



# 2022 Development Charges Background Study

Town of South Bruce Peninsula

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For Public Circulation and Comment

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# 1. Introduction

## 1.1 Background

The Town of South Bruce Peninsula (Town) imposes development charges (D.C.) to recover the increase in need for service arising from development. The basis for the calculation of the Town's current residential and non-residential D.C. is documented in the Town's development charges background study titled "Town of South Bruce Peninsula Township Development Charges Background Study" dated May 19, 2016. This D.C. Background Study provides the supporting documentation for the Town's D.C. By-law 75-2016. The D.C.s by municipal service and development type are summarized in Table 1-1.

Table 1-1  
Town of South Bruce Peninsula  
By-law 75-2016 Schedule of D.C.s

Service	Residential				Non-Residential
	Singles & Semi's	Retirement Subdivision	Townhomes	Apartments	per sq.ft.
<u>South Wiarton Service Area</u>					
Water	2,344	1,706	1,561	1,329	1.39
Sewage Treatment Plant	1,505	1,096	1,002	854	0.93
Sanitary Sewer	1,890	1,376	1,259	1,072	1.16
Roads	1,838	1,338	1,224	1,042	1.09
Administration	65	48	44	37	0.04
<b>Total</b>	<b>7,642</b>	<b>5,564</b>	<b>5,090</b>	<b>4,334</b>	<b>4.61</b>

Service	Residential				Non-Residential
	Singles & Semi's	Retirement Subdivision	Townhomes	Apartments	(per sq.ft.)
<u>Outside of South Wiarton Service Area</u>					
Water	5,125	3,731	3,413	2,906	4.90
Sewage Treatment Plant	1,505	1,096	1,002	854	0.93
Sanitary Sewer	3,683	2,681	2,452	2,088	2.99
Roads	-	-	-	-	-
Administration	65	48	44	37	0.04
<b>Total</b>	<b>10,378</b>	<b>7,556</b>	<b>6,911</b>	<b>5,885</b>	<b>8.86</b>

## 1.2 Existing Policies (Rules)

The following subsections set out the rules governing the calculation, payment, and collection of the D.C. as provided in By-law 75-2016, in accordance with the *Development Charges Act, 1997*, as amended (D.C.A.).



### **1.2.1 Payment in any Particular Case**

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

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

### **1.2.2 Determination of the Amount of the Charge**

The following conventions were adopted:

- a) Residential - The development charges set out shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed use building or structure, on the residential uses in the mixed use building or structure, according to the type of residential unit, and calculated with respect to each of the services according to the type of residential use.
- b) Non-Residential - The development charges set out shall be imposed on non-residential uses of lands, buildings or structures, and, in the case of a mixed use building or structure, on the non-residential uses in the mixed use building or structure, and calculated with respect to each of the services according to the total floor area of the non-residential use.





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

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

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

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

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

#### **Statutory exemptions**

- Industrial building additions of up to and including 50% of the existing G.F.A. (defined in O. Reg. 82/98, s.1) of the building; for industrial building additions which exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50% is subject to D.C.s (s. 4 (3));
- Buildings or structures owned by and used for the purposes of any Municipality, local board or Board of Education (s. 3); and
- Residential development that results in only the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units (based on prescribed limits set out in s. 2 of O. Reg. 82/98).

#### **Non-statutory exemptions**

- 50% reduction in the development charges for industrial, development; and
- Hospitals

### **1.2.5 Indexing**

D.C.s will be subject to mandatory indexing annually on the anniversary date of the by-law of each year, in accordance with provisions under the D.C.A.



### **1.2.6 By-law Duration**

The by-law will expire 5 years after it is adopted unless it is repealed by Council at an earlier date.

### **1.2.7 Date Charge Payable**

Development charges imposed under this by-law are calculated, payable, and collected upon issuance of a building permit with respect to each dwelling unit, building, or structure.

## **1.3 Changes to the D.C.A.: More Homes, More Choice Act and the COVID-19 Economic Recovery Act**

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On May 2, 2019, the Province introduced Bill 108 (*More Homes, More Choice Act*), which proposed 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 Assent, many of the amendments to the D.C.A. would not come into effect until they are proclaimed by the Lieutenant Governor. On January 1, 2020, the following provisions were proclaimed:

- A D.C. for rental housing and institutional developments will pay the charge in six equal annual installments, with the first payment commencing on the date of occupancy. A D.C. for non-profit housing developments will pay the charge in 21 equal annual installments. A municipality may charge interest on the installments. Any unpaid D.C. amounts may be added to the property and collected as taxes.
- The determination of the D.C. for all developments occurring within two years of a Site Plan or Zoning By-law Amendment planning approval shall be determined based on the D.C.s in effect on the date the planning application was submitted. These provisions only apply to Site Plan and Zoning By-law Amendment planning applications received on or after January 1, 2020. Developments arising from planning application approvals not fitting these criteria, or if the building permit arising from these planning approvals is issued two-years or more after the planning application approval, the D.C. is determined based on the provisions of the D.C. by-law.



In early 2020, the Province released Bill 197 (*COVID-19 Economic Recovery Act*), an omnibus bill amending numerous statutes, including the D.C.A. and *Planning Act*. This Bill also revised some of the proposed amendments included in the *More Homes, More Choice Act*. The *COVID-19 Economic Recovery Act* received Royal Assent on July 21, 2020 and was proclaimed on September 18, 2020. The following provides a summary of the additional changes to the D.C.A. that are now in effect:

### List of D.C. Eligible Services

The D.C.A. previously defined ineligible services for D.C.s. The amendments to the D.C.A. now defined the services that are eligible for inclusion in a D.C. by-law. These are summarized in section 1.5 herein.

### Removal of 10% Statutory Deduction

The D.C.A. previously required a 10% statutory deduction for all services not specifically identified in s.s. 5 (5) of the D.C.A. (i.e. soft services). This had the effect of categorizing D.C. eligible services into two groups, i.e. 90% D.C. recoverable services, and 100% D.C. recoverable services. The amendments to the D.C.A. remove the 10% statutory deduction for soft services.

### Classes of D.C. Services

As noted above the D.C.A. categorized services generally into two categories. The amended D.C.A. repeals these provisions and provides the following:

- A D.C. by-law may provide for any eligible service or capital cost related to any eligible service to be included in a class, set out in the by-law.
- A class may be composed of any number or combination of services and may include parts or portions of the eligible services or parts or portions of the capital costs in respect of those services.
- A D.C. by-law may provide for a class consisting of studies in respect of any eligible service whose capital costs are described in paragraphs 5 and 6 of s. 5 of the D.C.A.
- A class of service set out in the D.C. by-law is deemed to be a single service with respect to reserve funds, use of monies, and credits.





## Statutory Exemptions

The D.C.A. provides for statutory exemptions from payment of D.C.s where the development is creating additional residential dwelling units within prescribed classes of existing residential buildings or structures. This statutory exemption has been expanded to include secondary residential dwelling units, in prescribed classes, that are ancillary to existing residential buildings. Furthermore, additional statutory exemptions are provided for the creation of a second dwelling unit in prescribed classes of proposed new residential buildings, including structures ancillary to new dwellings.

## Transition

Services, other than those described in paragraphs 1 to 10 of subsection 2 (4) of the D.C.A. (i.e. soft services) within an existing D.C. by-law can remain in effect, even if the by-law expires, until the earlier of the day the by-law is repealed, the day the municipality passes a Community Benefits Charge by-law under subsection 37 (2) of the *Planning Act*, or the specified date. The specified date is September 18, 2022.

## **1.4 Other Legislative Changes**

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Bill 213, the *Better for People, Smarter for Business Act*, received Royal Assent on December 8, 2020. This Bill amended the *Ministry of Training, Colleges and Universities Act* to provide an exemption from the payment of D.C.s for universities. Specifically, the Act states:

“Land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education is exempt from development charges imposed under the *Development Charges Act*, 1997 if the development in respect of which development charges would otherwise be payable is intended to be occupied and used by the university.”

This statutory exemption to the payment of D.C.s came into effect on the December 8, 2020.



## 1.5 Development Charges Act (D.C.A.) Background Study Requirements

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The D.C.A. requires that a background study must be completed by Town Council before passing a D.C. by-law. The mandatory inclusions in such a study are set out in s.10 of the D.C.A. and in s.8 of O.Reg. 82/98, and are as follows:

- a) the estimates under paragraph 1 of subsection 5(1) of the anticipated amount, type and location of development;
- b) the calculations under paragraphs 2 to 8 of subsection 5(1) for each service to which the development charge by-law would relate;
- c) an examination, for each service to which the development charge by-law would relate, of the long-term capital and operating costs for capital infrastructure required for the service, as well as an asset management plan;
- d) the following for each service to which the development charge relates:
  1. The total of the estimated capital costs relating to the service.
  2. The allocation of the costs referred to in paragraph 1 between costs that would benefit new development and costs that would benefit existing development.
  3. The total of the estimated capital costs relating to the service that will be incurred during the term of the proposed development charge by-law.
  4. The allocation of the costs referred to in paragraph 3 between costs that would benefit new development and costs that would benefit existing development.
  5. The estimated and actual value of credits that are being carried forward relating to the service.” (O.Reg. 82/98 s.8)

A summary of key requirements of the D.C.A. is set out below.

1. Development Charge Background Study - requirements respecting the content of a D.C. Background Study are explicitly set out in the Act. Requirements include the identification of costs and growth estimates, an examination for each by-law service of the long-term capital, operating costs and asset management plan for capital infrastructure required, identification of costs to be incurred during the



term of the by-law, and various cost allocations. The study and proposed by-law must be made available to the public at least two weeks prior to the (first) public meeting and 60-days prior to by-law adoption.

2. Services Covered – The following services are eligible for inclusion in a D.C. By-law under the D.C.A.:

- Water supply services, including distribution and treatment services.
- Wastewater services, including sewers and treatment services.
- Storm water drainage and control services.
- Services related to a highway.
- Electrical power services.
- Toronto-York subway extension, as defined in subsection 5.1 (1).
- Transit services other than the Toronto-York subway extension.
- Waste diversion services.
- Policing services.
- Fire protection services.
- Ambulance services.
- Library Services.
- Long-term care services.
- Parks and recreation services (but not the acquisition of land for parks).
- Public health services.
- Childcare and early years services.
- Housing services.
- Provincial Offences Act Services.
- Services related to emergency preparedness.
- Services related to airports, but only in the Regional Municipality of Waterloo.

3. Subdivision Agreement Conditions - agreements may include “local services related to a plan of subdivision or within the area to which the plan relates”.

4. Capital Costs – the increase in the need for service attributable to the anticipated development be estimated, as well as the capital costs necessary to provide the increased service. The latter must be reduced by applicable capital grants, subsidies and other contributions. Also, “capital costs” may include authorized



costs incurred or proposed to be incurred by others on behalf of a municipality/local board, as well as those directly incurred. Capital costs which may potentially be included in the calculation include the capital component of the cost to lease an asset, the cost of related studies, interest on borrowing, and exclude computer equipment, and rolling stock with an estimated useful lifetime of six years or less.

5. Council Intentions - if a need for service is to be included in the calculation, Council must have indicated that it intends to ensure that such an increase in need will be met by including it in a Council-approved Official Plan, capital budget/forecast or similar expression of Council.
6. Service Standards – service standards are based upon the average level of service provided in the municipality over the 10-year period immediately preceding the preparation of the background study. In addition, the regulation requires that “...both the quality and quantity of a service shall be taken into account in determining the (average) level of service.” O.Reg. 206/04 specified that the determination of the quality of a service did not include any allowance for depreciation.

However, s.4(3) of O.Reg. 82/98 states that “if the average level of service determined is lower than the standard level of service required under another Act, the standard level of service required under the other Act may be deemed ... to be the average level of service.” This section applies particularly to water, wastewater and storm drainage, where Provincial Regulations often determine requirements.

With respect to transit services, the increase in need for services must be measured relative to the planned level of service over the 10-year forecast period, as opposed to the historic 10-year level of service measurement for other D.C. eligible services.

7. Excess Capacity - the recoverable service requirement must be reduced by the part that can be met using the municipality’s excess capacity, except for the excess capacity which Council expressed a clear intention, before or at the time the capacity was created, would be paid for by development charges or other similar charges.



8. Front Ending Agreements - agreements may include work done before, as well as after, the agreement is entered into. In addition, the work must be in an area subject to the D.C., non-party payments may be required at an earlier or later date than building permit issuance and may provide for “tiering” of the burden against subsequent participants, etc. Further, the Act restricts front-ending agreements to sanitary sewer, water, roads, and storm water management services.
9. Credits - a D.C. credit must be given where a “ ... municipality agrees to allow a person to perform work that relates to a service to which a D.C. by-law relates ...” Such credit is the reasonable cost of doing the work as agreed by the municipality and the landowner. Credit (or partial credit) may be given before the work is completed. It is a credit only in relation to the service to which the work relates and with respect to that part of the development charge that relates to the service. The credit may be transferred under defined conditions.
10. Prescribed Index - the regulation under the Act specifies the use of the Statistics Canada Non-residential Building Construction Price Index for Toronto for indexing purposes. (This catalogue has subsequently been renamed “Capital Expenditure Price Statistics.”)
11. Industrial Expansion Exemption - the Act provides for a mandatory D.C. exemption for enlargements to existing industrial buildings (as defined in the regulation) equal to 50% of the floor area of the existing building prior to the enlargement.
12. Cross Subsidization - a cost recovery shortfall from one type of development may not be made up through higher charges on other types of development.
13. D.C. Reserve Funds – reserve funds may be created so as to group services into categories, which are then deemed to be a single service in relation to the use of money from reserve funds and for credits.
14. D.C. Reserve Fund Draws - the D.C. reserve fund money may be spent only for capital costs as determined by the legislated method for calculating development charges.





15. D.C. Reserve Fund Borrowing – borrowing between D.C. reserve funds is permitted, subject to repayment of interest at the prescribed minimum rate.
16. Treasurer's Statement - requires information to be provided as to reserve fund continuity, borrowings from the fund, interest accrued thereon, repayment of borrowings, non-D.C. reserve fund spending on projects, as well as detailed accounting for credits and the source thereof.
17. Local Planning Appeal Tribunal (L.P.A.T.) Powers - the L.P.A.T. (formerly the Ontario Municipal Board) is not empowered to remove or reduce the scope of an exemption, to change the phasing in provisions to make the charge payable earlier, to increase the charge in any particular case or to change the by-law expiry date as approved by Council.
18. Regulations - the Lieutenant-Governor may make regulations as defined in the Act.

## **1.6 Purpose of this Document**

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This background study has been prepared pursuant to the requirements of the Development Charges Act, 1997 (s.10), and accordingly, recommends development charges and policies for the Town of South Bruce Peninsula. This D.C. Background Study, containing the proposed DC By-Law, will be distributed to members of the public in order to provide interested parties with sufficient background information on the legislation, the Study's recommendations and an outline of the basis for these recommendations.

This report has been prepared, in the first instance, to meet the statutory requirements applicable to the Town's DC Background Study, as summarized above. It also addresses the forecast amount, type and location of growth (Chapter 2), the increase in capital needs to accommodate the anticipated development and calculation of the charges (Chapters 3 and 4), the requirement for "rules" governing the imposition of the charges (Chapter 5) and the proposed by-law to be made available as part of the approval process (Appendix A).

In addition, the DC Background Study addresses the asset management plan and long-term capital and operating costs of the increase in need (Chapter 6) and post-adoption



implementation requirements (Chapter 7) which are critical to the successful application of the new policy.

This background study document will be released for public review and posted on the Town's website in accordance with provisions of the D.C.A., at least 60 days prior to the adoption of the new D.C. by-law. Moreover, notice of the Public Meeting will be advertised in accordance with the requirements of the D.C.A., i.e. 20 clear-days prior to the public meeting. The statutory public meeting will be held where a presentation will be made to the public regarding the recommendations of this study, and Council will receive oral and written comments on the matter. Council will consider the adoption of a new D.C. by-law at a Council meeting subsequent to the statutory public meeting.



## 2. Anticipated Development

### 2.1 Requirements of the Act

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Chapter 3 provides the methodology for calculating a development charge as per the Development Charges Act, 1997. Figure 3-1 presents this methodology graphically. It is noted in the first box of the schematic that in order to determine the development charge that may be imposed, it is a requirement of Section 5 (1) of the Development Charges Act that “the anticipated amount, type and location of development, for which development charges can be imposed, must be estimated.”

The growth forecast contained in this Chapter provides for the anticipated development for which the Town of South Bruce Peninsula will be required to provide services over a 2022-2031 time horizon. The anticipated development is forecast for the defined Wiarton Service Area (see Map 2-1). Within the Wiarton Service Area, the anticipated development requiring an increase in need for services have been identified in two separate sub-areas, i.e. the South Wiarton Service Area and the lands Outside of the South Wiarton Service Area. The following map identifies the Wiarton Service Area boundary and the South Wiarton Service Area.

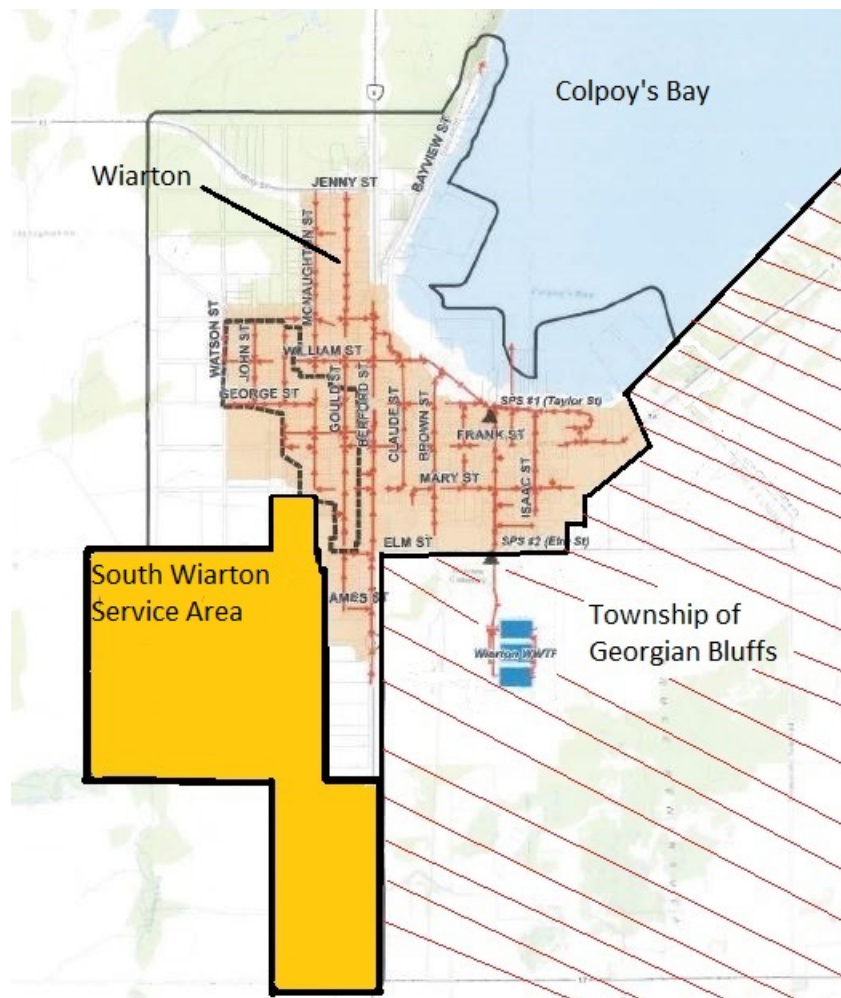
### 2.2 Anticipated Development for the Wiarton Service Area

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Town staff provided Watson with the available land supply for development within the defined Wiarton Service Area and sub-areas therein. This information was refined based on the “Town of South Bruce Peninsula 2015 Water, Wastewater and Stormwater Master Servicing Plan Study and Gould Street Sanitary Sewer Upgrade Class Environmental Assessment” prepared by GM BluePlan Engineering on November 6, 2015. The land will produce additional residential and non-residential development over the buildout term. This additional development will result in increased needs for services arising from net population growth and employee/customer growth.



Map 2-1  
Town of South Bruce Peninsula – Wiarion Service Area



Based on the available land supply, residential development was forecast and gross population estimates determined based on Statistics Canada occupancy data. Recognizing the decline in existing population over the forecast period, the net population growth was calculated for the forecast period to estimate the incremental increase in need for services. Similarly, the employment growth over the period was forecast by type (i.e. industrial, commercial, and institutional) based on available land supply and activity rates. Density assumptions were applied to the incremental employment growth to forecast the increase in non-residential gross floor area. Tables 2-1 and 2-2 summarize the residential and non-residential growth forecast, respectively, over the 2022-2031 period for the Wiarion Service Area, South Wiarion Service Area and the lands Outside of the South Wiarion Service Area.



Table 2-1  
Town of South Bruce Peninsula  
2022-2031 Residential Growth Forecast for the Wiarion Service Area

	Residential Dwelling Units			Total
	Singles & Semi Detached	Townhouse	Retirement Subdivision	
2022-2031 <u>Wiarion Service Area Dwelling Units</u>	158	22	1,156	1,336
Person Per Unit Occupancy	2.61	1.74	1.90	
2022-2031 Gross Population				2,647
Population Decline				(322)
2022-2031 Net Population				2,325
2022-2031 <u>South Wiarion Service Area Dwelling Units</u>	21	0	1,156	1,177
Person Per Unit Occupancy	2.61	1.74	1.90	
2022-2031 Gross Population				2,252
Population Decline				0
2022-2031 Net Population				2,252
2022-2031 <u>Outside of South Wiarion Service Area Dwelling Units</u>	137	22	0	159
Person Per Unit Occupancy	2.61	1.74	1.90	
2022-2031 Gross Population				395
Population Decline				(322)
2022-2031 Net Population				73





Table 2-2  
Town of South Bruce Peninsula  
2022-2031 Non-Residential Growth Forecast for the Wiarthon Service Area

	Non-Residential Development			Total
	Industrial	Commercial	Institutional	
2022-2031 <u>Wiarthon Service Area</u> Gross Floor Area (sq.ft.)	146,000	137,600	164,500	448,100
Sq.ft. per Employee	1,000	400	700	
2022-2031 Employment				725
2022-2031 <u>South Wiarthon Service Area</u> Gross Floor Area (sq.ft.)	146,000	108,400	164,500	418,900
Sq.ft. per Employee	1,000	400	700	
2022-2031 Employment				652
2022-2031 <u>Outside of South Wiarthon Service Area</u> Gross Floor Area (sq.ft.)	0	29,200	0	29,200
Sq.ft. per Employee		400		
2022-2031 Employment				73



### 3. Increase in Needs to Accommodate the Anticipated Development

This chapter outlines the basis for calculating development charge eligible costs for the development charges to be applied on an area-specific basis for the Wiarnton Service Area. In each case, the required calculation process set out in s.5(1) paragraphs 2 to 8 in the DCA, 1997 was followed in determining D.C. eligible costs. This chapter evaluates the development-related capital requirements within the Wiarnton Service Area for various services over the 2022-2031 forecast period. Moreover, the capital needs have been allocated to the broader Wiarnton Service Area and smaller benefitting areas of the South Wiarnton Service Area and Outside of the South Wiarnton Service Area. The following subsections summarize the capital needs by service and the net DC recoverable capital 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 may 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.

#### 3.1 Water Services

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The water program is based on the Town's 2016 D.C. Background Study. The needs therein were initially based on the "Town of South Bruce Peninsula 2015 Water, Wastewater and Stormwater Master Servicing Plan Study and Gould Street Sanitary Sewer Upgrade Class Environmental Assessment" prepared by GM BluePlan Engineering on November 6, 2015. The capital cost estimates for the projects have been updated to reflect current cost estimates of the Town.

Table 3-1 summarizes the capital needs listing for the South Wiarnton Service Area, and Table 3-2 summarizes the needs for the area of Wiarnton that resides Outside of the South Wiarnton Service Area.

In aggregate for both service areas, the total gross capital cost estimates for water services amount to \$5.3 million. As infrastructure is being emplaced to benefit future development in the defined service areas no benefit-to-existing deduction has been provided. Accounting for current reserve fund balances of \$98,000, the net D.C.



**Table 3-1**  
**Town of South Bruce Peninsula**  
**Infrastructure Costs Included in the Development Charges Calculation**  
**for Water Services - South Warton Service Area**

Prj.No	Increased Service Needs Attributable to Anticipated Development  2022-2031	Project Description	Timing (year)	Gross Capital Cost Estimate (2021\$)	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 78%	Non- Residential Share 22%
W01	Gould St Watermain 1	1380 m - 250 mm watermain on Gould St from Division St to Ames St	2024-2025	2,160,000	-	2,160,000	-		2,160,000	1,684,800	475,200
W06	Dawson St Extension Watermain 6	297 m - 150 mm watermain on Dawson St Extension from Mary St to Elm St	2027	462,000	-	462,000	-		462,000	360,360	101,640
W07	Elm St Watermain 7	542 m - 200 mm watermain on Elm St from west of Gould St to west limit of South Lands development	2025	1,078,475	-	1,078,475	-		1,078,475	841,211	237,265
	<b>Total</b>			<b>3,700,475</b>	<b>-</b>	<b>3,700,475</b>	<b>-</b>	<b>-</b>	<b>3,700,475</b>	<b>2,886,371</b>	<b>814,105</b>





recoverable capital costs identified for inclusion in the calculation totals \$5.2 million. The majority of the net DC recoverable costs are attributable to development in the South Wiarnton Service Area representing \$3.7 million or 71% of the capital costs. Development Outside of the South Wiarnton Service Area net D.C. recoverable costs total approximately \$1.5 million. These costs have been allocated to residential and non-residential development based on forecast population growth to land based employment within the respective service areas over the forecast period.

## 3.2 Sanitary Sewer Services

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The sanitary sewer capital program is based on the Town's 2016 D.C. Background Study, with capital cost updates provided by Town staff. The capital program for sanitary sewer services includes an expansion of the Sewage Treatment Plant and the needs identified in the "Town of South Bruce Peninsula 2015 Water, Wastewater and Stormwater Master Servicing Plan Study and Gould Street Sanitary Sewer Upgrade Class Environmental Assessment" prepared by GM BluePlan Engineering on November 6, 2015. In addition to the projects in the 2016 D.C. Background Study, the Town has also identified additional sanitary sewer extension project for:

### Outside of South Wiarnton Service Area

- McNaughton Street and Future Extension Sanitary
- Frank Street Extension

### South Wiarnton Service Area

- Dawson Street Extension

Table 3-3 summarizes the capital needs listing for the South Wiarnton Service Area, Table 3-4 summarizes the needs for the area Outside of the South Wiarnton Service Area, and Table 3-5 includes the sewage treatment plant project that applies to all development with the broader Wiarnton Service Area.

In total, the gross capital cost estimates for the sanitary sewer services, including the sewage treatment plant expansion, amount to \$11.5 million. Approximately \$2.8 million has been deducted from the capital cost to account for the benefit to existing development within the inflow and infiltration program, and sewage pumping station





**Table 3-3**  
**Town of South Bruce Peninsula**  
**Infrastructure Costs Included in the Development Charges Calculation**  
**for Sanitary Sewer Services - South Warton Service Area**

Prj.No	Increased Service Needs Attributable to Anticipated Development  2022-2031	Project Description	Timing (year)	Gross Capital Cost Estimate (2021\$)	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 78%	Non-Residential Share 22%
WW05	South Lands Elm St Sanitary Sewer to SPS #3	662 m - 375 mm sanitary sewer on Elm Street, from west limit of Phase I South Lands development to SPS #3 at Dawson Street.	2026	795,000	-	795,000	-		795,000	620,100	174,900
WW9	Dawson Street Extension	Redirect San on Frank from McNaughton to Dawson	2027	924,000	-	924,000	-		924,000	720,720	203,280
	<b>Total</b>			<b>1,719,000</b>	<b>-</b>	<b>1,719,000</b>	<b>-</b>	<b>-</b>	<b>1,719,000</b>	<b>1,340,820</b>	<b>378,180</b>



Table 3-4  
Town of South Bruce Peninsula  
Infrastructure Costs Included in the Development Charges Calculation  
for Sanitary Sewer Services – Outside of South Warton Service Area

Prj.No	Increased Service Needs Attributable to Anticipated Development  2022-2031	Project Description	Timing (year)	Gross Capital Cost Estimate (2021\$)	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 84%	Non-Residential Share 16%
WW06	Long Term Inflow & Infiltration Reduction Program	Removal of extraneous flow connections to the sanitary sewer system identified through previous surveys. Program is recommended to be implemented from 2016 to 2026 at approximately \$100,000 per year.	2022-2031	1,000,000	-	1,000,000	556,498		443,502	372,542	70,960
WW07	Frank Street Sewer Extension	From #720 to 20M east of #854	2026	430,000	-	430,000	-		430,000	361,200	68,800
WW08	McNaughton Street Extension		2029	750,000	-	750,000	-		750,000	630,000	120,000
	Reserve Fund Adjustment								(115,559)	(97,070)	(18,489)
	<b>Total</b>			<b>2,180,000</b>	<b>-</b>	<b>2,180,000</b>	<b>556,498</b>	<b>-</b>	<b>1,507,943</b>	<b>1,266,672</b>	<b>241,271</b>



**Table 3-5**  
**Town of South Bruce Peninsula**  
**Infrastructure Costs Included in the Development Charges Calculation**  
**for Sanitary Sewer Services – Wiarton Service Area**

Prj.No	Increased Service Needs Attributable to Anticipated Development  2022-2031	Project Description	Timing (year)	Gross Capital Cost Estimate (2021\$)	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 78%	Non-Residential Share 22%
WW01	Wiarion STP - Unfunded Amount	Sewage Treatment Plant Expansion	2016	2,903,181	-	2,903,181	-		2,903,181	2,264,481	638,700
WW02	South Lands Pump Station #3	134 L/s Sewage Pumping Station at the corner of Elm Street and the future Dawson Street extension, servicing the future South Lands development and the existing west area. Location may vary depending on layout of development.	2024	3,350,000	-	3,350,000	1,864,268		1,485,732	1,158,871	326,861
WW03	Elm St Forcemain	452 m - 400 mm sanitary forcemain on Elm Street, from SPS#3 to east of Berford Street.	2025	780,000	-	780,000	-		780,000	608,400	171,600
WW04	Elm St Gravity Sewer to SPS #2	557 m - 450 mm sanitary sewer on Elm Street, from east of Berford Street to SPS #2 at Taylor Street.	2022	539,238	-	539,238	436,851		102,387	79,862	22,525
	<b>Total</b>			<b>7,572,419</b>	<b>-</b>	<b>7,572,419</b>	<b>2,301,119</b>	<b>-</b>	<b>5,271,300</b>	<b>4,111,614</b>	<b>1,159,686</b>



project. The total net D.C. recoverable capital cost included in the calculation of the charge is approximately \$8.5 million. Similar to the approach for water services, the attribution of the net DC recoverable costs by development type, i.e. residential to non-residential development, is provided on the same basis of incremental population to employment.

### **3.3 Services Related to a Highway**

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The Town has a current inventory of 386 kilometres (km) of roads providing have average quantitative level of service over the past 10 years of .05 km/capita, with a weighted average replacement value of approximately \$715,000 per km. This historic level of infrastructure investment equates to a per capita level of service of approximately \$33,300. The increase in capital needs have been determined to support growth in the Warton Service Area. When the current per capita level of service is applied to the forecast net population growth to 2031, a maximum DC-eligible cost that could be considered to meet the future increase in needs for service totals approximately \$77.5 million.

Review of the Town's roads needs to service the Warton Service Area for the forecast period totaled approximately \$8.2 million in gross capital costs, as summarized in Tables 3-6 and 3-7. These capital needs include various road reconstruction/urbanization projects on Elm Street, as well as extensions of Dawson Street and McNaughton Street. Approximately \$2.1 million has been deducted as a benefit to existing development through the resurfacing and replacement of existing infrastructure on Elm Street. As a result, approximately \$3.9 million in capital needs have been included in the DC calculation. The DC recoverable costs attributable to the South Warton Service Area total \$3.0 million and the Outside of South Warton Service Area \$0.9 million. The net growth-related costs for services related to a highway have been allocated between future residential and non-residential development on the basis of incremental population to employment growth over the forecast period within the respective service areas.



Table 3-6  
Town of South Bruce Peninsula  
Infrastructure Costs Included in the Development Charges Calculation  
for Services Related to a Highway – South Warton Service Area

Prj .No	Increased Service Needs Attributable to Anticipated Development  2022-2031	Timing (year)	Gross Capital Cost Estimate (2021\$)	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 78%	Non-Residential Share 22%
R1	Elm Street (Dawson St to Gould St)	2025	524,160	-	524,160	262,080		262,080	204,422	57,658
R2	Elm Street (West of Dawson St)	2025	374,400	-	374,400	187,200		187,200	146,016	41,184
R3	Elm Street (Berford St to Taylor St)	2022-2023	4,373,815	-	4,373,815	1,093,454	2,186,908	1,093,454	852,894	240,560
R4	Elm Street (Gould St to Berford St)	2025	262,080	-	262,080	131,040		131,040	102,211	28,829
R5	Elm Street (Watson St to Dawson St)	2025	542,880	-	542,880	271,440		271,440	211,723	59,717
R6	Elm Street (City Limits to Watson St)	2025	336,960	-	336,960	168,480		168,480	131,414	37,066
R7	Dawson Street (South of Franks St to Elm St)	2027	924,000	-	924,000	-		924,000	720,720	203,280
	<b>Total</b>		<b>7,338,295</b>	<b>-</b>	<b>7,338,295</b>	<b>2,113,694</b>	<b>2,186,908</b>	<b>3,037,694</b>	<b>2,369,401</b>	<b>668,293</b>





**Table 3-7**  
**Town of South Bruce Peninsula**  
**Infrastructure Costs Included in the Development Charges Calculation**  
**for Services Related to a Highway – Outside of South Warton Service Area**

Prj .No	Increased Service Needs Attributable to Anticipated Development  2022-2031	Timing (year)	Gross Capital Cost Estimate (2021\$)	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 84%	Non-Residential Share 16%
R8	McNaughton St Future Expansion	2029	860,000	-	860,000	-		860,000	722,400	137,600
	<b>Total</b>		<b>860,000</b>	<b>-</b>	<b>860,000</b>	<b>-</b>	<b>-</b>	<b>860,000</b>	<b>722,400</b>	<b>137,600</b>



### 3.4 Growth-Related Studies

Table 3-8 summarizes the growth-related studies for the Warton Service Area over the 10-year forecast period. The capital needs include the preparation of the 2022 D.C. Background Study and the legislated review in 2027 with the expiry of the D.C. by-law. The total capital costs are \$63,180, which has been allocated to anticipated development over the forecast period, deducting \$2,066 for current reserve fund balances. These costs have been allocated to the respective service areas based on the D.C. recoverable costs identified above.

Table 3-8  
Town of South Bruce Peninsula  
Infrastructure Costs Included in the Development Charges Calculation  
for Growth-Related Studies – Warton Service Area

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2021\$)	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	
	2022-2031							
1	Development Charges Study	2022	31,590	-	31,590	-		31,590
2	Development Charges Study	2027	31,590	-	31,590	-		31,590
	Reserve Fund Adjustment							(2,066)
	<b>Total</b>		<b>63,180</b>	<b>-</b>	<b>63,180</b>	<b>-</b>	<b>-</b>	<b>61,114</b>



## 4. D.C. Calculation and Schedule of Charges

Tables 4-1 through 4-3 calculate the area-specific development charges for the Warton Service Area, South Warton Service Area and Outside of the South Warton Service Area respectively. The charges will be imposed for Water Services, Sanitary Sewer Services, and Services Related to a Highway as identified in Chapter 3. The calculation for residential development is generated on a per capita basis, and is based upon four forms of housing types (single and semi-detached, retirement subdivision, townhouses and apartments). The non-residential development charge has been calculated on a per square foot of gross floor area basis for commercial, industrial and institutional development.

The DC eligible costs for each service component are provided in Chapter 3 for all municipal services, based on their proposed capital programs. For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible D.C. cost calculations are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units to calculate the development charge. With respect to non-residential development, the total costs have been divided by the anticipated development over the planning period to calculate a cost per sq.ft. of gross floor area.

Table 4-4 summarizes calculated maximum development charges that could be imposed by Council by residential dwelling type and non-residential gross floor area within the respective service areas. Table 4-5 compares the Town’s current D.C.s, current D.C.s indexed to 2022\$ and calculated charges per single detached unit and per sq.ft. of non-residential gross floor area.



Table 4-1  
Town of South Bruce Peninsula  
Warton Service Area D.C. Calculation

SERVICE/CLASS	2022\$ D.C.-Eligible Cost		2022\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
1. <u>Sanitary Services</u>				
1.1 Sanitary Sewer	4,111,614	1,159,686	4,068	2.60
<b>TOTAL</b>	<b>\$4,111,614</b>	<b>\$1,159,686</b>	<b>\$4,068</b>	<b>\$2.60</b>
Growth-Related Studies	\$14,280	\$4,028		
D.C.-Eligible Capital Cost	\$4,125,894	\$1,163,714		
Buildout Gross Population/GFA Growth (sq.ft.)	2,647	448,100		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$1,558.71</b>	<b>\$2.60</b>		
<b>By Residential Unit Type</b>	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	2.610	\$4,068		
Other Multiples	1.740	\$2,712		
Apartments	1.480	\$2,307		
Retirement Subdivision	1.900	\$2,962		

Table 4-2  
Town of South Bruce Peninsula  
South Warton Service Area D.C. Calculation

SERVICE/CLASS	2022\$ D.C.-Eligible Cost		2022\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
2. <u>Roads &amp; Related Services</u>				
2.1 Roads	2,369,401	668,293	2,756	1.60
3. <u>Sanitary Services</u>				
3.1 Sanitary Sewer	1,340,820	378,180	1,559	0.91
4. <u>Water Services</u>				
4.1 Watermain	2,886,371	814,105	3,357	1.95
<b>TOTAL</b>	<b>\$6,596,592</b>	<b>\$1,860,577</b>	<b>\$7,672</b>	<b>\$4.46</b>
Growth-Related Studies	\$22,910	\$6,462		
D.C.-Eligible Capital Cost	\$6,619,502	\$1,867,039		
Buildout Gross Population/GFA Growth (sq.ft.)	2,252	418,900		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$2,939.39</b>	<b>\$4.46</b>		
<b>By Residential Unit Type</b>	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	2.610	\$7,672		
Other Multiples	1.740	\$5,115		
Apartments	1.480	\$4,350		
Retirement Subdivision	1.900	\$5,585		



Table 4-3  
Town of South Bruce Peninsula  
Outside of South Warton Service Area D.C. Calculation

SERVICE/CLASS	2022\$ D.C.-Eligible Cost		2022\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
5. <u>Roads &amp; Related Services</u>				
5.1 Roads	722,400	137,600	4,790	4.73
6. <u>Sanitary Services</u>				
6.1 Sanitary Sewer	1,266,672	241,271	8,399	8.29
7. <u>Water Services</u>				
7.1 Watermain	1,260,339	240,064	8,357	8.25
<b>TOTAL</b>	<b>\$3,249,411</b>	<b>\$618,935</b>	<b>\$21,545</b>	<b>\$21.27</b>
Growth-Related Studies	\$11,285	\$2,150		
D.C.-Eligible Capital Cost	\$3,260,696	\$621,085		
Buildout Gross Population/GFA Growth (sq.ft.)	395	29,200		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$8,254.93</b>	<b>\$21.27</b>		
<b>By Residential Unit Type</b>				
	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	2.610	\$21,545		
Other Multiples	1.740	\$14,364		
Apartments	1.480	\$12,217		
Retirement Subdivision	1.900	\$15,684		

Table 4-4  
Town of South Bruce Peninsula  
Calculated Schedule of Development Charges

Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached	Other Multiples	Apartments	Retirement Subdivision	(per sq.ft. of Gross Floor Area)
<b>South Warton Service Area</b>					
Services Related to a Highway - South Warton Area	2,756	1,837	1,563	2,006	1.60
Sanitary Sewer - South Warton	1,559	1,040	884	1,135	0.91
Sanitary Sewer - Warton	4,068	2,712	2,307	2,961	2.60
Water - South Warton	3,357	2,238	1,904	2,444	1.95
<b>Total South Warton Service Area</b>	<b>11,740</b>	<b>7,827</b>	<b>6,657</b>	<b>8,546</b>	<b>7.06</b>
<b>Outside South Warton Service Area</b>					
Services Related to a Highway - Outside of South Warton Area	4,790	3,193	2,716	3,487	4.73
Sanitary Sewer - Outside of Warton	8,399	5,599	4,762	6,114	8.29
Sanitary Sewer - Warton	4,068	2,712	2,307	2,961	2.60
Water - Outside of South Warton	8,357	5,571	4,739	6,083	8.25
<b>Total Outside South Warton Service Area</b>	<b>25,613</b>	<b>17,075</b>	<b>14,524</b>	<b>18,645</b>	<b>23.87</b>



Table 4-5  
Town of South Bruce Peninsula  
Comparison of Current and Calculated Schedule of Development Charges

Service/Class of Service	Residential (per Single Detached Unit)		
	2016 By-law	2022 Indexed	Calculated
<b>South Wiarnton Service Area</b>			
Services Related to a Highway - South Wiarnton Area	1,838	2,203	2,756
Sanitary Sewer - South Wiarnton	1,890	2,265	1,559
Sanitary Sewer - Wiarnton	1,505	1,803	4,068
Water - South Wiarnton	2,344	2,809	3,357
Administration	65	78	-
<b>Total South Wiarnton Service Area</b>	<b>7,642</b>	<b>9,158</b>	<b>11,740</b>
<b>Outside South Wiarnton Service Area</b>			
Services Related to a Highway - Outside of South Wiarnton Area	-	-	4,790
Sanitary Sewer - Outside of Wiarnton	3,683	4,413	8,399
Sanitary Sewer - Wiarnton	1,505	1,803	4,068
Water - Outside of South Wiarnton	5,125	6,141	8,357
Administration	65	78	-
<b>Total Area Specific Services</b>	<b>10,378</b>	<b>12,436</b>	<b>25,613</b>

Service/Class of Service	Non-Residential (per sq.ft. of Gross Floor Area)		
	2016 By-law	2022 Indexed	Calculated
<b>South Wiarnton Service Area</b>			
Services Related to a Highway - South Wiarnton Area	1.09	1.31	1.60
Sanitary Sewer - South Wiarnton	1.16	1.39	0.91
Sanitary Sewer - Wiarnton	0.93	1.11	2.60
Water - South Wiarnton	1.39	1.67	1.95
Administration	0.04	0.05	-
<b>Total South Wiarnton Service Area</b>	<b>4.61</b>	<b>5.52</b>	<b>7.06</b>
<b>Outside South Wiarnton Service Area</b>			
Services Related to a Highway - Outside of South Wiarnton Area	-	-	4.73
Sanitary Sewer - Outside of Wiarnton	2.99	3.58	8.29
Sanitary Sewer - Wiarnton	0.93	1.11	2.60
Water - Outside of South Wiarnton	4.90	5.87	8.25
Administration	0.04	0.05	-
<b>Total Area Specific Services</b>	<b>8.86</b>	<b>10.62</b>	<b>23.87</b>



## 5. D.C. Policy Recommendations and D.C. By-law Rules

### 5.1 Introduction

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s.s.5(1)9 states that rules must be developed:

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

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

s.s.5(6) establishes the following restrictions on the rules:

- the total of all development charges that would be imposed on anticipated development must not exceed the capital costs determined under 5(1) 2-8 for all services involved;
- if the rules expressly identify a type of development, they must not provide for it to pay development charges that exceed the capital costs that arise from the increase in the need for service for that type of development. However, this requirement does not relate to any particular development;
- if the rules provide for a type of development to have a lower development charge than is allowed, the rules for determining development charges may not provide for any resulting shortfall to be made up via other development.

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

The rules provided are based on the Town’s existing policies however, these may be refined by Council prior to adoption of the by-law.





## 5.2 By-Law Structure

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It is recommended that:

- the Town impose an area-specific development charge for the South Warton Service Area and Outside of the South Warton Services for Water Services, Sanitary Sewer Services and Services Related to a Highway; and
- one municipal development charge by-law be used for the imposition of all development charges.

## 5.3 Development Charge By-Law Rules

---

The following subsections set out the recommended rules governing the calculation, payment and collection of development charges in accordance with Section 6 of the Development Charges Act, 1997.

It is recommended that the following sections provide the basis for the development charges:

### ***5.3.1 Payment in a Particular Case***

In accordance with the Development Charges Act, 1997, s.2(2), a development charge be calculated, payable and collected where the development requires one or more of the following:

- a) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the Planning Act;
- b) the approval of a minor variance under Section 45 of the Planning Act;
- c) a conveyance of land to which a by-law passed under section 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 50 of the Condominium Act; or
- g) the issuing of a building permit under the Building Code Act in relation to a building or structure.



### **5.3.2 Determination of the Amount of the Charge**

The following conventions be adopted:

- 1) Costs allocated to residential uses will be assigned to different types of residential units based on the average occupancy for each housing type constructed during the previous decade. Costs allocated to non-residential uses will be assigned to industrial, commercial and institutional uses based on the gross floor area constructed.
- 2) Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each municipal circumstance. These are summarized in Chapter 4 herein.

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

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

- 1) the number of dwelling units demolished/converted multiplied by the applicable residential development charge in place at the time the development charge is payable; and/or
- 2) the gross floor area of the building demolished/converted multiplied by the current non-residential development charge in place at the time the development charge is payable.

The demolition credit is allowed only if the land was improved by occupied structures, and if the demolition permit related to the site was issued, less than 60 months prior to the issuance of a building permit. The credit can, in no case, exceed the amount of development charges that would otherwise be payable.

### **5.3.4 Statutory Exemptions**

The amendments to the D.C.A. provide for the following additional statutory exemptions to the payment of D.C.s.

Residential intensification exemptions have been expanded to allow for the creation of additional dwelling units within ancillary structures to existing residential dwellings



without the payment of D.C.s. Section 2 (3) (b) of the D.C.A. provides that D.C.s are not payable for residential development that results only in the creation of up to two additional dwelling units in prescribed classes of existing residential buildings or prescribed structures ancillary to existing residential buildings, subject to the prescribed restrictions set out in section 2 (1) of O. Reg. 82/98 (see Table 5-1).

To provide additional clarity in interpreting the application of the exemptions under S.2(3)(b) of the D.C.A. it is proposed that an “existing residential building” is defined as:

- A residential building/dwelling, containing at least one dwelling unit, that existed on a parcel of land as of September 1, 2021 and which was not exempt from the payment of development charges pursuant to Section 2(3)(b) of the Act; or
- The first residential building/dwelling, containing at least one dwelling unit, constructed on a vacant parcel of land after September 1, 2021, and for which development charges were paid.

**Table 5-1**  
**Prescribed Classes of Existing Residential Buildings, Prescribed Additional Dwelling Units, and Restrictions**

Item	Name of Class of Existing Residential Building	Description of Class of Existing Residential Buildings	Maximum Number of Additional Dwelling Units	Restrictions
1	Existing single detached dwellings	Existing residential buildings, each of which contains a single dwelling unit, that are not attached to other buildings.	Two	The total gross floor area of the additional dwelling unit or units must be less than or equal to the gross floor area of the dwelling unit already in the building.
2	Existing semi-detached dwellings or row dwellings	Existing residential buildings, each of which contains a single dwelling unit, that have one or two vertical walls, but no other parts, attached to other buildings.	One	The gross floor area of the additional dwelling unit must be less than or equal to the gross floor area of the dwelling unit already in the building.
3	Existing rental residential buildings	Existing residential rental buildings, each of which contains four or more dwelling units.	Greater of one and 1% of the existing units in the building	None



Item	Name of Class of Existing Residential Building	Description of Class of Existing Residential Buildings	Maximum Number of Additional Dwelling Units	Restrictions
4	Other existing residential buildings	An existing residential building not in another class of residential building described in this table.	One	The gross floor area of the additional dwelling unit must be less than or equal to the gross floor area of the smallest dwelling unit already in the building.

The creation of a second dwelling unit in prescribed classes of proposed new residential buildings, including structures ancillary to dwellings are now also exempt from the payment of D.C.s, subject to the prescribed restrictions set out in section 2 (3) of O. Reg. 82/98 (see Table 5-2).

To provide additional clarity in interpreting the application of the exemption for a second dwelling that would be ancillary to a proposed new detached dwelling, semi-detached dwelling, or row dwelling, the proposed new principal dwelling and one ancillary dwelling unit must be located on parcel of land on which no other detached dwelling, semi-detached dwelling, or row dwelling would be located.

Table 5-2  
Prescribed Classes of Proposed New Residential Buildings, and Restrictions

Item	Name of Class of Proposed New Residential Buildings	Description of Class of Proposed New Residential Buildings	Restrictions
1	Proposed new detached dwellings	Proposed new residential buildings that would not be attached to other buildings and that are permitted to contain a second dwelling unit, that being either of the two dwelling units, if the units have the same gross floor area, or the smaller of the dwelling units.	The proposed new detached dwelling must only contain two dwelling units.  The proposed new detached dwelling must be located on a parcel of land on which no other detached dwelling, semi-detached dwelling or row dwelling would be located.



Item	Name of Class of Proposed New Residential Buildings	Description of Class of Proposed New Residential Buildings	Restrictions
2	Proposed new semi-detached dwellings or row dwellings	Proposed new residential buildings that would have one or two vertical walls, but no other parts, attached to other buildings and that are permitted to contain a second dwelling unit, that being either of the two dwelling units, if the units have the same gross floor area, or the smaller of the dwelling units.	<p>The proposed new semi-detached dwelling or row dwelling must only contain two dwelling units.</p> <p>The proposed new semi-detached dwelling or row dwelling must be located on a parcel of land on which no other detached dwelling, semi-detached dwelling or row dwelling would be located.</p>
3	Proposed new residential buildings that would be ancillary to a proposed new detached dwelling, semi-detached dwelling or row dwelling	Proposed new residential buildings that would be ancillary to a proposed new detached dwelling, semi-detached dwelling or row dwelling and that are permitted to contain a single dwelling unit.	<p>The proposed new detached dwelling, semi-detached dwelling or row dwelling, to which the proposed new residential building would be ancillary, must only contain one dwelling unit.</p> <p>The gross floor area of the dwelling unit in the proposed new residential building must be equal to or less than the gross floor area of the detached dwelling, semi-detached dwelling or row dwelling to which the proposed new residential building is ancillary.</p>

Bill 213, the *Better for People, Smarter for Business Act*, received Royal Assent on December 8, 2020. This Bill amended the *Ministry of Training, Colleges and Universities Act* to provide an exemption from the payment of D.C.s for universities. Specifically, the Act states:

“Land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education is exempt from development charges imposed under the *Development Charges Act*, 1997 if the development in respect of which development charges would otherwise be payable is intended to be occupied and used by the university.”



The Town's D.C. By-law will be updated through this process to include this statutory exemption which came into force on December 8, 2020.

### **5.3.5 Non-Statutory Exemptions**

Section 8.4 of the Town's current D.C. by-law provides for the non-statutory exemption of a 50% reduction in the development charges for industrial development, and full exemption for hospitals.

### **5.3.6 Phasing in**

No provisions for phasing in the development charge are provided in the proposed development charge by-law.

### **5.3.7 Timing of Collection**

The development charges for all services are payable upon issuance of a building permit for each dwelling unit, building or structure, subject to early or late payment agreements entered into by the Town and an owner under s.27 of the DCA, 1997. However, in accordance with the amended D.C.A.:

- D.C.s for rental housing and institutional developments will pay the charge in six equal annual installments, with the first payment commencing on the date of occupancy. A D.C. for non-profit housing developments will pay the charge in 21 equal annual installments. A municipality may charge interest on the installments. Any unpaid D.C. amounts may be added to the property and collected as taxes.
- The determination of the D.C. for all developments occurring within two years of a Site Plan or Zoning By-law Amendment planning approval shall be determined based on the D.C.s in effect on the date the planning application was submitted. These provisions only apply to Site Plan and Zoning By-law Amendment planning applications received on or after January 1, 2020. Developments arising from planning application approvals not fitting these criteria, or if the building permit arising from these planning approvals is issued two-years or more after the planning application approval, the D.C. is determined based on the provisions of the D.C. by-law.



### **5.3.8 Indexing**

All development charges will be subject to mandatory indexing annually on the anniversary date of the by-law, in accordance with provisions under the Development Charges Act.

## **5.4 Other Development Charge By-law Provisions**

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It is recommended that:

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

It is recommended that the Town's development charge collections be contributed into 7 separate reserve funds, including: Water Services; Sanitary Sewer Services; and Services Related to a Highway for each service area.

### **5.4.2 By-Law Inforce Date**

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

### **5.4.3 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).

### **5.4.4 Other Development Charge By-law Provisions**

It is recommended that Council:

“Approve the capital project listing set out in Chapter 3 of the Development Charges Background Study dated January 17, 2022, subject to further annual review during the capital budget process”;

“Approve the Development Charges Background Study dated January 17, 2022”;

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

“Approve the Development Charge By-law as set out in Appendix A.”



## 6. Asset Management Plan and Long-Term Capital and Operating Costs

The D.C.A. requires the background study to include an Asset Management Plan (A.M.P) related to new infrastructure. Section 10 (3) of the D.C.A. provides:

**The A.M.P. shall,**

- (a) deal with all assets whose capital costs are proposed to be funded under the development charge by-law;**
- (b) demonstrate that all the assets mentioned in clause (a) are financially sustainable over their full life cycle;**
- (c) contain any other information that is prescribed; and**
- (d) be prepared in the prescribed manner.**

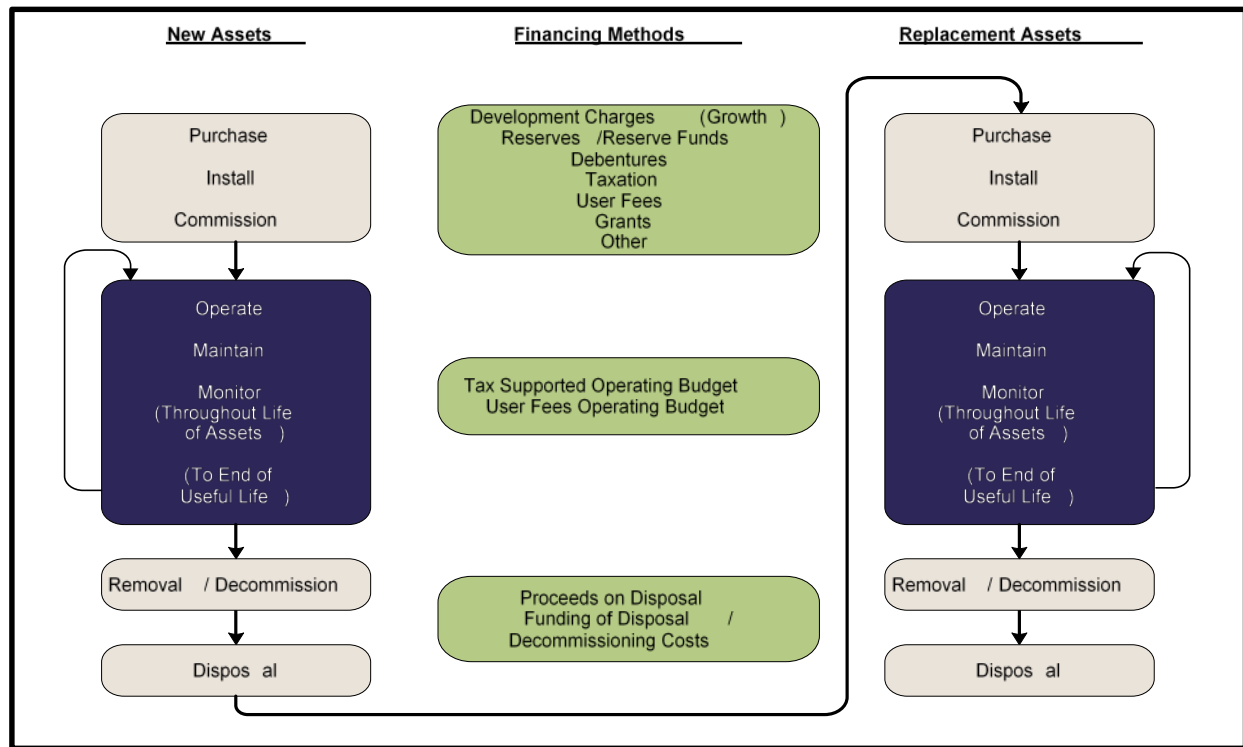
At a broad level, the A.M.P. provides for the long-term investment in an asset over its entire useful life along with the funding. The schematic below identifies the costs for an asset through its entire lifecycle. For growth-related works, the majority of capital costs will be funded by the D.C. Non-growth-related expenditures will then be funded from non-D.C. revenues as noted below. During the useful life of the asset, there will be minor maintenance costs to extend the life of the asset along with additional program related expenditures to provide the full services to the residents. At the end of the life of the asset, it will be replaced by non-D.C. financing sources.

In 2012, the Province developed Building Together: Guide for Municipal Asset Management Plans which outlines the key elements for an A.M.P., as follows:

**State of local infrastructure:** asset types, quantities, age, condition, financial accounting valuation and replacement cost valuation.

**Desired levels of service:** defines levels of service through performance measures and discusses any external trends or issues that may affect expected levels of service or the municipality's ability to meet them (for example, new accessibility standards, climate change impacts).





**Asset management strategy:** the asset management strategy is the set of planned actions that will seek to generate the desired levels of service in a sustainable way, while managing risk, at the lowest lifecycle cost.

**Financing strategy:** having a financial plan is critical for putting an A.M.P. into action. By having a strong financial plan, municipalities can also demonstrate that they have made a concerted effort to integrate the A.M.P. with financial planning and municipal budgeting, and are making full use of all available infrastructure financing tools.

The above provides for the general approach to be considered by Ontario municipalities. At this time, there is not a mandated approach for municipalities hence leaving discretion to individual municipalities as to how they plan for the long-term replacement of their assets.

In recognition to the schematic above, the Table 6-1 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 other financial resources (i.e. taxation, rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 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. The resultant total annualized expenditures are \$414,300.
5. Consideration was given to the potential new taxation and user fee revenues which will be generated as a result of new growth. These revenues will be available to finance the expenditures above. The new operating revenues are \$2 million.
6. In consideration of the above, the capital plan is deemed to be financially sustainable.

Table 5-1  
Town of South Bruce Peninsula  
Annual Incremental Operating and A.M.P. Costs Associated with D.C. Recoverable Needs

SERVICE/CLASS OF SERVICE	D.C. RECOVERABLE COSTS	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
<b>1. Warton Area Services</b>				
1.1 Sanitary Sewer	5,271,300	27,204	36,641	63,844
<b>2. South Warton Area Services</b>				
2.1 Roads	3,037,694	125,022	67,623	192,645
3.1 Sanitary Sewer	1,719,000	8,871	35,490	44,362
4.1 Watermain	3,700,475	19,097	40,908	60,005
<b>3. Outside South Warton Area Services</b>				
5.1 Roads	860,000	35,395	-	35,395
6.1 Sanitary Sewer	1,507,943	7,782	1,150	8,932
7.1 Watermain	1,500,403	7,743	1,326	9,069
<b>Total</b>	<b>17,596,815</b>	<b>231,113</b>	<b>183,138</b>	<b>414,252</b>



## 7. By-law Implementation

### 7.1 Public Consultation

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#### **7.1.1 Introduction**

This chapter addresses the mandatory, formal public consultation process (Section 7.1.2), as well as the optional, informal consultation process (Section 7.1.3). The latter is designed to seek the co-operation and involvement of those involved, in order to produce the most suitable policy. Section 7.1.4 addresses the anticipated impact of the development charge on development, from a generic viewpoint.

#### **7.1.2 Public Meeting of Council**

Section 12 of the DCA, 1997 indicates that before passing a development charge by-law, the background study must be made available on the municipality's website 60-days prior to the passage of the by-law. Also, Council must hold at least one public meeting, giving at least 20 clear days notice thereof, in accordance with the Regulation. Council must also ensure that the proposed by-law and background report are made available to the public at least two weeks prior to the (first) meeting.

Any person who attends such a meeting may make representations related to the proposed by-law.

If a proposed by-law is changed following such a meeting, the Council must determine whether a further meeting (under this section) is necessary (i.e. if the by-law which is proposed for adoption has been changed in any respect, the Council should formally consider whether an additional public meeting is required, incorporating this determination as part of the final by-law or associated resolution. It is noted that Council's decision, once made, is final and not subject to review by a Court or the OMB).

#### **7.1.3 Other Consultation Activity**

There are three broad groupings of the public who are generally the most concerned with municipal development charge policy:



1. The residential development community, consisting of land developers and builders, who are typically responsible for generating the majority of the development charge revenues. Others, such as realtors, are directly impacted by development charge policy. They are therefore potentially interested in all aspects of the charge, particularly the quantum by unit type, projects to be funded by the DC and the timing thereof, and municipal policy with respect to development agreements, DC credits and front-ending requirements.
2. The second public grouping embraces the public at large and includes taxpayer coalition groups and others interested in public policy (e.g. in encouraging a higher non-automobile modal split).
3. The third grouping is the industrial/commercial/institutional development sector, consisting of land developers and major owners or organizations with significant construction plans, such as hotels, entertainment complexes, shopping centres, offices, industrial buildings and institutions. Also involved are organizations such as Industry Associations, the Chamber of Commerce, the Board of Trade and the Economic Development Agencies, who are all potentially interested in municipal development charge policy. Their primary concern is frequently with the quantum of the charge, gross floor area exclusions such as basement, mechanical or indoor parking areas, or exemptions and phase-in or capping provisions in order to moderate the impact.

## **7.2 Anticipated Impact of the Charge on Development**

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The establishment of sound development charge policy often requires the achievement of an acceptable balance between two competing realities. The first is that high non-residential development charges can, to some degree, represent a barrier to increased economic activity and sustained industrial/commercial growth, particularly for capital intensive uses. Also, in many cases, increased residential development charges can ultimately be expected to be recovered via higher housing prices and can impact project feasibility in some cases (e.g. rental apartments).

On the other hand, development charges or other municipal capital funding sources need to be obtained in order to help ensure that the necessary infrastructure and amenities are installed. The timely installation of such works is a key initiative in



providing adequate service levels and in facilitating strong economic growth, investment and wealth generation.

## **7.3 Implementation Requirements**

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### **7.3.1 Introduction**

Once the municipality has calculated the charge, prepared the complete Background Study, carried out the public process and passed a new by-law, the emphasis shifts to implementation matters.

These include notices, potential appeals and complaints, credits, front-ending agreements, subdivision agreement conditions and finally the collection of revenues and funding of projects.

The following sections overview requirements in each case.

### **7.3.2 Notice of Passage**

In accordance with s.13 of the DCA, when a DC by-law is passed, the municipal clerk shall give written notice of the passing and of the last day for appealing the by-law (the day that is 40 days after the day it was passed). Such notice must be given not later than 20 days after the day the by-law is passed (i.e. as of the day of newspaper publication or the mailing of the notice).

Section 10 of O.Reg. 82/98 further defines the notice requirements which are summarized as follows:

- Notice may be given by publication in a newspaper which is (in the Clerk's opinion) of sufficient circulation to give the public reasonable notice, or by personal service, fax or mail to every owner of land in the area to which the by-law relates;
- s.s.10 (4) lists the persons/organizations who must be given notice;
- s.s.10 (5) lists the eight items which the notice must cover.

### **7.3.3 By-Law Pamphlet**

In addition to the “notice” information, the municipality must prepare a “pamphlet” explaining each development charge by-law in force, setting out:



- a description of the general purpose of the development charges;
- the “rules” for determining if a charge is payable in a particular case and for determining the amount of the charge;
- the services to which the development charges relate; and
- a general description of the general purpose of the Treasurer’s statement and where it may be received by the public.

Where a by-law is not appealed to the OMB, the pamphlet must be readied within 60 days after the by-law comes into force. Later dates apply to appealed by-laws.

The municipality must give one copy of the most recent pamphlet without charge, to any person who requests one.

### **7.3.4 Appeals**

Sections 13-19 of the DCA, 1997 set out requirements relative to making and processing of a DC by-law appeal and OMB Hearing in response to an appeal. Any person or organization may appeal a DC by-law to the OMB by filing with the municipal clerk a notice of appeal, setting out the objection to the by-law and the reasons supporting the objection. This must be done by the last day for appealing the by-law, which is 40 days after the by-law is passed.

### **7.3.5 Complaints**

A person required to pay a development charge, or his agent may complain to Municipal Council imposing the charge that:

- the amount of the charge was incorrectly determined;
- the credit to be used against the development charge was incorrectly determined; or
- there was an error in the application of the development charge.

Sections 20-25 of the DCA, 1997 set out the requirements that exist, including the fact that a complaint may not be made later than 90 days after a DC (or any part of it) is payable. A complainant may appeal the decision of Municipal Council to the OMB.



### **7.3.6 Credits**

Sections 38-41 of the DCA, 1997 set out a number of credit requirements, which apply where a municipality agrees to allow a person to perform work in the future that relates to a service in the DC by-law.

These credits would be used to reduce the amount of development charges to be paid. The value of the credit is limited to the reasonable cost of the work which does not exceed the average level of service. The credit applies only to the service to which the work relates, unless the municipality agrees to expand the credit to other services for which a development charge is payable.

### **7.3.7 Front-Ending Agreements**

The municipality and one or more landowners may enter into a front-ending agreement which provides for the costs of a project which will benefit an area in the municipality to which the DC by-law applies. Such an agreement can provide for the costs to be borne by one or more parties to the agreement who are, in turn, reimbursed in future, by persons who develop land defined in the agreement.

Part III of the DCA, 1997 (Sections 44-58) addresses front-ending agreements and removes some of the obstacles to their use which were contained in the DCA, 1989. Accordingly, the municipality assesses whether this mechanism is appropriate for its use, as part of funding projects prior to Municipal funds being available.

### **7.3.8 Severance and Subdivision Agreement Conditions**

Section 59 of the DCA, 1997 prevents a municipality from imposing directly or indirectly, a charge related to development or a requirement to construct a service related to development, by way of a condition or agreement under s.51 or s.53 of the Planning Act, except for:

- “local services, related to a plan of subdivision or within the area to which the plan relates, to be installed or paid for by the owner as a condition of approval under section 51 of the Planning Act;”
- “local services to be installed or paid for by the owner as a condition of approval under Section 53 of the Planning Act.”



It is also noted that s.s.59 (4) of the DCA, 1997 requires that the municipal approval authority for a draft plan of subdivision under s.s.51 (31) of the Planning Act, use its power to impose conditions to ensure that the first purchaser of newly subdivided land is informed of all the development charges related to the development, at the time the land is transferred.

In this regard, if the municipality in question is a commenting agency, in order to comply with subsection 59(4) of the Development Charges Act, 1997 it would need to provide to the approval authority, information regarding the applicable municipal development charges related to the site.

If the municipality is an approval authority for the purposes of section 51 of the Planning Act, it would be responsible to ensure that it collects information from all entities which can impose a development charge.

The most effective way to ensure that purchasers are aware of this condition would be to require it as a provision in a registered subdivision agreement, so that any purchaser of the property would be aware of the charges at the time the title was searched prior to closing a transaction conveying the lands.





# Appendix A

## Draft D.C. By-law



**THE CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA**

**BY-LAW NUMBER 2022-\_\_\_\_**

**A BY-LAW TO ESTABLISH DEVELOPMENT CHARGES**

**FOR THE CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA**

WHEREAS subsection 2(1) of the Development Charges Act, 1997 c. 27 (hereinafter called “the Act”) provides that the council of a municipality may pass By-laws for the imposition of development charges against land for increased capital costs required because of the need for services arising from development in the area to which the by-law applies;

AND WHEREAS the Council of The Corporation of the Town of South Bruce Peninsula (“Town”) has given Notice on \_\_\_\_\_, 2022 according to section 12 of the Development Charges Act, 1997, of its intention to pass a by-law under Section 2 of the said Act;

AND WHEREAS the Council of the Town has heard all persons who applied to be heard no matter whether in objection to, or in support of, the development charge proposal at a public meeting held on \_\_\_\_\_, 2022;

AND WHEREAS the Council of the Town had before it a report entitled Development Charge Background Study dated January 17, 2022 prepared by Watson & Associates Economists Ltd., wherein it is indicated that the development of any land within Wiarton Service Area of the Town will increase the need for services as defined herein;

AND WHEREAS the Council of the Town on \_\_\_\_\_, 2022 approved the applicable Development Charge Background Study, as amended, inclusive of the capital forecast therein, in which certain recommendations were made relating to the establishment of a development charge policy for the Town pursuant to the Development Charges Act, 1997;

AND WHEREAS the Council of the Town on \_\_\_\_\_, 2022 determined that no additional public meeting was required to be held as part of the approval process.



**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA ENACTS AS FOLLOWS:**

**DEFINITIONS**

In this by-law,

1. “Act” means the Development Charges Act, 1997, c. 27;
2. “accessory use” means where used to describe a use, building, or structure that the use, building or structure is naturally and normally incidental, subordinate in purpose of floor area or both, and exclusively devoted to a principal use, building or structure;
3. “apartment unit” means any residential unit within a building containing three or more dwelling units where access to each residential unit is obtained through a common entrance or entrances from the street level and the residential units are connected by an interior corridor;
4. “bedroom” means a habitable room larger than seven square metres, including a den, study, or other similar area, but does not include a living room, dining room or kitchen;
5. “board of education” means a board defined in s.s. 1(1) of the Education Act;
6. “Building Code Act” means the Building Code Act, 1992, S.O. 1992, c.23, as amended;
7. “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,
  - 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,
  - e. rolling stock with an estimated useful life of seven years or more,
    - i. furniture and equipment, other than computer equipment, and
    - ii. materials acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act, R.O. 1990, c. 57, and



to undertake studies in connection with any of the matters referred to in clauses a to d;

- f. to complete the development charge background study under Section 10 of the Act;
- g. interest on money borrowed to pay for costs in a to d;

required for provision of services designated in this by-law within or outside the municipality.

- 8. “commercial” means any use of land, structures or buildings for the purposes of buying or selling commodities and services, but does not include industrial or agricultural uses, but does include hotels, motels, motor inns and boarding, lodging and rooming houses;
- 9. “Council” means the Council of the Town of South Bruce Peninsula;
- 10. “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 the effect of increasing the size of usability thereof, and includes redevelopment;
- 11. “development charge” means a charge imposed pursuant to this By-law;
- 12. “dwelling unit” means any part of a building or structure used, designed or intended to be used as a domestic establishment in which one or more persons may sleep and are provided with culinary and sanitary facilities for their exclusive use;
- 13. “existing” means the number, use and size that existed as of the date this by-law was passed;
- 14. “Grade” means the average level of finished ground adjoining a building or structure at all exterior walls;
- 15. “gross floor area” means
  - a. in the case of a residential building or structure, the total area of all floors above grade of a dwelling unit measured between the outside surfaces of exterior walls or between the outside surfaces of exterior walls and the centre line of party



walls dividing the dwelling unit from any other dwelling unit or other portion of a building; and

- b. in the case of a non-residential building or structure, or in the case of a mixed-use building or structure in respect of the non-residential portion thereof, the total area of all building floors above or below grade measured between the outside surfaces of the exterior walls, or between the outside surfaces of exterior walls and the centre line of party walls dividing a non-residential use and a residential use, except for:
  - i. a room or enclosed area within the building or structure above or below that is used exclusively for the accommodation of heating, cooling, ventilating, electrical, mechanical or telecommunications equipment that service the building;
  - ii. loading facilities above or below grade; and
  - iii. a part of the building or structure below grade that is used for the parking of motor vehicles or for storage or other accessory use;

16. “industrial” means lands, buildings or structures used or designed or intended for use for manufacturing, processing, fabricating or assembly of raw goods, warehousing or bulk storage of goods, and includes office uses and the sale of commodities to the general public where such uses are accessory to an industrial use, but does not include the sale of commodities to the general public through a warehouse club;

17. “institutional” means land, buildings, structures or any part thereof used by any organization, group or association for promotion of charitable, educational or benevolent objectives and not for profit or gain;

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

19. “local services” means those services, facilities or things which are under the jurisdiction of the Town of South Bruce Peninsula 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, as amended, or any successor thereof;

20. “Municipality” means The Corporation of the Town of South Bruce Peninsula;
21. “non-residential use” means a building or structure of any kind whatsoever used, designed or intended to be used for other than a residential use;
22. “Official Plan” means the Official Plan adopted for the municipality, as amended and approved;
23. “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;
24. “Planning Act” means the Planning Act, 1990, R.S.O. 1990, c.P.13, as amended;
25. “rate” means the interest rate established weekly by the Bank of Canada based on Treasury Bills having a term of 91 days;
26. “regulation” means any regulation made pursuant to the Act;
27. “residential dwelling” means a building, occupied or capable of being occupied as a home, residence or sleeping place by one or more persons, containing one or more dwelling units but not including motels, hotels, tents, truck campers, tourist trailers, mobile camper trailers or boarding, lodging or rooming houses;
28. “residential use” means the use of a building or structure or portion thereof for one or more dwelling units. This also includes a dwelling unit on land that is used for an agricultural use;
29. “row dwelling” means a building containing three or more attached dwelling units in a single row, each of which dwelling units has an independent entrance from the outside and is vertically separated from any abutting dwelling unit;
30. “semi-detached dwelling” means a dwelling unit in a residential building consisting of two dwelling units having one vertical wall or one horizontal wall, but not other parts, attached or another dwelling unit where the residential unit are not connected by an interior corridor;



31. “service” means a service designed in Schedule “A” to this By-law, and “services” shall have a corresponding meaning;
32. “service area” means an area defined by map, plan or legal description in a front-ending agreement as an area that will receive a benefit from the construction of a service;
33. “servicing agreement” means an agreement between a landowner and the Municipality relative to the provision of municipal services to specified land within the Municipality;
34. “Single detached dwelling” means a completely detached building containing only one dwelling unit.
35. “townhouse dwellings” means all dwellings other than single-detached, semi-detached and apartment unit dwellings;
36. “Zoning By-Law” means the Zoning By-Law of the Municipality or any successor thereof passed pursuant to Section 34 of the Planning Act, S.O. 1998.

### **DESIGNATION OF SERVICES**

- 2.1 The categories of services for which development charges are imposed under this By-law are as follows:
  - a. Water Services;
  - b. Sanitary Sewer Services; and
  - c. Services Related to a Highway.

### **APPLICATION OF BY-LAW RULES**

- 3.1 Development charges shall be payable in the amounts set out in this By-law where:
  - a. the lands are located in the area described in section 3.2; and
  - b. the development of the lands requires any of the approvals set out in subsection 3.4(a).



### Area to Which By-law Applies

- 3.2 Subject to section 3.3, this By-law applies to all lands within the defined areas of the Warton Service Area, South Warton Service Area and Outside of the South Warton Service Area, as defined in Schedules “C”, in the Town of South Bruce Peninsula whether or not the land or use thereof is exempt from taxation under s. 13 or the Assessment Act.
- 3.3. Notwithstanding clause 3.2 above, this by-law shall not apply to lands that are owned by and used for the purposes of:
- a. the County of Bruce;
  - b. the Town of South Bruce Peninsula or a local board thereof; or
  - c. a board of education;

### Approvals for Development

- 3.4 a. Development charges shall be imposed on all lands, buildings or structures that are developed for residential or non-residential uses if the development requires:
- i. the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the Planning Act;
  - ii. the approval of a minor variance under section 45 of the Planning Act;
  - iii. a conveyance of land to which a by-law passed under subsection 50(7) of the Planning Act applies;
  - iv. the approval of a plan of subdivision under section 51 of the Planning Act;
  - v. a consent under section 53 of the Planning Act;
  - vi. the approval of a description under section 50 of the Condominium Act, R.S.O. 1990, Chap. C.26, as amended, or any successor thereof; or
  - vii. the issuing of a permit under the Building Code Act in relation to a building or structure.
- b. No more than one development charge for each service designated in subsection 2.1 shall be imposed upon any lands, buildings or structures to which this By-law applies even though two or more of the actions described in subsection 3.4(a) are required before the lands, buildings or structures can be developed.





- c. Despite subsection 3.4b, if two or more of the actions described in subsection 3.4a occur at different times, additional development charges shall be imposed if the subsequent action has the effect of increasing the need for services.

### Exemptions

- 3.5 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;
- 3.6 Notwithstanding section 3.5(b), 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.
- 3.7 Notwithstanding section 3.5, development charges shall be imposed if the additional unit has a gross floor area greater than:
  - i. in the case of a semi-detached or row dwelling, the gross floor area of the existing dwelling unit; and
  - ii. in the case of any other residential building, the gross floor area of the smallest dwelling unit contained in the residential building.
- 3.8 Exemption for Industrial Development:
  - 3.8.1 Notwithstanding any other provision of this by-law, no development charge is payable with respect to an enlargement of the gross floor area of an existing industrial building where the gross floor area is enlarged by 50 percent or less.
  - 3.8.2 If the gross floor area of an existing industrial building is enlarged by greater than 50 percent, the amount of the development charge payable in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:
    - 1. determine the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement;



2. divide the amount determined under subsection 1 by the amount of the enlargement
- 3.9 For the purpose of section 3.8 herein, “existing industrial building” is used as defined in the Regulation made pursuant to the Act.
- 3.10 Other Exemptions:
  - a. 50% reduction in the development charges for industrial, institutional and office development; and
  - b. Hospitals.

### Amount of Charges

#### Residential

- 3.11 The development charges set out in Schedule B for the lands set out in Schedule C shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed use building or structure, on the residential uses in the mixed use building or structure, 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

- 3.12 The development charges set out in Schedule B for the lands set out in Schedule C shall be imposed on non-residential uses of lands, buildings or structures, and, in the case of a mixed use building or structure, on the non-residential uses in the mixed use building or structure, and calculated with respect to each of the services according to the total floor area of the non-residential use.

### Reduction of Development Charges for Redevelopment

- 3.13 Despite any other provisions of this By-law, where, as a result of the redevelopment of land, a building or structure existing on the same land within 60 months prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another principal use on the same land, in order to facilitate



the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

- a. in the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under subsection 3.11 by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and
- b. in the case of a non-residential building or structure or, in the case of mixed-use building or structure, the non-residential uses in the mixed-use building or structure, an amount calculated by multiplying the greater of the applicable development charges under subsection 3.12;

provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

#### Time of Payment of Development Charges

- 3.14 Development charges imposed under this By-law are calculated, payable, and collected upon issuance of a building permit for the development.
- 3.15 Despite section 3.14, Council from time to time, and at any time, may enter into agreements providing for all or any part of a development charge to be paid before or after it would otherwise be payable, in accordance with section 27 of the Act.

#### **PAYMENT BY SERVICES**

- 4.1 Despite the payment required under subsections 3.11 and 3.12, Council may, by agreement, give a credit towards a development charge in exchange for work that relates to a service to which a development charge relates under this By-law.



## **INDEXING**

- 5.1 Development charges imposed pursuant to this By-law shall be adjusted annually, without amendment to this By-law, on the anniversary date of this by-law, in accordance with the prescribed index in the Act.

## **SCHEDULES**

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

Schedule A - Components of Services Designated in section 2.1

Schedule B - Residential and Non-Residential Development Charges

Schedule C - Warton Service Area

## **CONFLICTS**

- 7.1 Where the Town of South Bruce Peninsula 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 that there is a conflict.
- 7.2 Notwithstanding section 7.1, where a development which is the subject of an agreement to which section 7.1 applies, is subsequently the subject of one or more of the actions described in subsection 3.4(a), 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**

- 8.1 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.



**DATE BY-LAW IN FORCE**

9.1 This By-law shall come into effect at 12:01 AM on \_\_\_\_\_, 2022.

**DATE BY-LAW EXPIRES**

10.1 This By-law will expire at 12:01 AM on \_\_\_\_\_, 2027 unless it is repealed by Council at an earlier date.

PASSED THIS \_\_\_ day of \_\_\_\_\_, 2022.

Mayor

City Clerk



## **SCHEDULE “A” TO BY-LAW**

### **COMPONENTS OF SERVICES DESIGNATED IN SUBSECTION 2.1**

South Warton Service Area and Outside of the South Warton Service Area (Schedule C)

Water Services

Sanitary Sewer Services

Services Related to a Highway



## SCHEDULE “B” TO BY-LAW

### SCHEDULE OF DEVELOPMENT CHARGES

Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached	Other Multiples	Apartments	Retirement Subdivision	(per sq.ft. of Gross Floor Area)
<b>South Wiarthon Service Area</b>					
Services Related to a Highway - South Wiarthon Area	2,756	1,837	1,563	2,006	1.60
Sanitary Sewer - South Wiarthon	1,559	1,040	884	1,135	0.91
Sanitary Sewer - Wiarthon	4,068	2,712	2,307	2,961	2.60
Water - South Wiarthon	3,357	2,238	1,904	2,444	1.95
<b>Total South Wiarthon Service Area</b>	<b>11,740</b>	<b>7,827</b>	<b>6,657</b>	<b>8,546</b>	<b>7.06</b>
<b>Outside South Wiarthon Service Area</b>					
Services Related to a Highway - Outside of South Wiarthon Area	4,790	3,193	2,716	3,487	4.73
Sanitary Sewer - Outside of Wiarthon	8,399	5,599	4,762	6,114	8.29
Sanitary Sewer - Wiarthon	4,068	2,712	2,307	2,961	2.60
Water - Outside of South Wiarthon	8,357	5,571	4,739	6,083	8.25
<b>Total Outside South Wiarthon Service Area</b>	<b>25,613</b>	<b>17,075</b>	<b>14,524</b>	<b>18,645</b>	<b>23.87</b>



**SCHEDULE "C" TO BY-LAW**  
**WIARTON SERVICE AREA**

