and the removal of transit service from the body of the by-law and schedules A & B. In addition, the by-law requires refinements to the timing of collection of the D.C.s to ensure they are collected at the time of the first building permit, where multiple permits will be issued (such as when foundation permits are issued vs. completion permits). As noted in section 3.2, an amendment to the existing By-law 087-2011 to remove all services except transit is required. This provision has also been included in the by-law provided in Appendix A.

3.7 Changes to the December 8, 2015 Background Study

Due to the above changes to the Act, the transit service has been removed from the current proposed rates. The D.C. related to transit services is based on the current rates in accordance with By-law 087-2011. The following summarizes the charges presented in the December 8, 2015 Background Study and the charges under this addendum based on a residential single detached unit and per square foot for non-residential (based on the average). It is noted that the costing provided in these tables include the current 2015 rates, the calculated rates in 2015 values as well as calculated rate in 2016 values as the by-law will be passed subsequent to applicable indexing on April 1, 2016 in accordance with the Town's current policies.

Residential (Single Detached) Comparison

Service	Current Charges as per By-law 087-2011	Calculated as per December 8, 2015 Study (2015\$)	Calculated as per December 8, 2015 Study (2016\$)
Municipal Wide Services:			
Services Related to a Highway	5,355	6,036	6,139
Public Works Operations	899	1,004	1,021
Fire Protection Services	324	392	399
Recreation	4,412	4,664	4,743
Parks Development	3,726	4,161	4,232
Library	624	705	717
Administration	262	423	430
Transit*	84	84	85
Parking	339	288	293
Total Municipal Wide Services	16,025	17,757	18,059
Area Specific Services:			
Stormwater Management - Sherwood Survey	66	201	204
Stormwater Management - Boyne Survey	62	73	74
Stormwater Management - Derry Green	-	-	-
Total Area Specific Services	128	274	278
Grand Total - Sherwood	16,091	17,958	18,263
Grand Total - Boyne	16,087	17,830	18,133
Grand Total - Derry Green	16,025	17,757	18,059

* Transit has not been calculated, hence it is based on the current charge as per By-law 087-2011

Non-Residential Retail (per ft².) Comparison

Service	Current Charges as per By-law 087-2011	Calculated as per December 8, 2015 Study (2015\$)	Calculated as per December 8, 2015 Study (2016\$)
Municipal Wide Services:			
Services Related to a Highway	4.92	4.70	4.78
Public Works Operations	0.48	0.33	0.34
Fire Protection Services	0.32	0.43	0.44
Recreation	0.32	0.29	0.29
Parks Development	0.27	0.26	0.26
Library	0.04	0.05	0.05
Administration	0.15	0.25	0.25
Transit*	0.05	0.05	0.05
Parking	0.21	0.17	0.17
Total Municipal Wide Services	6.76	6.53	6.63
Area Specific Services:			
Stormwater Management - Sherwood Survey	0.07	0.17	0.17
Stormwater Management - Boyne Survey	0.08	0.09	0.09
Stormwater Management - Derry Green	0.21	0.16	0.16
Total Area Specific Services	0.36	0.42	0.42
Grand Total - Sherwood	6.83	6.70	6.80
Grand Total - Boyne	6.84	6.62	6.72
Grand Total - Derry Green	6.97	6.69	6.79

* Transit has not been calculated, hence it is based on the current charge as per By-law 087-2011

Non-Residential Non-Retail (per ft².) Comparison

Service	Current Charges as per By-law 087-2011	Calculated as per December 8, 2015 Study (2015\$)	Calculated as per December 8, 2015 Study (2016\$)
Municipal Wide Services:			
Services Related to a Highway	2.55	2.15	2.19
Public Works Operations	0.25	0.15	0.15
Fire Protection Services	0.16	0.20	0.20
Recreation	0.16	0.13	0.13
Parks Development	0.14	0.12	0.12
Library	0.02	0.02	0.02
Administration	0.08	0.12	0.12
Transit*	0.02	0.02	0.02
Parking	0.11	0.08	0.08
Total Municipal Wide Services	3.49	2.99	3.03
Area Specific Services:			
Stormwater Management - Sherwood Survey	0.05	0.11	0.11
Stormwater Management - Boyne Survey	0.06	0.05	0.05
Stormwater Management - Derry Green	0.10	0.07	0.07
Total Area Specific Services	0.21	0.23	0.23
Grand Total - Sherwood	3.54	3.10	3.14
Grand Total - Boyne	3.55	3.04	3.08
Grand Total - Derry Green	3.59	3.06	3.10

* Transit has not been calculated, hence it is based on the current charge as per By-law 087-2011

4. Process to Complete the D.C. By-law Process

The following provides the balance of the process to be undertaken in finalizing the report and recommendations:

- Consultation with stakeholders (March 29, 2016);
- Public meeting advertisement placed in newspaper(s) in accordance with the requirements of the Act, as amended;
- Public meeting of Council (May 9, 2016);
- Consideration of responses received prior to, at, or immediately following the public meeting;
- Council considers adoption of the background study and passage of the new D.C. by-law, including amendment to the existing D.C. By-law 087-2011 (May 30, 2016);

- Notice in the newspaper(s) given of by-law passage/amendment within 20 days of passage;
- Last day for by-law appeal is 40 days after by-law passage; and
- Town make pamphlet available (where by-law is not appealed) within 60 days after the by-law comes into force.

As noted earlier, due to the changes in the Act in relation to transit service, a separate process will be undertaken to provide the necessary updates required under the Act and a separate public process will be undertaken in the coming months.

5. Recommendations

The information contained herein provides the additional information required as per the D.C.A., 1997, as amended. Most information is provided to meet the requirements of the Act but has not significantly modified the proposed charges (except for Transit). Section 7.5 of the December 8, 2015 Background Study provided six recommendations which continue as presented. There are two additional recommendations to be considered prior to approval of the by-law:

- 1) It is recommended that Council considers approval to amend By-law 087-2011 to remove all services except transit; and
- 2) It is recommended that Council continue the DC approach to calculate the charges on a uniform Town-wide basis for all services except Stormwater Management.

Appendix A

The Corporation of the TOWN OF MILTON

BY-LAW NUMBER <*>-2016

A BY-LAW TO AMEND DEVELOPMENT CHARGES BY-LAW NUMBER 087-2011 TO CONTINUE THE TRANSIT SERVICE AND TO ESTABLISH A DEVELOPMENT CHARGES BY-LAW FOR THE TOWN OF MILTON FOR SERVICES OTHER THAN TRANSIT

WHEREAS The Corporation of the Town of Milton has and will continue to experience growth through development;

AND WHEREAS development requires the provision of physical and other services by the Town;

AND WHEREAS Council desires to ensure that the capital cost of meeting growth related demands for, or the burden on, Town services does not place an undue financial burden on the Town or its taxpayers;

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

AND WHEREAS a development charge background study has been completed in accordance with the Act;

AND WHEREAS Council has before it a report entitled “Town of Milton Development Charge Background Study” prepared by Watson and Associates Economists Ltd. dated December 8, 2015;

AND WHEREAS Council has before it a report entitled “Addendum to: Town of Milton Development Charge Background Study” prepared by Watson and Associates Economists Ltd. dated March 15, 2016;

AND WHEREAS the Council of The Corporation of the Town of Milton has given notice of and held a public meeting on the <*> day of <*>, 2016 in accordance with the Act and the regulations thereto;

NOW THEREFORE the Council of The Corporation of the Town of Milton hereby enacts as follows:

DEFINITIONS

1. In this By-law, including in this section:

“accessory” means, where used to describe a use or building, that the use or building is naturally and normally incidental, subordinate in purpose or floor area or both, and exclusively devoted to a principal use or building;

“accessory dwelling” means a self contained residential unit that is subordinate in purpose to another residential dwelling unit upon the same lot and includes a granny flat and a mobile home;

“Act” means the *Development Charges Act, 1997*, S.O. 1997, c.27;

“agricultural development” means a bona fide farming operation, including greenhouses used in connection with a bona fide farming operation which are not connected to Regional water services or wastewater services, sod farms and farms for the breeding and boarding of horses, and includes, but is not limited to, barns, silos and other ancillary buildings to such agricultural development, but excluding in all circumstances any residential or commercial or retail component thereof and excludes marijuana production facilities;

“air-supported structure” means a structure consisting of a pliable membrane that achieves and maintains its shape and support by internal air pressure;

“apartment unit dwelling” means any residential unit within a building containing more than four dwelling units where the units are connected by an interior corridor, but does not include a special care/special need dwelling unit;

“back-to-back townhouse dwelling” means a building containing four or more dwelling units separated vertically by a common wall, including a rear common wall, that do not have rear yards;

“bedroom” means a habitable room of at least seven (7) square metres, including a den, study, loft, or other similar area, but does not include a living room, dining room or kitchen;

“board of education” has the same meaning as set out in the *Education Act*, R.S.O. 1990, C. E.2;

“building” means a structure occupying an area greater than ten (10) square metres consisting of a wall, roof and floor or any of them or a structural system serving the function thereof, and includes, but is not limited to, an above-grade storage tank, an air-supported structure, a canopy and an industrial tent, but does not include a seasonal air-supported structure;

“Building Code Act” means the *Building Code Act*, 1992, S.O. 1992, c.23, and includes its regulations;

“canopy” includes, but is not limited to, a roof-like structure projecting more than three hundred millimetres (300 mm) from the exterior face of a building and a separate roof-like structure such as a roof-like structure for an automotive fuel station or a drive-through facility, used or designed or intended for use for a purpose other than an aesthetic purpose or the protection of pedestrians;

“capital cost” means costs incurred or proposed to be incurred by the municipality or a local board thereof directly or by others on behalf of and as authorized by the municipality or local board to:

- a) acquire land or an interest in land, including a leasehold interest;
- b) improve land;
- c) acquire, lease, construct or improve buildings;
- d) acquire (including leasing), construct or improve facilities including,
 - (i) furniture and equipment other than computer equipment, and
 - (ii) material acquired for circulation, reference or information purposes by a library board as defined in the *Public Libraries Act*, R.S.O. 1990, Chap. P.44; and
 - (iii) rolling stock with an estimated useful life of seven years or more; and
- e) undertake studies in connection with any matter under the Act and any of the matters in clauses (a) to (d) above, including the development charge background study required for the provision of services designated in this By-law within or outside the municipality, including interest on borrowing for those expenditures under clauses (a) to (e) above that are growth-related;

“central business district” means that area defined as and shown as the central business district in the Town’s in-force Official Plan, as may be amended from time to time;

“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 *Nursing Homes Act*, R.S.O. 1990, c. N.7, and a home for special care under the *Homes for Special Care Act*, R.S.O. 1990, c. H.12;

“commercial” means land, buildings or portions thereof used, designed or intended for use for the purpose of offering foods, wares, merchandise, substances, articles or things for sale directly or providing entertainment or entertainment facilities, recreation or recreation facilities to the public and includes the rental of wares, merchandise, substances, articles or things and includes offices and storage in connection with, related or ancillary to such uses;

“Condominium Act” means the *Condominium Act*, 1998, S.O. 1998, Chap. c.19;

“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 replacements thereto. A correctional 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;

“Council” means the Council of The Corporation of the Town of Milton;

“development” means the construction, erection or placing of one or more buildings on land or the making of an addition or alteration to a building that has the effect of increasing the size or usability thereof, and includes redevelopment;

“development charge” means a charge imposed pursuant to this By-law;

“dwelling unit” means either (1) a room or suite of rooms used, or designed or intended for use, by one person or persons living together, in which culinary and sanitary facilities are provided for the exclusive use of such person or persons, or (2) in the case of a special care/special need dwelling, a room or suite of rooms used, or designed or intended for use, by one person with or without exclusive sanitary and/or culinary facilities, or more than one person if sanitary facilities are directly connected and exclusively accessible to more than one room or suite of rooms;

“garden suite” means a building containing one (1) dwelling unit where the garden suite is detached from and ancillary to an existing single detached dwelling or semi-detached dwelling on the lands and such building is designed to be portable;

“grade” means the average level of finished ground adjoining a building at all exterior walls;

“gross floor area” means the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors above the average level of finished ground adjoining the building at its exterior walls and includes the area of a mezzanine and excludes those areas used exclusively for parking garages or structures;

“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;

“local board” has the same definition as defined in the Act;

“local services” means those services, facilities or things which are under the jurisdiction of the municipality and are related to a plan of subdivision or within the area to which the plan relates in respect of the lands under sections 41, 51 or 53 of the *Planning Act*, R.S.O. 1990, Chap. P.13;

“lot” means a parcel of land capable of being conveyed lawfully without any approval under the *Planning Act* or successor thereto which meets the minimum lot area requirements under the Town’s Zoning By-law;

“marijuana production facilities” means a building used, designed or intended for growing, producing, testing, destroying, storing or distribution, excluding retail sales, of medical marijuana or cannabis authorized by a license issued by the federal Minister of Health pursuant to section 25 of the Marijuana for Medical Purposes Regulations, SOR/2013-119, under the *Controlled Drugs and Substances Act*, S.C. 1996, c.19;

“mixed-use” means land or buildings used or designed or intended to be used for a combination of non-residential development and residential development;

“mobile home” means any dwelling that is designed to be made mobile, and constructed or manufactured to provide a permanent residence for one or more persons, but does not include a travel trailer or tent trailer;

“multiple dwelling” means all dwellings other than single detached dwellings, semi-detached dwellings, apartment unit dwellings, garden suites and special care/special need dwellings and includes, but is not limited to, back-to-back townhouse dwellings and stacked townhouse dwellings;

“municipality” means The Corporation of the Town of Milton;

“non-residential development” means land, buildings or portions thereof used, designed or intended for use for a non-residential purpose and “non-residential use” has the same meaning;

“non-residential purpose” means the use of land, buildings or portions thereof for any purpose other than for a residential purpose;

“non-retail development” means any non-residential development which is not a retail development;

“nursing home” means a residential building or the residential portion of a mixed-use building licensed as a nursing home by the Province of Ontario;

“owner” means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed;

“place of worship” means that part of a building that is exempt from taxation as a place of worship under the *Assessment Act*, R.S.O. 1990, Chap. A.31;

“Planning Act” means the *Planning Act*, R.S.O. 1990, c. P.13;

“Prescribed Index” means the price index as prescribed in the Regulation;

“Public Hospital” means lands, buildings or structures used and occupied by a hospital that receives aid under the *Public Hospitals Act*, R.S.O. 1990, c. P.40, but excludes (i) any portion of a building occupied by a tenant of the hospital, (ii) any lands, buildings or structures, or portions thereof, owned by a hospital or hospital board that are used for purposes other than a public hospital, and (iii) any residential component of such lands, buildings or structures, or portions thereof, that is not a public hospital;

“Redevelopment” means the construction, erection or placing of one or more buildings on land where all or part of a building on such land has been previously demolished, or changing the use of all or part of a building from a residential purpose to a non-residential purpose or from a non-residential purpose to a residential purpose, or changing all or part of a building from one form of residential development to another form of residential development or from one form of non-residential development to another form of non-residential development;

“Region” means The Regional Municipality of Halton;

“Regulation” means O. Reg. 82/98;

“residential development” means land, buildings or portions thereof used, designed or intended to be used as living accommodations for one or more individuals, and shall include a single detached dwelling, a semi-detached dwelling, a multiple dwelling, an apartment unit dwelling, a special

care/special need dwelling, an accessory dwelling, and the residential portion of a mixed-use building and “residential use” has the same meaning;

“retail development” means land, buildings or portions thereof used, designed or intended for use for the purpose of offering foods, wares, merchandise, substances, articles or things for sale directly to the public or providing services or entertainment to the public. Retail development excludes freestanding bank kiosks and includes, but is not limited to:

- a) land, buildings or portions thereof used, designed or intended for use for the rental of wares, merchandise, substances, articles or things;
- b) offices and storage in connection with, related to or ancillary to retail use; and
- c) conventional restaurants; fast food restaurants; catering establishments, bars and taverns; beer and wine-making stores; concert halls/theatres/cinemas/movie houses/drive-in theatres; dinner theatres; casinos; amusement and theme parks; amusement arcades; bowling alleys; pet boarding kennels, pet boarding kennel services, pet obedience training centres, pet care, attendance and grooming services; fitness/recreation sport centres; hotels, motels/bed and breakfast facilities/rooming and boarding houses; gas stations and service stations; speciality automotive shops/auto repairs/collision services/car or truck washes; auto dealerships; shopping centres and plazas, including more than two attached stores under one ownership; department/discount stores; banks and similar financial institutions, including credit unions; insurance brokerages; investment advisory services; and warehouse clubs and retail warehouses;

“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;

“row dwelling” means a building containing three or more attached dwelling units in a single row, each of which dwelling unit has an independent entrance from the outside and is vertically separated from any abutting dwelling unit;

“seasonal air-supported structure” means an air-supported structure that is raised and/or erected

for a maximum of six months in any given year to allow for the use of an outdoor sports field or portion thereof during the winter for sports-related activities and includes a seasonal sports bubble;

“seasonal structure” means a building placed or constructed on land and used, designed or intended for use for a non-residential purpose during a single season of the year where such building is designed to be easily demolished or removed from the land at the end of the single season and is erected immediately before the single season and is demolished or removed from the land immediately following the end of the single season;

“semi-detached dwelling” means a building divided vertically into two dwelling units each of which has a separate entrance and access to grade;

“service” means a service designated in Schedule A to this By-law, and “services” shall have a corresponding meaning;

“single detached dwelling” means a completely detached building containing only one dwelling unit and includes one mobile home on a lot which contains no other dwelling unit(s);

“special care/special need dwelling” means:

- a) a building containing two or more dwelling units, which units have a common entrance from street level:
 - (i) where the occupants have the right to use in common, halls, stairs, yards, common rooms and accessory buildings;
 - (ii) which may or may not have exclusive sanitary and/or culinary facilities;
 - (iii) that is designed to accommodate persons with specific needs, including, but not limited to, independent permanent living arrangements; and
 - (iv) where support services such as meal preparation, grocery shopping, laundry, housekeeping, nursing, respite care and attendant services are provided at various levels;

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

- b) a building that is a student residence;

“stacked townhouse dwelling” means 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;

“temporary venue” means a building that is placed or constructed on land and is used, designed or intended for use for a particular event where the event has a duration of one (1) week or less and the building is erected immediately before the beginning of the event and is demolished or removed from the land immediately following the end of the event;

“total floor area”

- a) includes the sum total of the total areas of the floors in a building whether at, above or below grade, measured:
 - (i) between the exterior faces of the exterior walls of the building;
 - (ii) from the centre line of a common wall separating two uses; or
 - (iii) from the outside edge of a floor where the outside edge of the floor does not meet an exterior or common wall; and
- b) includes the area of a mezzanine as defined in the Building Code Act;
- c) excludes those areas used exclusively for parking garages or structures;
- d) where a building or a portion thereof has only one wall or does not have any walls, shall be the sum of the total area of all floors in the building (1) directly beneath the roof or canopy of the building; or (2) between and/or beneath a structural system serving the function of walls, roof or canopy or any one or more of them;
- e) where the building is an above-grade storage tank, the calculation of the total floor area is determined by taking the cross-sectional area of the tank, which is πr^2 (the base area);
- f) and for the purposes of this definition, the non-residential portion of a mixed-use building is deemed to include half of any area common to the residential and non-residential portions of such mixed-use buildings;

“town” means the area within the geographic limits of The Corporation of the Town of Milton;

“Town” means The Corporation of the Town of Milton”;

“**Treasurer**” means the person appointed as the Town’s Director of Corporate Services and Treasurer or his or her designate.

DESIGNATION OF SERVICES

2. It is hereby declared by the Council of the Town that all development and redevelopment of land within the town will increase the need for services.
3. Once this By-law is in force, the development charge applicable to a development as determined under this By-law shall apply without regard to the services required or used by any individual development.
4. The categories of services for which development charges are imposed under this By-law are as follows:
 - a) Services Related to a Highway;
 - b) Public Works Operations;
 - c) Fire Protection;
 - d) Library;
 - e) Recreation;
 - f) Parks Development;
 - g) Parking;
 - h) Administration (Studies);
 - i) Stormwater Management Monitoring - Area Specific – Sherwood Survey (see Schedule C);
 - j) Stormwater Management Monitoring - Area Specific – Boyne Survey (see Schedule C); and
 - k) Stormwater Management Monitoring - Area Specific – Derry Green Business Park (see Schedule C).
5. The components of the services designated in section 4 are described in Schedule A.

APPLICATION OF BY-LAW RULES

6. Development charges shall be payable in the amounts set out in Schedule B to this By-law, where:
- i) the lands are located in the area described in section 7; and
 - ii) the development of the lands requires any of the approvals set out in section 9.

AREA TO WHICH BY-LAW APPLIES

7. Subject to section 8, this By-law applies to all lands in the town.
8. This By-law shall not apply to lands that are owned by and used for the purposes of:
- a) the Town or a local board thereof;
 - b) a board of education; or
 - c) the Region or a local board thereof.

APPROVALS FOR DEVELOPMENT

9. Development charges shall be imposed on all lands or buildings that are developed for residential or non-residential development if the development requires:
- a) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the Planning Act;
 - b) the approval of a minor variance under section 45 of the Planning Act;
 - c) a conveyance of land to which a by-law passed under subsection 50(7) of the Planning Act applies;
 - d) the approval of a plan of subdivision under section 51 of the Planning Act;

- e) a consent under section 53 of the Planning Act;
- f) the approval of a description under section 9 of the Condominium Act; or
- g) the issuing of a permit under the Building Code Act in relation to a building.

10. No more than one development charge for each service designated in section 4 shall be imposed upon any lands or buildings to which this By-law applies even though two or more of the actions described in section 9 are required before the lands or buildings can be developed.

11. Despite section 10, if two or more of the actions described in section 9 occur at different times, additional development charges shall be imposed if the subsequent action has the effect of increasing the need for services.

EXEMPTIONS

12. Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to:

- a) an enlargement to an existing dwelling unit;
- b) one or two additional dwelling units in an existing single detached dwelling; or
- c) one additional dwelling unit in any other existing residential building;

13. Notwithstanding section 12, development charges shall be imposed if the total gross floor area of the additional one or two units exceeds the gross floor area of the existing dwelling unit.

14. Notwithstanding section 12, development charges shall be imposed if the additional unit has a gross floor area greater than:

- a) in the case of a semi-detached or row dwelling, the gross floor area of the existing dwelling unit; and

- b) in the case of any other residential building, the gross floor area of the smallest dwelling unit contained in the residential building.

Exemption for Industrial Development:

- 15. For the purpose of sections 16 to 20 inclusive, the term “existing industrial building” shall have the same meaning as that term has in the Regulation.
- 16. Notwithstanding any other provision of this By-law, but subject to sections 19 and 20 below, no development charge is payable with respect to the enlargement of the total floor area of an existing industrial building where the total floor area is enlarged by 50 percent or less.
- 17. If the total 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:
 - a) determine the amount by which the enlargement exceeds 50 percent of the total floor area before the enlargement;
 - b) divide the amount determined under subsection 17 (a) by the amount of the enlargement.
- 18. For greater certainty in applying the exemption in this section, the total floor area of an existing industrial building is enlarged where there is a bona fide increase in the size of the existing industrial building, the enlarged area is attached to the existing industrial building, there is a direct means of ingress and egress from the existing industrial building to and from the enlarged area for persons, goods and equipment and the existing industrial building and the enlarged area are used for or in connection with an industrial purpose as set out in subsection 1(1) of the Regulation. Without limiting the generality of the foregoing, the exemption in this section shall not apply where the enlarged area is attached to the existing industrial building by means only of a tunnel, bridge, canopy, corridor or other passageway, or through a shared below-grade connection such as a service tunnel, foundation, footing or parking facility.
- 19. The exemption for an existing industrial building provided by this section shall be applied up to a maximum of 50 percent of the total floor area before the first enlargement for which an exemption

from the payment of development charges was granted pursuant to this By-law or any previous development charges by-law of the Town made pursuant to the Act or its predecessor legislation. Development charges shall be imposed in accordance with Schedule B with respect to the amount of floor area of an enlargement that results in the total floor area of the industrial building being increased by greater than 50 percent of the total floor area of the existing industrial building.

20. For the purposes of this section, despite any new sites created which result in an existing industrial building being on a site separate from its enlargement or enlargements for which an exemption was granted under this section, further exemptions, if any, pertaining to the existing industrial building shall be calculated in accordance with section 19 on the basis of its site prior to any division.

Other Exemptions/Reductions:

21. Notwithstanding the provision of this By-law development charges shall not be imposed with respect to:

- a) lands or buildings used or to be used for a place of worship or for the purposes of a cemetery or burial ground exempt from taxation under *Assessment Act*, R.S.O. 1990, Chap. A.31;
- b) development creating or adding an accessory use or accessory building not exceeding 10 square metres (107.64 square feet) of gross floor area;
- c) development creating or adding an accessory use or accessory building to a residential use where the accessory use or accessory building is not used for any commercial use or purpose;
- d) a Public Hospital;
- e) buildings owned by and used for the purposes of a conservation authority unless such buildings are used primarily for or in connection with (i) recreational purposes for which the conservation authority charges admission and/or fees or (ii) any commercial purposes;
- f) agricultural development;
- g) seasonal structures; and

h) temporary venues.

22. Notwithstanding any other provisions of this By-law, a garden suite shall be exempt at the time a building permit is issued for the garden suite from the payment of development charges under this By-law provided that:

- a) a by-law has been passed by the Town under sections 39 and 39.1 of the Planning Act authorizing the temporary use of the garden suite;
- b) prior to the issuance of the building permit for the garden suite, the owner shall have entered into an agreement with the Town under section 27 of the Act in a form and having a content satisfactory to the Town's solicitor and having content satisfactory to the Treasurer, to be registered on title to the lands, agreeing to pay the development charges otherwise payable under this By-law in respect of the garden suite if the garden suite is not removed from the lands within sixty (60) days of the expiry of the by-law, including any extensions thereof, described in subsection (a) or if, before that date, the lands on which the garden suite is situate are sold provided the development charges shall not be payable upon such sale if the purchaser has entered into an agreement with the Town under this subsection and the by-law, including any extensions thereof, described in subsection (a) has not expired;
- c) within ninety (90) days of the expiry of the by-law, including any extensions thereof, described in subsection (a), the owner shall provide to the Town evidence, to the satisfaction of the Treasurer, that the garden suite was removed from the lands within sixty (60) days of the expiry of the by-law, including any extensions thereof, described in subsection (a), whereupon the Town shall provide to the owner a release of the agreement described in subsection (b) and apply to the land registrar to delete from title to the lands any notice of the agreement registered against title to the lands;
- d) if the owner does not provide satisfactory evidence of the removal of the garden suite in accordance with subsection (c), the garden suite shall be deemed conclusively not to be a garden suite for the purposes of this By-law and the Town may, without prior notification to the owner, add the development charges payable under this By-law to the tax roll for the lands to be collected in the same manner as taxes;

- e) for the purpose of subsection (d), the development charges payable under this By-law shall be the development charges payable under this By-law for an accessory dwelling on the date the building permit was issued for the garden suite; and
- f) the timely provision of satisfactory evidence of the removal of the garden suite in accordance with subsection (c) shall be solely the owner's responsibility.

AMOUNT OF CHARGES

Residential

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

Non-Residential

24. The development charges described in Schedule B to this By-law shall be imposed on non-residential uses of lands or buildings, and, in the case of a mixed-use building, on the non-residential uses in the mixed-use building, and calculated with respect to each of the services according to the total floor area of the non-residential use.

Redevelopment - Demolitions

25. In the case of a demolition of all or part of a building:

- a) a credit shall be allowed against the development charges otherwise payable pursuant to this By-law, provided that where a demolition permit has been issued and has not been revoked, a building permit has been issued for the redevelopment within five (5) years from the date the demolition permit was issued;
- b) the credit shall be calculated based on the portion of the building used for a residential purpose that has been demolished by multiplying the number and type of dwelling units

demolished, or in the case of a building used for a non-residential purpose that has been demolished by multiplying the non-residential total floor area demolished, by the relevant development charges under this By-law in effect on the date when the development charges are payable pursuant to this By-law with respect to the redevelopment;

- c) no credit shall be allowed where the demolished building or part thereof would have been exempt pursuant to this By-law;
- d) where the amount of any credit pursuant to this section exceeds, in total, the amount of the development charges otherwise payable under this By-law with respect to the redevelopment, the excess credit shall be reduced to zero and shall not be carried forward unless the carrying forward of such excess credit is expressly permitted by a phasing plan for the redevelopment that is acceptable to the Treasurer; and
- e) despite subsection 25(a) above, where the building cannot be demolished until the new building has been erected, the owner shall notify the Town in writing and pay the applicable development charges for the new building in full and if the existing building is demolished not later than twelve (12) months from the date a building permit is issued for the new building, the Town shall provide a refund calculated in accordance with this section to the owner without interest. If more than twelve (12) months is required to demolish the existing building, the owner shall make a written request to the Town and the Treasurer may extend the time in which the existing building must be demolished in his or her sole and absolute discretion and upon such terms and conditions as he or she considers necessary or desirable and such decision shall be made prior to the issuance of the first building permit for the new building.

26. Notwithstanding any other provisions of this By-law with respect to the lands within the central business district, for any change of use from non-retail to retail by demolition and redevelopment, the retail development charges or the difference between the non-retail and retail development charges shall not apply, however, if there is a change of use plus expansion of non-retail use to retail use, the retail development charges would be imposed on the expansion.

Redevelopment - Conversions

27. In the case of a conversion of all or part of a building:

- a) a credit shall be allowed against the development charges otherwise payable under this By-law;
- b) the credit shall be calculated based on the portion of the building that is being converted by multiplying the number and type of dwelling units being converted or the non-residential total floor area being converted by the relevant development charges under this By-law in effect on the date when the development charges are payable pursuant to this By-law with respect to the redevelopment;
- c) no credit shall be allowed where the building or part thereof prior to conversion would have been exempt pursuant to this By-law; and
- d) where the amount of any credit pursuant to this section exceeds, in total, the amount of the development charges otherwise payable under this By-law with respect to the redevelopment, the excess credit shall be reduced to zero and shall not be carried forward unless the carrying forward of such excess credit is expressly permitted by a phasing plan for the redevelopment that is acceptable to the Treasurer.

28. Notwithstanding any other provisions of this By-law with respect to the lands within the central business district, for any conversion within an existing building from a non-retail use to a retail use, the retail development charges or the difference between the non-retail and the retail development charges shall not apply, however, if there is a conversion plus expansion of a non-retail use to a retail use, the retail development charges would be imposed on the expansion.

Exemptions, Relief, Credits, Adjustments Not Cumulative

29. Only one of the applicable exemption(s), relief, credit(s) or adjustment(s) set out above in sections 12 to 22 inclusive, and in sections 25 to 28 inclusive, shall be applicable to a development or redevelopment. Where the circumstances of a development or redevelopment are such that more than one type of exemption, relief, credit or adjustment could apply, only one type of exemption,

relief, credit or adjustment shall apply and it shall be the exemption, relief, credit or adjustment that results in the lowest development charges being payable under this By-law.

30. Where under this By-law an exemption of the development charge is granted or permitted, should the development or redevelopment result in a use other than a use for which the exemption was granted, discovered through an inspection carried out by the Chief Building Official or his or her designate, pursuant to the Building Code Act, or otherwise, the Town will charge the development charges that would have been imposed at building permit issuance had the exemption not been granted, plus interest from such time to the time of the updated charge.

TIME OF PAYMENT OF DEVELOPMENT CHARGES

31. Development charges applicable to residential development and non-residential development shall be calculated, payable and collected as of the date a building permit under the Building Code Act is issued in respect of the building for the use to which the development charge applies, unless the development charge is to be paid at a different time pursuant to section 32 herein or to an agreement entered into between the Town and the owner under subsection 27(1) of the Act.

32. Notwithstanding section 31 herein, for residential development that requires approval of a plan of subdivision under section 51 of the Planning Act, a consent under section 53 of the Planning Act, site plan approval under section 41 of the Planning Act or a description under section 9 of the Condominium Act (collectively referred to as the “plan of subdivision”) and for which a subdivision agreement, consent agreement, site plan agreement or condominium agreement (collectively referred to as the “subdivision agreement”) is entered into, the portion of the development charge attributable to the Services Related to a Highway Service Component and/or the Area Specific Stormwater Management Charge as set out in Schedule B shall be calculated, payable and collected as at the date the subdivision agreement between the Town and the owner is registered (unless an agreement is entered into between the Town and owner under subsection 27(1) of the Act or section 36 herein), on the basis of the following:

- a) the proposed number and type of dwelling units; and
- b) with respect to blocks in the plan of subdivision intended for future development, the maximum number of dwelling units permitted under the then applicable zoning,

whether or not there is a holding symbol in the zoning by-law as authorized by section 36 of the Planning Act.

33. If at the time of issuance of a building permit or permits related to a plan of subdivision for which payments have been made pursuant to section 32, the actual total number and type of dwelling units for which building permits have been and are being issued, is greater than that used for the calculation and payment referred to in section 32, an additional payment shall be required with respect to the amount of the Services Related to a Highway Service Component and/or the Area Specific Stormwater Management Charge, calculated by multiplying the applicable amount, adjusted to the date of payment by indexing as provided in section 44 herein, for the Services Related to a Highway Service Component and/or the Area Specific Stormwater Charge by the difference between the number and type of dwelling units for which building permits have been and are being issued and the number and type of dwelling units for which payments have been made pursuant to section 32 and this section.

34. If following the issuance of all building permits for all development within a plan of subdivision or for all development in a block within a plan of subdivision that had been intended for future development and for which payments have been made pursuant to section 32, the actual total number and type of dwelling units is less than that used for the calculation and payment referred to in section 32, a refund shall become payable by the Town to the person who originally made the payment referred to in section 32, which refund shall be calculated by multiplying the applicable amount for the Services Related to a Highway Service Component and/or the Area Specific Stormwater Management Charge in effect at the time such payments were made by the difference between the number and type of dwelling units for which payments were made pursuant to section 32 and the number and type of dwelling units for which building permits were issued.

35. Notwithstanding sections 32 through 34 inclusive, in the case of an apartment unit dwelling that is developed at a minimum density of one hundred dwelling units per net hectare pursuant to plans and drawings approved under section 41 of the Planning Act, the Services Related to a Highway Service Component and/or the Area Specific Stormwater Management Charge under this By-law shall be payable on the date a permit is issued under the Building Code Act in relation to the apartment unit dwelling on lands to which the development charges under this By-law apply.

ALTERNATIVE PAYMENT AGREEMENTS

36. Council may enter into an agreement under section 27 of the Act, in a form and having content satisfactory to the Town's solicitor and having content satisfactory to the Treasurer, with any person who is required to pay a development charge providing for all or any part of the development charge to be paid before or after it would otherwise be payable.
37. Council directs the Chief Building Official or his or her designate to withhold the issuance of a building permit in relation to a building on land to which the development charge applies unless the development charge has been paid.

PAYMENT BY MONEY OR SERVICES

38. Payment of development charges shall be by cash, debit, bank draft or certified cheque.
39. In the alternative to payment by the means provided in section 38 herein, the Town may, by a written agreement entered into with the owner, accept the provision of services in full or partial satisfaction of the development charges otherwise payable.
40. If the Town and the owner cannot agree as to the reasonable cost of doing the work under section 39, the dispute shall be referred to Council whose decision shall be final and binding.
41. Nothing in this By-law prevents Council from requiring, as a condition of any approval given under the Planning Act, that the owner, at the owner's expense, install such local services as Council may require or that local connections to storm drainage facilities be installed at the owner's expense.
42. Any refund or credit required to be given by the Town to an owner shall be in relation to a service as per subsection 39(1) of the Act. The Town may agree by agreement to provide a credit in relation to another service as per subsection 39(3) of the Act or may provide for another basis for recovery.
43. If development charges or any part thereof payable pursuant to this By-law remain unpaid after such charges are payable, the amount unpaid shall be added to the tax roll and shall be collected in the same manner as taxes.

INDEXING

44. Indexing of the development charges imposed pursuant to this By-law shall be implemented annually on April 1st each year commencing from by-law passage, in accordance with the Prescribed Index for the most recent year over year period. Council may determine not to implement indexing in any year in its sole and absolute discretion without amendment to the by-law.

SCHEDULES

45. The following schedules shall form part of this By-law:

- Schedule A - Components of Services Designated in section 4
- Schedule B - Residential and Non-Residential Development Charges
- Schedule C - Map identifying Area Specific Stormwater Management Charges for Sherwood Survey, Boyne Survey and Derry Green Survey

CONFLICTS

46. Where the Town and an owner or former owner have entered into an agreement with respect to land within the area to which this By-law applies, and a conflict exists between the provisions of this By-law and such agreement, the provisions of the agreement shall prevail to the extent of such conflict.

47. Notwithstanding section 46, where a development which is the subject of an agreement to which section 46 applies, is subsequently the subject of one or more of the actions described in section 9, an additional development charge in respect of the development permitted by the action shall be calculated, payable and collected in accordance with the provisions of this By-law if the development has the effect of increasing the need for services, unless such agreement provides otherwise.

SEVERABILITY

48. If, for any reason, any provision of this By-law is held to be invalid, it is hereby declared to be the intention of Council that all the remainder of this By-law shall continue in full force and effect until repealed, re-enacted, amended or modified, in whole or in part or dealt with in any other way.

REFERENCES TO LEGISLATION

49. References in this By-law to any legislation (including but not limited to regulations and by-laws) or any provision thereof include such legislation or provision thereof as amended, revised, re-enacted and/or consolidated from time to time and any successor legislation thereto.

DATE BY-LAW EXPIRES

50. This By-law will expire at 12:01 AM on <*>, 2021 unless it is repealed by Council at an earlier date.

EXISTING BY-LAW AMENDED

51. By-law Number 087-2011 is hereby amended by the following provisions:

- a) Clauses (a) through (l) of section 4 are hereby repealed and replaced with a new clause (a) as follows: (a) Transit;
- b) Schedule A to By-law Number 087-2011 is hereby repealed and replaced with a new Schedule A, attached hereto as Schedule 1, and notwithstanding section 45 this schedule forms part of this By-law;
- c) Schedule B to By-law Number 087-2011 is hereby repealed and replaced with a new Schedule B, attached hereto as Schedule 2, and notwithstanding section 45 this schedule forms part of this By-law.

52. By-law Number 087-2011 remains in full force and effect, as amended by the foregoing.

DATE BY-LAW IN FORCE

53. This By-law shall come into effect on <*>, 2016.

54. A certified copy of this By-law may be registered in the by-law register in the Land Registry Office against all lands in the town and may be registered against title to any land to which this By-law applies.

READ a FIRST, SECOND and THIRD TIME and FINALLY PASSED this <*> day of <*>, 2016.

Mayor
Gordon A. Krantz

Town Clerk
Troy McHarg

SCHEDULE A

COMPONENTS OF SERVICES DESIGNATED IN SUBSECTION 4

100% Eligible Services

Stormwater Management Monitoring (Area Specific Charges)

Sherwood Survey

Boyne Survey

Derry Green Business Park

Services Related to a Highway

Roads, bridges, structures, sidewalks, streetlights and other related road services

Public Works Operations

Operations Vehicles and Equipment

Operations Facilities

Fire Protection

Fire Facility

Fire Vehicles

Fire Equipment and Gear

90% Eligible Services

Library

Library Facility

Library Collection Materials

Parking

Parking Facility and Spaces

Administration

Studies

Recreation

Recreation Facilities

Parks Development

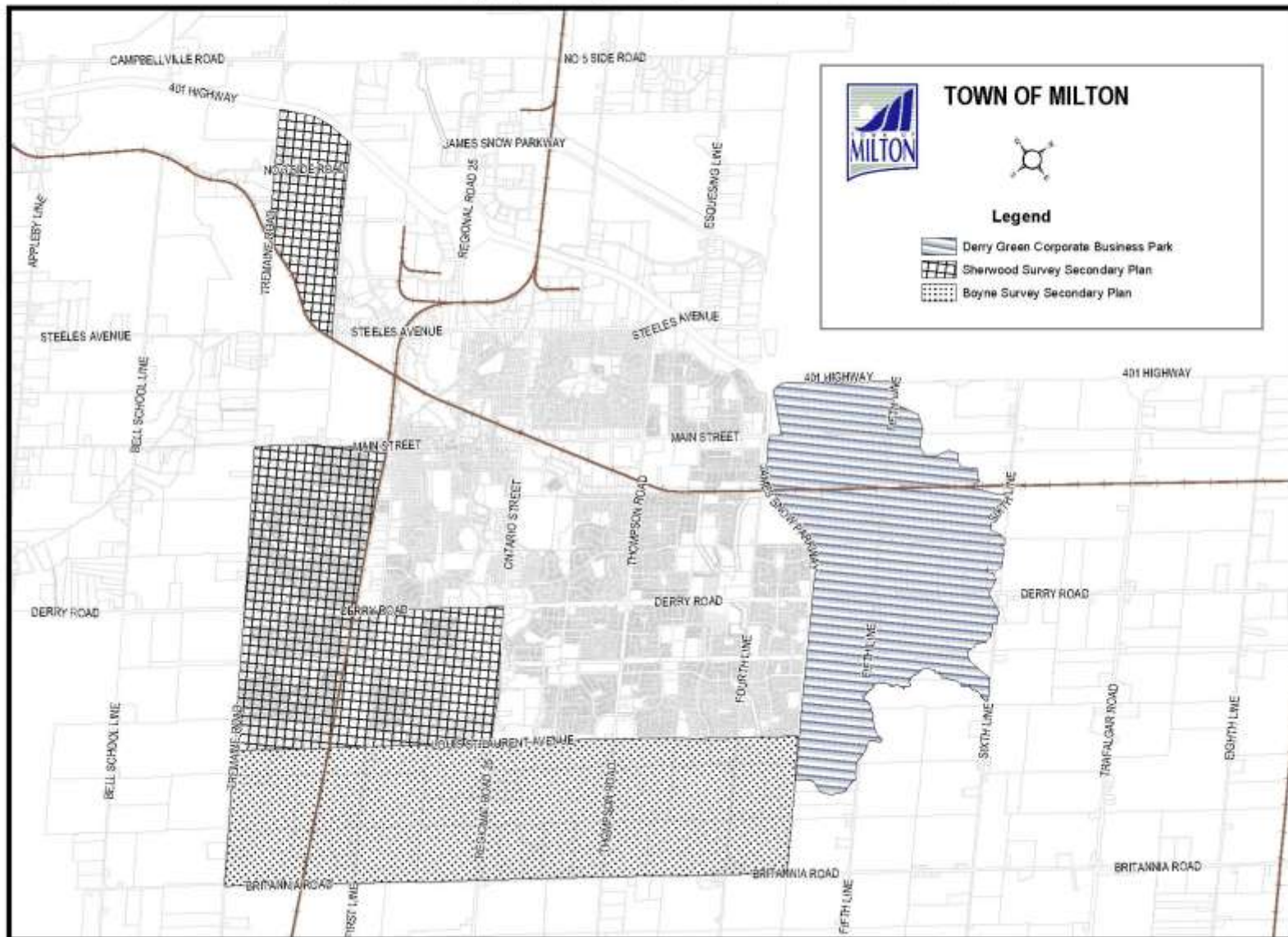
Parkland Development

SCHEDULE B
BY-LAW NO. xxx-2016
SCHEDULE OF DEVELOPMENT CHARGES
2016\$

Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	Special Care/Special Need Dwelling	Retail (per ft ² of Total Floor Area)	Non-Retail (per ft ² of Total Floor Area)
Municipal Wide Services:							
Services Related to a Highway	6,139	3,296	2,215	4,394	1,918	4.78	2.19
Public Works Operations	1,021	548	368	731	319	0.34	0.15
Fire Protection Services	399	214	143	286	125	0.44	0.20
Recreation	4,743	2,547	1,712	3,396	1,483	0.29	0.13
Parks Development	4,232	2,272	1,527	3,030	1,322	0.26	0.12
Library	717	385	258	514	224	0.05	0.02
Administration	430	231	156	308	134	0.25	0.12
Parking	293	158	106	210	92	0.17	0.08
Total Municipal Wide Services	17,974	9,651	6,485	12,869	5,617	6.58	3.01
Area Specific Services							
Stormwater Management - Sherwood Survey	204	110	74	146	64	0.17	0.11
Stormwater Management - Boyne Survey	74	40	26	53	23	0.09	0.05
Stormwater Management - Derry Green	-	-	-	-	-	0.16	0.07
GRAND TOTAL MUNICIPAL SERVICES (Excluding Stormwater for Areas Noted Below)	17,974	9,651	6,485	12,869	5,617	6.58	3.01
GRAND TOTAL - SHERWOOD SURVEY	18,178	9,761	6,559	13,015	5,681	6.75	3.12
GRAND TOTAL - BOYNE SURVEY	18,048	9,691	6,511	12,922	5,640	6.67	3.06
GRAND TOTAL - DERRY GREEN	17,974	9,651	6,485	12,869	5,617	6.74	3.08

This schedule has been indexed to 2016 \$ as the rates will be indexed prior to passage of this By-law

Schedule C
Area Specific Stormwater Management Charges
 (Sherwood Survey, Boyme Survey and Derry Green Corporate Business Park)



SCHEDULE 1

SCHEDULE A

COMPONENTS OF SERVICES DESIGNATED IN SUBSECTION 4

90% Eligible Services

Transit

Transit Facilities

Transit Vehicles

SCHEDULE 2

SCHEDULE B
BY-LAW NO. 087-2011
SCHEDULE OF DEVELOPMENT CHARGES
2011\$

Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Multiple Dwellings	Special Care/Special Need Dwellings	Retail (per ft ² of Total Floor Area)	Non-Retail (per ft ² of Total Floor Area)
Municipal Wide Services:							
Transit	77	48	32	58	25	0.05	0.02
Total Municipal Wide Services	77	48	32	58	25	0.05	0.02