



Addendum to: 2019 Development Charges Background Study

Tay Valley Township

For Public Circulation and Comment

November 7, 2019

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1. Summary of Revisions to the October 2, 2019 Development Charges Background Study

1.1 Background

Commensurate with the provisions of the *Development Charges Act* (D.C.A.), 1997, Tay Valley Township (Township) 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.) by-law process:

- October 2, 2019 – Release of the D.C.B.S.
- November 12, 2019 – Public Meeting
- December 2019 – Anticipated passage of D.C. By-law

Through discussions with Township staff subsequent to the release of the D.C.B.S., several revisions to the study and proposed by-law have been identified. These include corrections to the D.C. reserve fund balances, updates to the Parks and Recreation Services parkland amenities historical service standards, and changes to the capital needs forecasts for Roads & Related Services and Fire Protection Services. The requested revisions require an amendment to the D.C.B.S. and draft D.C By-law to be prepared prior to Council considering the adoption of the D.C. By-law.

1.2 Discussion

The purpose of this addendum to the October 2, 2019 D.C.B.S. is to provide for the revisions set out in the subsections below:

1.2.1 Reserve Fund Balances

Township staff have updated that outstanding D.C. reserve fund balances which have been used in calculating the total D.C. recoverable capital costs in the D.C.B.S. The balances of the Roads & Related Services and Fire Protection Services were adjusted to reflect a greater amount of funds available to fund future capital needs, as indicated in Table 1 below.



Table 1
Estimated D.C. Reserve Fund Balances (as at December 31, 2018, with adjustments)

Service	Totals
Roads & Related	\$171,170
Fire Protection	\$5,363
Parks & Recreation	\$6,902
Library	\$8,948
Administration - Studies	\$9,892
Total	\$202,274

1.2.2 Updates to Roads & Related Services

Township staff have identified three additional growth-related projects to be included in the D.C. calculations. These projects include:

- Christie Lake North Shore Road improvements. The capital project has a gross cost estimate of approximately \$1.6 million. A 50% benefit to existing deduction has been applied, and a further deduction of approximately \$650,000 to reflect the growth-related share of anticipated contributions towards the project. This results in approximately \$144,000 in D.C. recoverable capital costs included in the calculation.
- Doran Road gravel to surface treatment road conversion. The capital project has a gross cost estimate of \$156,000. A 50% benefit to existing deduction has been applied. This results in approximately \$78,000 in D.C. recoverable costs included in the calculation.
- Unopened road allowance at Younes. The capital project has a gross capital cost estimate of \$50,000. A deduction of \$25,000 has been applied to reflect contributions from new development (local service). The remaining capital costs of \$25,000 have been included in the calculation of the D.C.

In total, these three projects result in additional D.C. recoverable costs of approximately \$247,000 included in the calculations for Roads & Related Services.

1.2.3 Updates to Fire Protection Services

Township staff have identified an additional growth-related project to be included in the D.C.B.S. calculations. This project includes the Township's share of upgrading an existing Tanker Truck with a larger capacity vehicle. The project has a gross capital cost estimate of approximately \$158,000. Approximately 64% of the project cost has



deducted as a benefit to existing deduction, reflecting the replacement of the existing vehicle. As such, the D.C. recoverable cost of approximately \$57,000 have been included in the calculation of the charge for Fire Protection Services.

1.2.4 Updates to Parks & Recreation Services

Upon review by Township staff, the replacement value for Tennis Courts within the historic level of service calculations have been reduced to reflect an appropriate replacement value for a like-for-like replacement. While this serves to reduce the historic level of service cap for Parks & Recreation Services, this change has no impact on the D.C. calculations as the D.C. capital needs are within this adjusted cap limitation.

1.2.5 Overall Change in the D.C. Calculation

Based on the refinements noted above, the calculated D.C.s for a single-detached residential dwelling unit have been updated from the October 2, 2019 D.C.B.S. as follows:

- The calculated Roads & Related Services D.C. has increased from \$1,873/unit to \$2,165/unit
- The calculated Fire Protection Services D.C. has increased from \$356/unit to \$460/unit
- Overall the total municipal-wide D.C. for a single detached residential dwelling unit has increased from \$3,207/unit to \$3,603/unit.

The non-residential D.C.s, calculated per square foot of gross floor area, have been updated from the October 2, 2019 D.C.B.S. as follows:

- The calculated Roads & Related Services D.C. has increased from \$0.92/sq.ft. to \$1.06/sq.ft.
- The calculated Fire Protection Services D.C. has increased from \$0.17/sq.ft. to \$0.22/sq.ft.
- Overall the total municipal-wide D.C. for non-residential development has increased from \$1.42/sq.ft. of GFA to \$1.61/sq.ft.

In regard to the Green Energy D.C., the calculated D.C. per 500 kW generating capacity have been updated from the October 2, 2019 D.C.B.S. in accordance with the above



noted changes. As a result of the changes, the overall the municipal-wide D.C. for this type of development increases from \$2,442 to \$2,838.

The above noted changes have been incorporated into the D.C. calculations and by-law. Table 2 below compares the Township's current D.C., the charges as calculated in the October 2, 2019 D.C.B.S., and the charges calculated in this addendum report. The comparison is provided for a single detached residential dwelling unit, per sq.ft. of GFA for non-residential development, and per 500 kW generating capacity for wind and solar developments.

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

Based on the foregoing, the following revisions are made to the pages within the 2019 D.C.B.S., dated October 2, 2019. Accordingly, the revised pages are appended to this report.

- Page 1-3 – revised to reflect this addendum;
- Page 4-9 – revised to reflect outstanding D.C. reserve fund balances;
- Pages 5-1 to 5-3 and 5-6 to 5-7 – revised to reflect changes to the capital projects included in Roads & Related and Fire Protection Services discussed in this addendum;
- Pages 5-3 and B-6 – revised to reflect changes to the historical service standards for Parks & Recreation Services discussed in this addendum;
- Page 7-5 – revised to reflect the issuance of this addendum;
- Pages 8-3 to 8-4 – revised to reflect updates to the D.C. Asset Management Plan as a result of changes discussed in this addendum;
- Page C-3 – revised to reflect updates to the Long-Term Capital and Operating Cost Examination as a result of changes discussed in this addendum; and
- Appendix E – revised draft D.C. By-Law.



Table 2
Development Charge Comparison

Service	Residential (Single Detached)			Non-Residential (per sq.ft. GFA)			Solar/Wind (per 500 kW generating capacity)		
	Current	Calculated (Oct 2, 2019 D.C.B.S.)	Calculated (Nov 7, 2019 Addendum)	Current	Calculated (Oct 2, 2019 D.C.B.S.)	Calculated (Nov 7, 2019 Addendum)	Current	Calculated (Oct 2, 2019 D.C.B.S.)	Calculated (Nov 7, 2019 Addendum)
Municipal Wide Services:									
Roads & Related	\$ 2,806	\$ 1,873	\$ 2,165	\$ -	\$ 0.92	\$ 1.06	\$ 3,487	\$ 1,873	\$ 2,165
Fire Protection	\$ 294	\$ 356	\$ 460	\$ -	\$ 0.17	\$ 0.22	\$ 364	\$ 356	\$ 460
Parks & Recreation	\$ 107	\$ 680	\$ 680	\$ -	\$ 0.20	\$ 0.20	\$ -	\$ -	\$ -
Library	\$ 139	\$ 55	\$ 55	\$ -	\$ 0.02	\$ 0.02	\$ -	\$ -	\$ -
Waste Diversion	\$ -	\$ 30	\$ 30	\$ -	\$ 0.01	\$ 0.01	\$ -	\$ -	\$ -
Administration - Studies	\$ 154	\$ 213	\$ 213	\$ -	\$ 0.10	\$ 0.10	\$ 152	\$ 213	\$ 213
Total Municipal Wide Services	\$ 3,500	\$ 3,207	\$ 3,603	\$ -	\$ 1.42	\$ 1.61	\$ 4,003	\$ 2,442	\$ 2,838



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

The revisions provided herein form the basis for the D.C. By-law and will be incorporated into the D.C.B.S. to be provided to Council and the general public 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 Development Charges Background Study, as amended;
- Determine that no further public meetings are required on the matter; and
- Adopt the new Development Charges By-law.



Appendix A

Amended Pages



Process Steps	Dates
6. Statutory notice of Public Meeting advertisement placed in newspaper(s)	20 days prior to public meeting
7. Amendment to the D.C. background study	November 7, 2019
8. Public Meeting of Council	November 12, 2019
9. Council considers adoption of D.C. background study and passage of by-law	December 2019
10. Newspaper notice given of by-law passage	By 20 days after passage
11. Last day for by-law appeal	40 days after passage
12. Township makes available D.C. pamphlet	By 60 days after in force date

1.3 Proposed Changes to the D.C.A.: Bill 108 – An Act to amend Various Statutes with Respect to Housing, Other Development, and Various Matters

On May 2, 2019, the Province introduced Bill 108 which proposes changes to the D.C.A. The Bill was introduced as part of the Province’s *“More Homes, More Choice: Ontario’s Housing Supply Action Plan”*. The Bill received royal assent on June 6, 2019.

While having received royal asset, many of the amendments to the D.C.A. do not come into effect until they are proclaimed by the Lieutenant Governor. However, transitional provisions with respect to soft services, as well as other provisions clarifying definitions and administrative powers to make regulations, are in effect as of the date of royal assent. Regarding the transitional provisions for soft services, as noted below, services not identified under the new subsection 2(4) (i.e. soft services) will no longer be eligible



4.8 Existing Reserve Funds

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

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

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

The Township’s D.C. Reserve Funds balances, by service, are presented in Table 4-2 below. These balances have been applied against future spending requirements for all services.

Table 4-2
Tay Valley Township
Estimated D.C. Reserve Funds Balances (as at December 31, 2018, with adjustments)

Service	Totals
Roads & Related	\$171,170
Fire Protection	\$5,363
Parks & Recreation	\$6,902
Library	\$8,948
Administration - Studies	\$9,892
Total	\$202,274

4.9 Deductions

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

- the level of service ceiling;
- uncommitted excess capacity;
- benefit to existing development;
- anticipated grants, subsidies and other contributions; and
- a 10% reduction for certain services.

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



5. D.C. Eligible Cost Analysis by Service

This chapter outlines the basis for calculating D.C. eligible costs for the D.C.s to be applied on a uniform basis. The required calculation process set out in s.5(1) paragraphs 2 to 8 in the D.C.A., 1997, and described in Chapter 4, was followed in determining D.C. eligible costs.

The nature of the capital projects and timing identified in this chapter reflects Council's current intention. However, over time, municipal projects and Council priorities change and, accordingly, Council's intentions may alter and different capital projects (and timing) may be required to meet the need for services required by new growth.

5.1 Service Levels and 10-Year Capital Costs for Municipal-wide D.C. Calculation

This section evaluates the development-related capital requirements for municipal-wide services over the 10-year planning period (mid-2019 to mid-2029). Each service component is evaluated on two format sheets: the average historical 10-year level of service calculation (see Appendix B), which "caps" the D.C. amounts; and the infrastructure cost calculation, which determines the potential D.C. recoverable cost.

5.1.1 Roads and Related Services

The Township has approximately 284 kilometres of roadways, as well as 16 bridges and 7 major culverts. In addition, the Township utilizes approximately 23,275 square feet (sq.ft.) of facility space, and 14.75 vehicles and equipment items in the provision of Roads and Related Services. This total inventory of assets over the past 10 years results in an average historical level of service of \$10,577 per capita. When applied to the municipal-wide forecast population growth to 2029, a maximum D.C. eligible cost of approximately \$7.1 million could be expected to meet the future increase in needs for service.

Review of the Township's roads needs for the forecast period identified approximately \$3.2 million in gross capital costs. These costs include a new sand shed, a new tractor, road widening and shoulder paving projects, a road conversion, and the opening of a road. Recognizing the benefit to existing development arising from these projects, approximately \$1.6 million has been deducted from the gross capital costs.



Additionally, deductions of approximately \$171,000 in recognition of the funds collected under prior D.C. bylaws and available in the D.C. reserve fund and approximately \$675,000 for grants and contributions attributable to new development have been included. As a result, approximately \$696,000 in growth-related needs have been included in the calculation of the D.C.

The allocation of net growth-related costs for Roads and Related Services between residential and non-residential development is 92% residential and 8% non-residential, based on forecast incremental population and employment growth over the 10-year period.

5.1.2 Fire Protection Services

Fire Protection Services in the Township are provided by Drummond North Elmsley Tay Valley Fire Rescue (D.N.E.T.V.), which operates two fire stations for use in Tay Valley. The Bathurst, Burgess, Drummond and Elmsley (B.B.D.&E.) fire station is operated jointly between the Township and Drummond North Elmsley, with the Township funding approximately 46% of costs. Additionally, D.N.E.T.V. operates the South Sherbrooke fire station which the Township is fully responsible for funding. There is approximately a combined 18,590 sq.ft. of fire station gross floor area providing service to the Township. The Township also maintains 12 vehicles, 59 sets of firefighter equipment, and 16 dry hydrants. In total, the average level of service provided through the capital infrastructure has been \$595 per capita. In aggregate, the maximum D.C. eligible amount that could be included in the calculation of the charge for Fire Protection Services is approximately \$398,000.

Based on discussions with the Township's staff, the anticipated capital needs include three additional fire vehicles, a fire water source (e.g. dry hydrant), and a fire master plan. The gross capital costs for these needs total approximately \$432,000. A deduction of approximately \$279,000 has been provided to recognize the benefits to the existing community. Additionally, a deduction of approximately \$5,000 in recognition of the funds collected under prior D.C. bylaws and available in the D.C. reserve fund has been included.

In total, approximately \$148,000 in growth-related needs have been included in the calculation of the D.C. The allocation of net growth-related costs for Fire Protection Services between residential and non-residential development is 92% residential and



8% non-residential, based on forecast incremental population and employment growth over the 10-year period.

5.1.3 Parks and Recreation Services

The Township currently maintains approximately 8 parks and outdoor spaces, approximately 48,053 sq.ft. of indoor facility space, and 0.25 vehicles—a half-ton pickup truck is shared with Public Works over the non-summer months—for the provision of Parks and Recreation Services. The Township is in a joint-service agreement with the Town of Perth for three facilities (i.e. Community Centre, Community Pool, and Conlon Farm), with the Township being responsible for funding approximately 31% of the costs. The Township's level of service over the historical 10-year period averaged \$493 per capita. In total, the maximum D.C. eligible amount for Parks and Recreation Services over the 10-year forecast period is approximately \$329,000 based on the established level of service.

The 10-year capital needs for Parks and Recreation Services include new Solar Farm trails, upgrades to the Otty Lake boat launch, a provision for improvements to tennis courts, outdoor rinks, and playgrounds, the Township's share of costs to expand the Perth and District Community Centre as well as carry out a master plan for recreation, and finally plans to develop two parks. The gross capital costs for these needs total approximately \$5.0 million. Deductions of approximately \$4.5 million to reflect benefit to existing development and \$24,000 for the statutory 10% deduction have been made. Additionally, further deductions of approximately \$180,000 for grants attributable to new development and \$7,00 for the positive balance of the D.C. reserve fund have been made.

In total, approximately \$211,500 in growth-related needs have been included in the calculation of the D.C. As the predominant users of Parks and Recreation Services tend to be residents of the Township, the forecast growth-related costs have been allocated 95% to residential and 5% to non-residential.

5.1.4 Library Services

The Township's Library Services are provided through the Perth & District Union Public Library Board, with the Township being responsible for approximately 31% of costs through a joint-arrangement with the Town of Perth. Service is provided through one branch of 11,000 sq.ft. of library space, and through the provision of approximately



Infrastructure Costs Covered in the D.C. Calculation – Roads and Related

Prj .No	Increased Service Needs Attributable to Anticipated Development 2019-2029	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 92%	Non-Residential Share 8%
1	Sand Shed		186,600	-	186,600	93,300		93,300	85,836	7,464
2	Tractor with Flail and Boom Mower	2021	170,000	-	170,000	162,180		7,820	7,194	626
3	Glen Tay Road - Hwy 7 to CR 6 (Township's Share)	2020	150,000	-	150,000	75,000		75,000	69,000	6,000
4	Harper Road	2022	589,000	-	589,000	294,500		294,500	270,940	23,560
5	Keays Road	2022	299,000	-	299,000	149,500		149,500	137,540	11,960
6	Christie Lake North Shore Road	2020	1,587,000	-	1,587,000	793,500	649,750	143,750	132,250	11,500
7	Unopened Road - Younes	2020	50,000	-	50,000	-	25,000	25,000	23,000	2,000
	Reserve Fund Adjustment							(171,170)	(157,476)	(13,694)
	Total		3,031,600	-	3,031,600	1,567,980	674,750	617,700	568,284	49,416



Infrastructure Costs Covered in the D.C. Calculation – Fire Protection

Prj .No	Increased Service Needs Attributable to Anticipated Development 2019-2029	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 92%	Non- Residential Share 8%
1	<u>BBD&E</u> Pumper Truck (Township's Share)	2022	207,000	-	207,000	165,600		41,400	38,088	3,312
2	Tanker Vehicle (Township's Share)	2020	157,500	-	157,500	100,800		56,700	52,164	4,536
3	<u>South Sherbrooke</u> Fire Water Source	2019	17,500	-	17,500	-		17,500	16,100	1,400
4	Deputy Chief Equipped Vehicle		25,000	-	25,000	-		25,000	23,000	2,000
5	Fire Master Plan	2020	25,000	-	25,000	12,500		12,500	11,500	1,000
	Reserve Fund Adjustment							(5,363)	(4,934)	(429)
	Total		432,000	-	432,000	278,900	-	147,737	135,918	11,819



7.4 Other D.C. By-law Provisions

7.4.1 Categories of Services for Reserve Fund and Credit Purposes

It is recommended that the 's D.C. collections be contributed into six (6) separate reserve funds, including: Roads and Related; Fire Protection; Parks and Recreation; Library; Waste Diversion; and Administration – Studies.

7.4.2 By-law In-force Date

The proposed by-law under D.C.A., 1997 will come into force on the date of by-law passage.

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

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

7.5 Other Recommendations

It is recommended that Council:

“Approve the capital project listing set out in Chapter 5 of the D.C. Background Study dated October 2, 2019, subject to further annual review during the capital budget process;”

“Approve the D.C. Background Study dated October 2, 2019 (as amended)”

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

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



replacement of their assets. In 2013, the Township completed an A.M.P. for Roads and Related assets and growth-related needs were not considered. As a result, the asset management requirement for this D.C. has been undertaken independently of the 2013 A.M.P.

In recognition to the schematic in Section 8.1, the following table (presented in 2019\$) 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. Furthermore, 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 which will require financing from municipal financial resources (i.e. taxation, rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing, totalling approximately \$537,000.
2. Lifecycle costs for the 2019 D.C. capital works have been presented based on a sinking fund 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. Total incremental costs attributable to the growth-related expenditures (i.e. annual lifecycle costs and incremental operating costs) total approximately \$51,000.
5. The resultant total annualized expenditures are approximately \$588,000.
6. Consideration was given to the potential new taxation and user fee revenues which could be generated as a result of new growth. These revenues will be available to finance the expenditures identified above. The new operating revenues are \$585,000. This amount, totalled with the existing operating revenues of \$8.6 million, would provide total annual revenues of approximately \$9.2 million by the end of the forecast period.



7. The incremental operating revenues of \$585,000 and the existing operating revenues of \$8.6 million will adequately cover the incremental expenditures of approximately \$588,000.
8. In consideration of the above, the capital plan is deemed to be financially sustainable.

Table 8-1
Tay Valley Township
Asset Management – Future Expenditures and Associated Revenues (2019\$)

	2029 (Total)
Expenditures (Annualized)	
Annual Debt Payment on Non-Growth Related Capital ¹	\$ 536,632
Annual Debt Payment on Post Period Capital ²	\$ 6,578
Annual Lifecycle - Town Wide Services	\$ 41,874
Incremental Operating Costs (for D.C. Services)	\$ 2,789
Total Expenditures	\$ 587,873
Revenue (Annualized)	
Total Existing Revenue ³	\$ 8,645,303
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$ 585,023
Total Revenues	\$ 9,230,326

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



Service: Parkland Amenities
 Unit Measure: No. of parkland amenities

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 Value (\$/item)
Fallbrook Playground	1	1	1	1	1	1	1	1	1	1	\$57,700
Maberly Playground	1	1	1	1	1	1	1	1	1	1	\$57,700
O'Neil Park	1	1	1	1	1	1	1	1	1	1	\$11,500
Baseball Diamonds	2	2	2	2	2	2	2	2	2	2	\$69,200
Tennis Courts	1	1	1	1	1	1	1	1	1	1	\$11,500
Outdoor Ice Rinks	2	2	2	2	2	2	2	2	2	2	\$11,500
Total	8	8	8	8	8	8	8	8	8	8	

Population	10,942	11,039	11,000	10,910	10,830	10,740	10,660	10,571	10,597	10,671
Per Capita Standard	0.0007	0.0007	0.0007	0.0007	0.0007	0.0007	0.0008	0.0008	0.0008	0.0007

10 Year Average	2009-2018
Quantity Standard	0.0007
Quality Standard	\$39,671
Service Standard	\$28

D.C. Amount (before deductions)	10 Year
Forecast Population	668
\$ per Capita	\$28
Eligible Amount	\$18,550



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

SERVICE	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
Roads & Related	22,380	1,075	23,455
Fire Protection	9,323	771	10,094
Parks & Recreation	4,955	392	5,346
Library	2,703	177	2,881
Waste Diversion	2,513	375	2,887
Administration - Studies	-	-	-
TOTAL	41,874	2,789	44,663



THE CORPORATION OF TAY VALLEY TOWNSHIP

BY-LAW No. 2019-____

DEVELOPMENT CHARGES

WHEREAS, Section 2 (1) of the Development Charges Act, 1997, S.O. 1997, c. 27, as amended, provides that the Council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies;

AND WHEREAS, a development charges background study has been completed as per Section 10 of the Development Charges Act, 1997, S.O. 1997, c. 27, as amended;

AND WHEREAS, a public meeting was held on November 12, 2019 as per Section 12 of the Development Charges Act, 1997, S.O. 1997, c. 27, as amended;

NOW THEREFORE BE IT RESOLVED THAT, the Council of the Corporation of Tay Valley Township enacts as follows:

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THE CORPORATION OF TAY VALLEY TOWNSHIP

BY-LAW NO. 2019-____

PART 1 DEFINITIONS

2.0 DEFINITIONS

For the purposes of this By-law, the following definitions shall apply:

- 2.1. **Accessory** – means when used to describe a use, building or structure, that the use, building or structure is naturally or normally incidental, subordinate and exclusively devoted to a main use, building or structure located on the same lot therewith.
- 2.2. **Act** – means the *Development Charges Act, 1997, as amended*.
- 2.3. **Apartment** – means a dwelling unit located in any one of the following types of dwellings:
 - 2.3.1. **“Dwelling, Apartment”** – means the whole of a building not otherwise defined herein, which contains four (4) more dwelling units serviced by a common entrance or by an independent entrance directly from the outside in which the occupants have the right to use in common any corridors, stairs or elevators contained therein, and the yards appurtenant thereto.
 - 2.3.2. **“Dwelling, Accessory”** – means a dwelling unit accessory to a permitted non-residential use, but shall not include an accessory attached dwelling unit or an accessory single detached dwelling unit as otherwise defined in this By-law.
- 2.4. **Building** – means a structure having a roof supported by columns or walls or directly on the foundation and used for the shelter and accommodation of persons, animals or goods and without limiting the foregoing, includes buildings as defined in the *Building Code Act*.
- 2.5. **Capital Cost** – means costs incurred or proposed to be incurred by the municipality or a local board thereof directly or under an agreement:



- (a) to acquire land or an interest in land, including a leasehold interest;
- (b) to improve land;
- (c) to acquire, lease, construct or improve buildings and structures;
- (d) to acquire, lease, construct or improve facilities including:
 - (i) rolling stock with an estimated life of seven years or more,
 - (ii) furniture and equipment other than computer equipment, and
 - (iii) materials acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act.
- (e) to undertake studies in connection with any of the matters in clauses (a) to (d),
- (f) to prepare a development charges background study, and
- (g) for interest on money borrowed to pay for costs described in clauses (a) to (d) above.

2.6. **Commercial Use** – means any use permitted in a commercial zone other than a residential use as described by the zoning by-law of the municipality and any amendments thereto.

2.7. **Condominium Act** – means the *Condominium Act, 1998*, S.O. 1998, c.19, as amended.

2.8. **Council** – means the Council of the Corporation of Tay Valley Township.

2.9. **Development** – means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or change of use thereof, and includes redevelopment.

2.10. **Development Charge** – means a charge imposed against the land to pay for increased capital costs required because of increased needs for



services arising from development of the area to which the By-Law applies.

- 2.11. **Dwelling Unit** – shall mean one or more rooms in a building used or designed and intended to be used as a single, independent, and separate house-keeping establishment in which food preparation and sanitary facilities are provided and which has a private entrance from outside the building or from a common hallway or stairway inside the building.
- 2.12. **Dwelling Unit Attached** – means a dwelling unit located in any one of the following types of dwellings:
- (a) **“Dwelling, Duplex”** – means a building that is divided horizontally into two separate dwelling units, each of which has an independent entrance either directly from outside or through a common vestibule; or
 - (b) **“Dwelling Maisonette”** – means a building that is divided vertically into five or more dwelling units, each of which has independent entrances, one to a common corridor and the other directly to an outside yard area adjacent to the said dwelling unit; or
 - (c) **“Dwelling, Row House”** – means a building that is divided vertically into three or more dwelling units, each of which has a separate and independent entrance at finished grade and separated from the adjoining unit or units by a common unpierced wall with no interior access between each dwelling unit.
Townhouse shall have a corresponding meaning; or
 - (d) **“Dwelling, Semi-Detached”** – means a building that is divided vertically into two separate dwelling units, each of which has an independent entrance either directly from outside or through a common vestibule; or
 - (e) **“Dwelling, Triplex”** – means a building that is divided horizontally into three separate dwelling units, each of which has an independent entrance either directly from outside or through a common vestibule.



- 2.13. **Existing** – means existing as of the date of the passing of this By-Law.
- 2.14. **Grade** – means the average level of proposed or finished ground adjoining a building at all exterior walls.
- 2.15. **Green Energy** – means the development of solar PV or wind turbine facilities for the purposes of electrical energy generation.
- 2.16. **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 any party wall that separates one occupancy from another.
- 2.17. **Industrial Building** – means a building used for or in connection with:
- (a) manufacturing, producing, processing, storing or distributing something;
 - (b) research or development in connection with manufacturing, producing or processing something;
 - (c) retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed if the retail sales are at the site where the manufacturing, production or processing takes place;
 - (d) office or administrative purposes, if they are:
 - (i) carried out with respect to manufacturing, producing, processing, storage or distributing of something, and
 - (ii) in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution.
- 2.18. **Industrial Use** – means the use of land, buildings or structures for the purpose of manufacturing, assembling, making, preparing, inspecting, ornamenting, finishing, treating, altering, repairing, warehousing, or storage or adapting for sale of any goods, substances, article or thing, or



any part thereof and the storage of building and construction equipment and materials as distinguished from the buying and selling of commodities and the supplying of personal services or as otherwise defined in the zoning by-law.

- 2.19. **Institutional Use** – means a use of land, building or structure for social purposes but not for commercial or industrial purposes as defined in this By-Law and may include religious, charitable, fraternal, philanthropic or other similar uses.
- 2.20. **Local Board** – means a local board as defined in the *Municipal Affairs Act*, other than a board defined in subsection 1 (1) of the *Education Act*.
- 2.21. **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 or trailer otherwise designed.
- 2.22. **Municipality** – shall mean the Corporation of Tay Valley Township;
- 2.23. **Net Capital Cost** – means the capital cost less capital grants, subsidies and other contributions made to the municipality or that the Council of the municipality anticipates will be made, including conveyances or payments under Sections 41, 51 and 53 of the *Planning Act*, as amended in respect of the capital cost.
- 2.24. **Non-Residential Uses** – means uses of land, buildings or structures for purposes other than a dwelling unit and shall include commercial, institutional, industrial, agricultural uses, parks and open spaces, and other such uses.
- 2.25. **Owner or Owners** – means the most recent owner of land or a person who has made application for approval for the development of land upon which a development charge is imposed.
- 2.26. **Planning Act** – means the *Planning Act, 1990, R.S.O. c.P.13, as amended*.



- 2.27. **Residential Uses** – means uses of land, buildings or structures designed or intended to be used as living accommodations for any length of time for one or more individuals.
- 2.28. **Services** – means municipal services designated in this By-Law or in an agreement made under Section 44 of the Act, as applicable.
- 2.29. **Single Detached Dwelling** – means a residential building consisting of one (1) dwelling unit and not attached to another structure, excluding a mobile home.
- 2.30. **Solar PV** – means electricity generation by a group of photovoltaic cells, typically arranged on a panel, which convert solar energy into electrical energy.
- 2.31. **Standard of Services** – means those standards which govern the quantity, quality or form, method, delivery, operation or manner in which services are constructed or installed and which have been duly approved by Council and which comply with Section 5 (1) (4) of the *Development Charges Act, 1997*.
- 2.32. **Structure** – means anything constructed or erected, either permanent or temporary, the use of which requires location on the ground or attachment to something having location on the ground.
- 2.33. **Wind Turbine** – means a rotary engine that extracts energy from the flow of wind, converts it to mechanical energy by causing a bladed rota to rate, and further converts it to electrical energy through an electrical generator.



THE CORPORATION OF TAY VALLEY TOWNSHIP BY-LAW NO. 2019-____

PART 2 APPLICATION

3.0 DESIGNATED AREAS

- 3.1. The designated area within which development charges are imposed by this by-law are all lands, buildings and structures within the geographic limits of Tay Valley Township.

4.0 DESIGNATED SERVICES

- 4.1. The municipal services for which development charges shall be imposed are as set out in Schedule "A" attached to and forming part of this By-Law:

5.0 DESIGNATED USES

- 5.1. The uses of land, buildings or structures for which development charges are hereby imposed are as follows, and are also as set out in Schedule "B" attached to and forming part of this By-Law:

5.1.1. Residential uses as defined in Section 2.27 of this By-Law.

5.1.2. Non-Residential uses as defined in Section 2.24 of this By-Law.

5.1.3. Green Energy uses as defined in Section 2.15 of this By-Law.



**THE CORPORATION OF TAY VALLEY TOWNSHIP
BY-LAW NO. 2019-____**

**PART 3
DEVELOPMENT CHARGES**

6.0 DEVELOPMENT CHARGES

6.1. The development charges established by this By-Law shall be imposed where the development of land for residential, institutional or green energy uses would increase the need for services and the development requires one or more of the following:

- (a) the passing of a zoning by-law or of an amendment thereto 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 Section 50 (7) of the *Planning Act*;
- (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 50 of the *Condominium Act*;
- (g) the issuing of a permit under the *Building Code Act*, in relation to a building or structure.

6.1.1. Where two or more of the actions described in Subsection 6.1 (a) to (g) are required in order to develop land, only one development charge shall be calculated and collected in accordance with the provisions of this By-Law.



6.1.2. Notwithstanding Subsection 6.1.1, if two or more of the actions described in Subsection 6.1 (a) to (g) occur at different times, and if the subsequent action has the effect of increasing the need for all or some of the services designated in Schedule "A", an additional development charge shall be calculated and collected in accordance with the provisions of this By-Law.

6.2. Residential Uses

The development charges in respect of net capital costs for services for residential uses shall be as set out in Schedule "B", attached to and forming part of this By-Law except that no charge shall apply as set out in Section 14 of this By-Law titled Exemptions.

6.3. Non-Residential Uses

The development charges in respect of net capital costs for services for residential uses shall be as set out in Schedule "B", attached to and forming part of this By-Law except that no charge shall apply as set out in Section 14 of this By-Law titled Exemptions.

6.4. Green Energy Uses

The development charges in respect of net capital costs for services for green energy uses shall be as set out in Schedule "B", attached to and forming part of this By-Law except that no charge shall apply as set out in Section 14 of this By-Law titled Exemptions.

The development charge for a green energy development shall be calculated based on the total generating capacity of the solar PV or wind turbine installation. The development charge for green energy developments with net generating capacities not equal to 500 kW shall be calculated on a prorated basis.

7.0 CUMULATIVE CHARGES

7.1. The development charges shall be cumulative by adding together the calculated development charge for each of the applicable services to be used together with any interest charges, as set out in Schedule "B".



- 7.2. For multiple use buildings, the development charge shall be the cumulative total of the applicable charges for each respective land use within the building.

8.0 REDEVELOPMENT

- 8.1. Where residential space is being converted to non-residential space, the development charge equivalent that would have been payable on the residential space shall be deducted from the charge calculated on the non-residential space being added.
- 8.2. Where non-residential space is being converted to residential space, the development charge equivalent that would have been payable on the non-residential space shall be deducted from the charge calculated on the residential units being added.
- 8.3. An owner who has obtained a demolition permit and demolished existing dwelling units or a non-residential building or structure in accordance with the provisions of the Building Code Act shall not be subject to the Development Charge with respect to the development being replaced, provided that the building permit for the replacement residential units or non-residential building or structure is issued not more than two (2) years after the date of issuance of the demolition permit and provided that any dwelling units or non-residential gross floor area created in excess of what was demolished shall be subject to the development charge imposed under Section 2.
- 8.4. No redevelopment credit shall be made in excess of the development charge payable for a redevelopment.



THE CORPORATION OF TAY VALLEY TOWNSHIP BY-LAW NO. 2019-____

PART 4 ADMINISTRATION

9.0 WHEN DEVELOPMENT CHARGE PAYMENT IS DUE

9.1. Payment of Development Charge

9.1.1. Development charges shall be calculated and payable in full in money or by provision of services as may be agreed upon, or by credit granted by the Act, on the date that a building permit is issued in relation to a building or structure on land to which a development charge applies.

9.1.2. Where development charges apply to land in relation to which a building permit is required, the building permit shall not be issued until the development charge has been paid in full.

9.1.3. Notwithstanding Subsections 9.1.1 and 9.1.2, an owner may enter into an agreement with the municipality to provide for the payment in full of one or more development charges before a building permit is issued or later than the issuing of a building permit.

9.2. Collection of Unpaid Development Charges

If the development charge or any part thereof imposed by the municipality remains unpaid after the due date, the amount unpaid shall be added to the tax roll as taxes as per Section 32 of the Act.

9.3. Complaints about Development Charges

An owner may complain in writing to the Council of the municipality in respect of the development charge imposed by the municipality on the owner's development subject to the provisions of Section 20 of the Act.



10.0 INDEXING

10.1. The development charges referred to in Schedule “B” shall be adjusted annually, without amendment to this by-law, on January 1st of each year, in accordance with Statistics Canada *Table 18-10-0135-01 Building construction price indexes, by type of building*.

11.0 RESERVE FUND

11.1. A reserve fund for revenues received from development charges is hereby established and shall be called the development charges reserve fund.

11.2. The development charges reserve fund shall be used to meet the net capital costs for which the development charge was levied under this By-Law.

11.3. The Treasurer of the municipality shall maintain separate accounts under the development charges reserve fund including interest earned thereof for each municipal service category set out in Section 4.1 of this By-Law.

11.4. Income received from investments of the development charge reserve fund shall be credited to the development charges reserve fund account for the designated municipal service category (per Section 4.1 of this By-Law) in relation to which the investment income applies.

12.0 REPORTING

12.1. The Treasurer shall prepare an annual financial statement for the development charges fund, as prescribed under Section 12 of *Ontario Regulation 82/98* and to submit the statement for Council's consideration and within 60 days thereafter, to submit such statement to the Minister of Municipal Affairs and Housing.

13.0 REFUNDS FOR BY-LAW AMENDMENT OR APPEAL

13.1. The municipality shall pay interest on a refund as per the provisions of the Act at a rate not less than the Bank of Canada rate in effect on the date this Development Charges By-Law comes into force and adjusted on the



first business day of July 2020 and then four times per year thereafter on the first business day of July, October, January and April.

14.0 EXEMPTIONS

14.1. Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to land that is owned by and used for purposes of:

- (a) Tay Valley Township, or any local board thereof;
- (b) a board of education as defined in subsection 1(1) of the *Education Act*; and
- (c) the Corporation of the County of Lanark, or any local board thereof.

14.2. Section 5 of this by-law shall not apply to that category of exempt development described in s.s. 2(3) of the Act, namely:

- (a) the enlargement of an existing dwelling unit;
- (b) the creation of one or two additional dwelling units in an existing single-detached dwelling, provided the total gross floor area of the additional one or two units does not exceed the gross floor area of the existing dwelling unit; or
- (c) the creation of one additional dwelling unit in any other type of existing residential building, provided that:
 - (i) in the case of a semi-detached dwelling, the gross floor area of the additional dwelling unit does not exceed the gross floor area of the existing dwelling unit already contained in the residential dwelling, and
 - (ii) in the case of all other types of existing residential buildings, the gross floor area of the additional dwelling unit does not exceed the gross floor area of the smallest existing dwelling unit already contained in the residential building.



- 14.3. Section 5 of this by-law shall not apply to that category of exempt development described in s.4 of the Act, and s.1 of *Ontario Regulation 82/98*, namely:
- (a) the enlargement of the gross floor area of an existing industrial building, if the gross floor area is enlarged by 50 percent or less;
 - (b) for the purpose of (a), the terms “gross floor area” and “existing industrial building” shall have the same meaning as those terms have in *Ontario Regulation 82/98* under the Act; and
 - (c) notwithstanding subsection (a), if the gross floor area is enlarged by more than 50 per cent, development charges shall be payable and collected and the amount payable shall be calculated in accordance with s.4(3) of the Act.
- 14.4. Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to:
- (a) green energy development with a rated generating capacity of 100 kW or less.

15.0 OTHER BY-LAWS AND REGULATIONS

- 15.1. Nothing in this By-Law shall exempt any person from complying with the requirements of any other By-Law, agreement or legislation in force.
- 15.2. If an owner or former owner has, before the coming into force of this development charges by-law, paid all or any portion of a charge related to development pursuant to an agreement under section 51 or 53 of the *Planning Act* or a predecessor thereof with respect to land within the area to which the by-law applies, the municipality shall give a credit for the amount of the charge paid.
- 15.3. If an owner or former owner has, before the coming into force of this development charges by-law, provided services in lieu of the payment of all or any portion of a charge related to development pursuant to an agreement under section 51 or 53 of the *Planning Act* or a predecessor thereof with respect to land within the area to which the by-law applies, the



municipality shall give a credit for an amount equal to the reasonable cost to the owner or to the former owner of providing the services.

- 15.4. Under this By-Law, the municipality may give a credit for work done against all or a portion of one or more services for which a development charge may be imposed and may allow the credit to be applied to a different service either at the time of entering into an agreement or afterwards, provided that the municipality has first agreed to allow a person to perform such work. However, no credit shall be given for any work that relates to an increase in the level of service that exceeds the ten (10) year average level of service as adopted by the municipality.
- 15.5. Any credit may only be used by the holder of the credit or the holder's agent and may not be transferred unless the holder and person to whom it is to be transferred have agreed in writing, and the municipality also agrees to the transfer and undertakes to transfer the paid credit or credits.
- 15.6. If a conflict exists between the provisions of this development charges by-law and an agreement referred to in Section 15.2 or 15.3, the provisions of the agreement prevail to the extent of the conflict.
- 15.7. If a conflict exists between the provisions of this development charges by-law and any other agreement between the municipality and an owner or former owner with respect to land within the area to which the by-law applies, the provisions of the agreement prevail to the extent that there is a conflict.

16.0 STANDARD OF SERVICES

- 16.1. The standards for services within the Corporation of Tay Valley Township shall be those as set out from time-to-time by Council and shall be the ten (10) year average level of service for any eligible service under the Act.

17.0 BY-LAW REGISTRATION

- 17.1. A certified copy of this By-Law may be registered on title to any land to which this By-Law applies and may be done at the sole discretion of the municipality.



18.0 SCHEDULES TO THE BY-LAW

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

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

Schedule “B” – Schedule of Development Charges

19.0 ULTRA VIRES

Should any sections of this by-law, including any section or part of any schedules attached hereto, be declared by a court of competent jurisdiction to be ultra vires, the remaining sections shall nevertheless remain valid and binding.

20.0 BY-LAWS TO BE REPEALED

THAT, By-Law No. 2014-052 and all previous By-Laws passed under the Act or its predecessor with respect to development charges are hereby repealed.

21.0 EFFECTIVE DATE

ENACTED AND PASSED this ____ day of December, 2019 for a term of five (5) years

Brian Campbell, Reeve

Amanda Mabo, Clerk



**THE CORPORATION OF TAY VALLEY TOWNSHIP
BY-LAW NO. 2019-____**

SCHEDULE “A”

Designated Municipal Services Under this By-law

Municipal-wide Services

1. Roads & Related
2. Fire Protection
3. Parks & Recreation
4. Library
5. Waste Diversion
6. Administration – Studies



**THE CORPORATION OF TAY VALLEY TOWNSHIP
BY-LAW NO. 2019-____**

SCHEDULE "B"

Schedule of Development Charges

Service	RESIDENTIAL				NON-RESIDENTIAL	GREEN ENERGY
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per sq.ft. of Gross Floor Area)	(per 500 kW generating capacity)
Municipal Wide Services:						
Roads & Related	\$ 2,165	\$ 1,377	\$ 1,299	\$ 1,737	\$ 1.06	\$ 2,165
Fire Protection	\$ 460	\$ 293	\$ 276	\$ 369	\$ 0.22	\$ 460
Parks & Recreation	\$ 680	\$ 433	\$ 408	\$ 546	\$ 0.20	\$ -
Library	\$ 55	\$ 35	\$ 33	\$ 44	\$ 0.02	\$ -
Waste Diversion	\$ 30	\$ 19	\$ 18	\$ 24	\$ 0.01	\$ -
Administration - Studies	\$ 213	\$ 135	\$ 128	\$ 171	\$ 0.10	\$ 213
Total Municipal Wide Services	\$ 3,603	\$ 2,292	\$ 2,162	\$ 2,891	\$ 1.61	\$ 2,838