



# 2024 Development Charge Background Study

Township of Melancthon

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For Public Circulation and Comment

May 16, 2024

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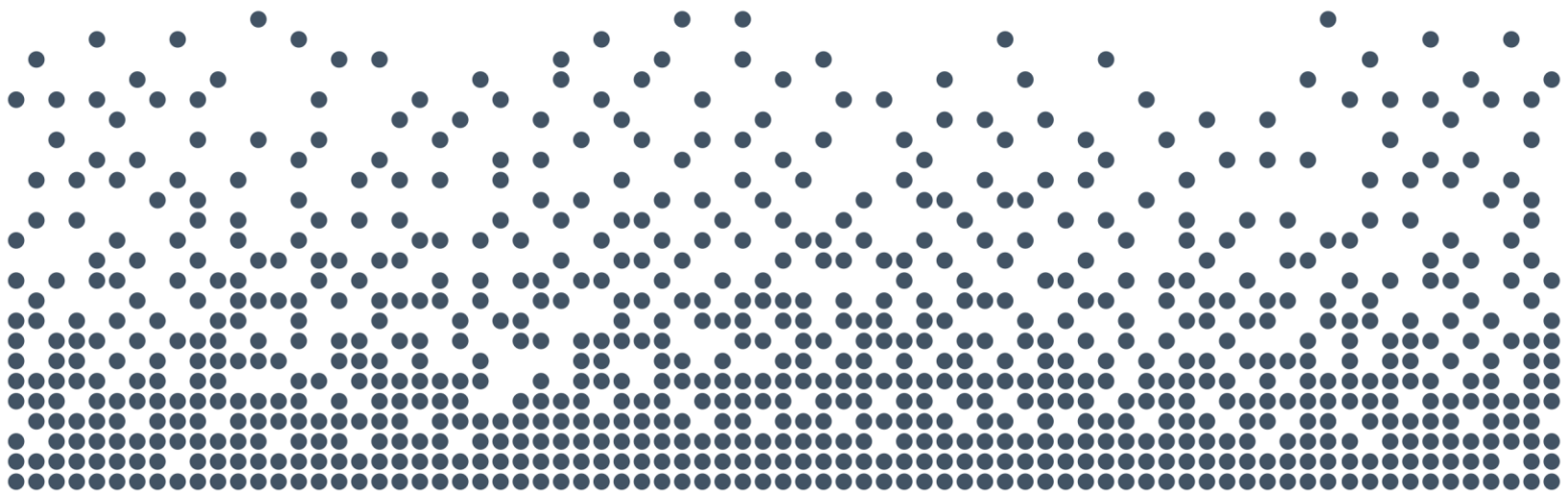
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## List of Acronyms and Abbreviations

<b>Acronym</b>	<b>Full Description of Acronym</b>
A.M.P.	Asset management plan
CANSIM	Canadian Socio-Economic Information Management System (Statistics Canada)
D.C.	Development charge
D.C.A.	Development Charges Act, 1997, as amended
F.I.R.	Financial Information Return
G.F.A.	Gross floor area
LPAT	Local Planning Appeal Tribunal
l.m	Linear Meters
N.F.P.O.W.	No fixed place of work
O.L.T.	Ontario Land Tribunal
O.P.A.	Official Plan Amendment
O. Reg.	Ontario Regulation
P.O.A.	Provincial Offences Act
P.P.U.	Persons per unit
S.D.U.	Single detached unit
S.W.M.	Stormwater management
sq.ft.	square foot
sq.m	square metre



# Executive Summary



# Executive Summary

(a) The report provided herein represents the Development Charges (D.C.) Background Study for the Township of Melancthon (Township) required by the Development *Charges Act, 1997*, as amended (D.C.A.). This report has been prepared in accordance with the methodology required under the D.C.A. The contents include the following:

- Chapter 1 – Introduction and overview of the legislative requirements of the D.C.A.;
- Chapter 2 – Review of the Township’s present D.C. policies;
- Chapter 3 – Summary of the anticipated residential and non-residential development for the Township;
- Chapter 4 – Approach to calculating the D.C.;
- Chapter 5 – Review of the historical level of service, increase in capital needs, identification of future capital costs to service the anticipated development, and related deductions and allocations;
- Chapter 6 – Calculation of the D.C.s;
- Chapter 7 – D.C. policy recommendations and rules; and
- Chapter 8 – By-law implementation.

(b) D.C.s provide for the recovery of growth-related capital expenditures from new development. The D.C.A. is the statutory basis to impose these charges. The methodology required to determine the charges is detailed in Chapter 4; a simplified summary is provided below.

- 1) Identify amount, type, and location of the anticipated development;
- 2) Identify the increase in need for service to accommodate growth;
- 3) Identify capital costs to provide services to meet the needs;
- 4) Deduct:
  - Grants, subsidies, and other contributions;
  - Benefit to existing development;
  - Amounts in excess of 15-year historical service calculation; and
  - D.C. reserve funds (where applicable);



- 5) Net capital costs are then allocated between residential and non-residential development types; and
  - 6) Net costs divided by the anticipated development to provide the D.C.
- (c) Subsequent to the passage of the Township's 2019 D.C. by-law (By-law 37-2019), a number of amendments to the D.C.A. have taken place. These changes have been incorporated throughout the report and in the draft by-law, as necessary. The legislative amendment to the D.C.A. include the following (details of each Act are provided in Chapter 1 of this report):
- Bill 108: More Homes, More Choice Act, 2019
  - Bill 138: Plan to Build Ontario Together Act, 2019
  - Bill 197: COVID-19 Economic Recovery Act, 2020
  - Bill 213: Better for People, Smarter for Business Act, 2020
  - Bill 109: More Homes for Everyone Act, 2022
  - Bill 23: More Homes Built Faster Act, 2022
  - Bill 97: Helping Homebuyers, Protecting Tenants Act, 2023
  - Bill 134: Affordable Homes and Good Jobs Act, 2023

A summary of some of the amendments are outlined below:

- Limiting D.C. eligible services;
- Historical level of service calculation extended to a 15-year average;
- Capital cost definition revised to remove studies, and prescribe services for which land or an interest in land will be restricted (no services currently prescribed);
- Mandatory phase-in of a D.C., as follows:
  - Year 1 – 80% of the maximum charge;
  - Year 2 – 85% of the maximum charge;
  - Year 3 – 90% of the maximum charge;
  - Year 4 – 95% of the maximum charge; and
  - Year 5 to expiry – 100% of the maximum charge;
- Annual installment payments for rental and institutional development, in six equal payments commencing at occupancy;





- D.C. amount for development occurring within two years of a site plan or zoning by-law amendment planning approval is determined based on the charges in effect on the date of planning application;
- Maximum interest rate for installments and the determination of D.C.s for eligible site plan and zoning by-law amendment applications set at the average prime rate plus 1%;
- D.C. exemptions for additional residential units (up to a third dwelling unit);
- Statutory D.C. exemptions for affordable units, attainable units, and affordable inclusionary zoning units;
- Statutory D.C. exemption for non-profit housing;
- Statutory D.C. exemption for universities receiving ongoing funding from the Province;
- Mandatory D.C. discount for rental housing, based on the number of bedrooms;
- Term of a D.C. by-law extended from 5 years to 10 years;
- Municipalities are required to spend or allocate at least 60% of their D.C. reserve fund at the beginning of the year for water, wastewater, and services related to a highway; and
- Additional requirements related to the annual D.C. reserve fund Treasurer's statement.

It is noted, that on April 10, 2024, Bill 185, the *Cutting Red Tape to Build More Homes Act, 2024*, was introduced, this Act proposes additional amendments to the D.C.A., including:

- Reinstate studies as an eligible capital cost;
- Remove the mandatory phase-in of charges within D.C. by-law;
- Allow minor amendments to D.C. by-laws concerning by-law expiry dates, removal of the mandatory phase-in, and inclusion of capital costs for studies;
- Reduce the time period governing the D.C. rate freeze for site plan and zoning by-law amendment planning applications; and
- Modernize D.C. public notice requirements.

If Bill 185 is not in effect at the time Council considers the new D.C. by-law through this process, then upon enactment, the Township intends to undertake



the minor D.C. by-law amendments to remove the mandatory phase-in of charges, and include the capital cost of growth-related studies, including the costs of D.C. background studies.

- (d) The growth forecast (provided in Chapter 3), summarized in Table ES-1, on which the D.C. is based, projects the following population, housing, and non-residential employment and associated gross floor area for the 10-year forecast period (mid-2024 to mid-2034).

**Table ES-1**  
**Township of Melancthon**  
**Summary of Anticipated Township-Wide Residential and Non-Residential Development**

<b>Measure</b>	<b>10 Year mid-2024 to mid-2034</b>
(Net) Population Increase	268
(Gross) Population Increase in New Households	318
Residential Unit Increase	98
Non-Residential Employment Increase	35
Non-Residential Gross Floor Area Increase (sq.ft.)	39,400

- (e) Table ES-2 includes a summary of the D.C. eligible capital costs for each eligible service arising from the anticipated development. These capital costs are provided in detail in Chapter 5. The D.C.A. requires that the background study include a summary of the gross and net capital costs to be incurred over the term of the by-law (i.e., 10-years) for existing and future development. This summary is provided by service in Table 6-3 of the D.C. Background Study.

In total, gross capital costs of approximately \$5.42 million are forecast for the 10-year by-law term. These capital costs have been identified through the Township's 10-year capital budget and forecast, the Roads Management Plan, discussions with Township staff. Additionally, for Fire Protection Services and Library Services, the capital program includes Melancthon's proportionate share of growth capital needs identified by the joint service boards. Approximately



\$670,000 in capital costs relate to the needs of growth beyond the forecast period. These costs are not included in the D.C. calculation and will be considered in future D.C. studies. Other deductions in the determination of the D.C. recoverable costs include:

- \$1.72 million related to the costs of services funded by other municipalities for shared services;
- \$1.41 million related to the portion of capital projects that will benefit the existing development; and
- \$50,000 in anticipated grants, subsidies, and other contributions towards the capital costs.

The resultant net D.C. recoverable costs included in the calculations totals \$1,577,024, of which \$1,434,554 is attributed to the forecast residential development and \$142,470 allocated to the forecast non-residential development.

ES-2  
Township of Melancthon  
Summary of Costs Anticipated During the Term of the By-law

Description	Value (2024\$)
Total gross expenditures planned over the next ten years	\$5,423,900
Less: benefit to existing development	\$1,410,276
Less: share of services to be funded by partner municipalities	\$1,717,600
Less: post planning period benefit	\$669,000
Less: grants, subsidies, and other contributions	\$50,000
<b>Net costs to be recovered from D.C.s. over the term of the by-law</b>	<b>\$1,577,024</b>

(f) At present, the Township imposes D.C.s on residential and non-residential developments in accordance with By-Law 37-2019. The Township is undertaking a D.C. public process and anticipates passing a new D.C. by-law for each service identified in the D.C. Background Study. The statutory public meeting has been



set for June 6, 2024, with adoption of the D.C. by-law anticipated for July 18, 2024.

This report provides the calculations of the residential and non-residential charges to recover the capital costs of the anticipated increase in need for services arising from the forecast development (summarized in Schedule ES-3). D.C.s for all of the services listed below are calculated on a uniform Township-wide basis for the 10-year forecast period (2024-2033):

- Services Related to a Highway;
- Fire Protection Services;
- Parks and Recreation Services; and
- Library Services.

- (g) Table ES-3 provides the calculated D.C.s for residential and non-residential developments by service.

The calculated D.C. for a single detached residential dwelling unit with 4 or more bedrooms within the Township is \$15,252. The calculated D.C. for non-residential development within the Township is \$3.61 per sq.ft. of gross floor area.

- (h) In addition to the calculated charges for the services identified above, Bill 185, the *Cutting Red Tape to Build More Homes Act, 2024* proposes to allow studies to be included as a capital cost eligible for recovery through D.C.s. As such, staff have reviewed the growth-related study needs for the 10-year forecast period, and a D.C. calculation has been undertaken in anticipation of the legislative change. The calculated D.C. for costs of growth studies would add \$606/unit to the proposed D.C.s for a single detached residential dwelling unit, and \$0.19/sq.ft. of GFA for non-residential development. If Bill 185 is enacted prior to Council's adoption of the D.C. by-law herein, these additional costs should be added to the charges and included in the proposed D.C. by-law for consideration.
- (i) At present, the D.C.A. requires that the charges in the by-law be phased-in over a 5-year period. The charges provided herein conform with the requirements of the D.C.A, however the phase-in may be removed prior to by-law consideration by Council if Bill 185, the *Cutting Red Tape to Build More Homes Act, 2024*, is enacted prior to the time of by-law passage.



Table ES-3  
Township of Melancthon  
Calculated Schedule of Development Charges

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Wind Trubines	(per sq.ft. of Gross Floor Area)
<b>Township-Wide Services/Class of Service:</b>						
Services Related to a Highway	5,458	4,764	3,572	1,776	5,458	1.77
Fire Protection Services	3,045	2,658	1,993	991	3,045	0.99
Parks and Recreation Services	6,448	5,628	4,220	2,098		0.81
Library Services	301	263	197	98		0.04
<b>Total Township-Wide Services</b>	<b>\$15,252</b>	<b>\$13,313</b>	<b>\$9,982</b>	<b>\$4,963</b>	<b>\$8,503</b>	<b>\$3.61</b>
<b>Township-Wide Class of Service*</b>						
Growth Studies	606	529	397	197		0.19
<b>Total Township-Wide Class of Service</b>	<b>\$606</b>	<b>\$529</b>	<b>\$397</b>	<b>\$197</b>	<b>\$0</b>	<b>\$0.19</b>
<b>Grand Total Township-Wide Services &amp; Class of Service</b>	<b>\$15,858</b>	<b>\$13,842</b>	<b>\$10,379</b>	<b>\$5,160</b>	<b>\$8,503</b>	<b>\$3.80</b>

\*Potential D.C. for Growth Studies to be considered if Bill 185 is enacted



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

Table ES-4  
Township of Melancthon  
Single-Detached Residential Dwelling Unit D.C. Comparison

Service/Class of Service	Current	Calculated
<b>Township-Wide Services:</b>		
Services Related to a Highway	2,688	5,458
Fire Protection Services	1,533	3,045
Policing Services	16	-
Parks and Recreation Services*	3,135	6,448
Library Services	244	301
<b>Total Township-Wide Services</b>	<b>\$7,616</b>	<b>\$15,252</b>
Growth Studies	2,146	606
<b>Total Township-Wide Services/Classes</b>	<b>\$9,762</b>	<b>\$15,858</b>

\* Includes both Indoor and Outdoor Recreation Services in current by-law.

Table ES-5  
Township of Melancthon  
Non-Residential D.C. Comparison per sq.ft. of Gross Floor Area

Service/Class of Service	Current	Calculated
<b>Township-Wide Services:</b>		
Services Related to a Highway	2.03	1.77
Fire Protection Services	1.14	0.99
Policing Services	0.01	-
Parks and Recreation Services*	0.87	0.81
Library Services	0.06	0.04
<b>Total Township-Wide Services</b>	<b>\$4.11</b>	<b>\$3.61</b>
Growth Studies	1.58	0.19
<b>Total Township-Wide Services/Classes</b>	<b>\$5.69</b>	<b>\$3.80</b>

\* Includes both Indoor and Outdoor Recreation Services in current by-law.

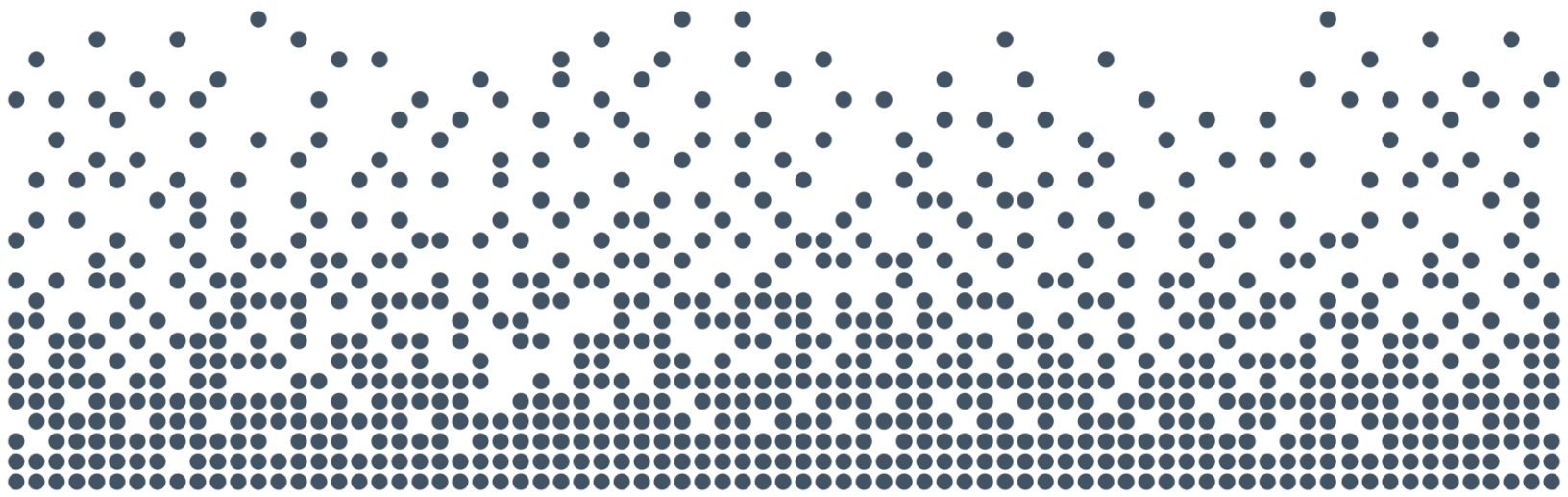
- (k) Chapter 7 herein, provides the D.C. by-law policy recommendations and rules that govern the imposition of the charges. Council will consider the findings and recommendations provided herein and, in conjunction with public input, approve



such policies and rates it deems appropriate. These directions will refine the draft D.C. by-law, which is appended in Appendix G. These decisions may include:

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

As the D.C.A. does not allow for any exempted or reduced amount to be made up through higher D.C.s from other development, any such decision would require the consideration of an alternative (i.e., non-D.C.) funding source provided by the Township.



# Report





# Chapter 1

## Introduction



# 1. Introduction

## 1.1 Purpose of this Document

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This background study has been prepared for public comment. The Township of Melancthon (Township) retained Watson & Associates Economists Ltd. (Watson), to undertake the D.C. background study and by-law process in 2024. This background study has been prepared pursuant to the requirements of the *Development Charges Act, 1997* (D.C.A.), as amended, and recommends new development charges (D.C.) and D.C. by-law policies for the Township.

This D.C. background study 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. Watson will continue to work with Township staff to further refine the background study (as required) based on public feedback, for the release of the final D.C. background study prior to the Council adoption of the by-law.

This report has been prepared, in the first instance, to meet the statutory requirements applicable to the Township's D.C. background study, as summarized in Chapter 4. Chapter 6 contains the calculated D.C.s based on the increase in need and capital costs of services identified in Chapter 5. It also addresses the requirement for "rules" outlining the implementation of the charge as contained in Chapter 7. Appendix G provides the proposed by-law to be made available to the public as part of the approval process.

The report also includes a summary of the Township's current D.C. rates and policies (Chapter 2) to provide a comparison with those being proposed. It further addresses post-by-law adoption implementation requirements (Chapter 8), which are critical to the successful application of the new by-law.

The chapters in the report are supported by appendices containing the data required to explain and substantiate the calculation of the charges.



## 1.2 Summary of the Process

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The public meeting required under section 12 of the *Development Charges Act, 1997*, as amended (D.C.A.), has been scheduled for June 6, 2024. Its purpose is to present the study to the public and to solicit public input. The meeting is also being held to answer any questions regarding the study's purpose, methodology and the proposed D.C. by-law.

In accordance with the legislation, the background study and proposed D.C. by-law will be available for public review on May 16, 2024.

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

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

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

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

Process Steps	Dates
Data collection, growth forecast development, staff review, engineering work, D.C. calculations and policy work	Late 2023 to Early 2024
Public release of final D.C. Background study and proposed by-law	May 16, 2024
Public meeting advertisement placed in newspaper(s)	By 21 Days prior to the Public Meeting
Public meeting of Council	June 6, 2024



Process Steps	Dates
Council considers adoption of background study and passage of by-law	July 18, 2024
Newspaper notice given of by-law passage	By 20 days after passage
Last day for by-law appeal	40 days after passage
Township makes pamphlet available (where by-law not appealed)	By 60 days after in force date

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

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

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

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

It is also noted that on April 10, 2024, the *Cutting Red Tape to Build More Homes Act, 2024* (Bill 185), was released and is currently in the legislative process. Section 1.3.9 provides further details of the proposed changes to the D.C.A. under the Bill.



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

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

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

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

The *Plan to Build Ontario Together Act, 2019* provided further amendments to the D.C.A. and Planning Act. This Act received Royal Assent on December 10, 2019. Proclamation resulted in the sections related to the D.C.A. (schedule 10) coming into effect on January 1, 2020. The amendments to the D.C.A. included the removal of instalment payments for commercial and industrial developments that were originally included in the *More Homes, More Choice Act, 2019*.

### **1.3.3 Bill 197: *COVID-19 Economic Recovery Act, 2020***

In response to the global pandemic that began affecting Ontario in early 2020, the Province released Bill 197, *COVID-19 Economic Recovery Act, 2020*, which provided



amendments to a number of statutes, including the D.C.A. and *Planning Act*. The *COVID-19 Economic Recovery Act, 2020* further revised some of the proposed changes identified in the *More Homes, More Choice Act, 2019* and *Plan to Build Ontario Together Act, 2019*. The *COVID-19 Economic Recovery Act, 2020* received Royal Assent on July 21, 2020, and was proclaimed on September 18, 2020. The following provides a summary of the amendments to the D.C.A.:

### 1.3.3.1 *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. The following summarizes the D.C. eligible services:

- 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;
- Waste diversion services;
- Policing services;
- Fire protection services;
- Ambulance services;
- Library Services;
- Long-term care services;
- Parks and recreation services (excluding the acquisition of land for parks);
- Public health services;
- Childcare and early years services;
- Housing services (Note that as per Bill 23, housing services are no longer eligible);
- Provincial Offences Act services;
- Services related to emergency preparedness;
- Services related to airports, but only in the Regional Municipality of Waterloo;  
and
- Additional services as prescribed.



### 1.3.3.2 *Classes of D.C. Services*

Prior to the amendments, the D.C.A. allowed for categories of services to be grouped together into a minimum of two categories, i.e., 90% services and 100% services. The amendments repealed these rules and replaced them with the following provisions:

- 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 as 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 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.

### 1.3.3.3 *Statutory Exemptions*

The D.C.A. provides for statutory exemptions from payment of D.C.s related to additional residential units, 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. Note, that further changes related to additional residential units have been made under the *More Homes Built Faster Act*, summarized below.

### 1.3.4 **Bill 213: *Better for People, Smarter for Business Act, 2020***

On December 8, 2020, the *Better for People, Smarter for Business Act, 2020* received Royal Assent. One of the changes of this Act amended the Ministry of Training, Colleges and Universities Act by exempting the developments of land intended for use by a university that receives operating funds from the Government from the payment of D.C.s. As a result, this mandatory exemption is included in the Township's draft D.C. by-law.



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

On April 14, 2022, the *More Homes for Everyone Act, 2022* received Royal Assent. One of the D.C.A. amendments, and O. Reg. 438/22, prescribed additional information to be included in the annual Treasurer's Statement on D.C. reserve funds and its publication. The following additional information must be provided for each service for which a D.C. is collected for during the year:

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

These requirements have been further amended to require that the annual Treasurer's Statement be made available to the public on the municipality's website, or in the municipal office.

### **1.3.6 Bill 23: *More Homes Built Fast Act, 2022***

The *More Homes Built Fast Act, 2022*, received Royal Assent on November 28, 2022. This Act amends several pieces of legislation including the *Planning Act* and the D.C.A. The following provides a summary of the amendments to the D.C.A.:

#### **1.3.6.1 *Additional Residential Unit Exemption***

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

- Exemption for residential units in existing rental residential buildings – For rental residential buildings with four or more residential units, the greater of one unit or 1% of the existing residential units will be exempt from D.C.
- Exemption for additional residential units in existing and new residential buildings – The following developments will be exempt from a D.C.:





- A second unit in a detached, semi-detached, or rowhouse if all buildings and ancillary structures cumulatively contain no more than one residential unit;
- A third unit in a detached, semi-detached, or rowhouse if no buildings or ancillary structures contain any residential units; and
- One residential unit in a building or structure ancillary to a detached, semi-detached, or rowhouse on a parcel of urban land, if the detached, semi-detached, or rowhouse contains no more than two residential units and no other buildings or ancillary structures contain any residential units.

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

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

### *1.3.6.3 New Statutory Exemptions for Affordable Units, Attainable Units, Inclusionary Zoning Units, and Non-Profit Housing developments*

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

- Affordable Rental Units: Where rent is no more than 80% of the average market rent as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing.
- Affordable Owned Units: Where the price of the unit is no more than 80% of the average purchase price as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing.
- Attainable Units: Excludes affordable units and rental units; will be defined as prescribed development or class of development and sold to a person who is at “arm’s length” from the seller.
  - Note: for affordable and attainable units, the municipality shall enter into an agreement that ensures the unit remains affordable or attainable for 25 years.
- Inclusionary Zoning Units: Affordable housing units required under inclusionary zoning by-laws are exempt from a D.C.
- Non-Profit Housing: Non-profit housing units are exempt from D.C.s and D.C. instalment payments due after November 28, 2022.



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

Prior to Royal Assent, the increase in need for service was limited by the average historical level of service calculated over the 10-year period preceding the preparation of the D.C. background study. This average is now extended to the historical 15-year period.

#### *1.3.6.5 Revised Definition of Capital Costs*

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

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

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

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

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

A D.C. by-law now expires ten years after the day it comes into force unless the by-law provides for an earlier expiry or repeal date. This extends the by-law's life from what used to be a maximum of five years.

#### *1.3.6.8 Installment Payments*

Non-profit housing development has been removed from the instalment payment section of the D.C.A. under Section 26.1, as these units are now exempt from the payment of a D.C.



### **1.3.6.9 Rental Housing Discount**

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

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

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

No maximum interest rate was previously prescribed, which allowed municipalities to choose the interest rate to impose. As per Bill 23, the maximum interest rate is set at the average prime rate plus 1%. This maximum interest rate provision would apply to all instalment payments and eligible site plan and zoning by-law amendment applications occurring after November 28, 2022.

### **1.3.6.11 Requirement to Allocate Funds Received**

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

## **1.3.7 Bill 97: Helping Homebuyers, Protecting Tenants Act, 2023**

The *Helping Homebuyers, Protecting Tenants Act* (Bill 97) received Royal Assent on June 8, 2023. This bill extends the mandatory exemption from payment of D.C.s for additional residential units in new residential buildings or in existing houses to all lands versus just urban lands.

## **1.3.8 Bill 134: Affordable Homes and Good Jobs Act, 2023**

The exemption for affordable residential units was included in the *More Homes Built Faster Act, 2022* (Bill 23), enacted by the Province on November 28, 2022. Under this legislation, affordable residential units were defined within subsection 4.1 of the D.C.A. and exemptions for D.C.s were provided in respect of this definition. While the



legislation was enacted in November 2022, the ability for municipalities to implement the exemptions required the Minister of Municipal Affairs and Housing to publish an “Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin.” This bulletin informs the average market rent, average purchase price, and average household income thresholds to be used in determining which developments qualify as affordable residential units. The bulletin was published by the Minister on May 1, 2024.

Bill 134 received Royal Assent on December 4, 2023 and provides for a modification to the affordable residential unit definition by:

- Introducing an income-based test for affordable rent and purchase price; and
- Increasing the threshold for the market test of affordable rent and purchase price.

This change provides the exemption based on the lesser of the two measures.

Moreover, the rules in subsection 4.1 of the D.C.A. are unchanged with respect to:

- The tenant and purchaser transacting the affordable unit being at arm’s length;
- The intent of maintaining the affordable residential unit definition for a 25-year period, requiring an agreement with the municipality (which may be registered on title); and
- Exemptions for attainable residential units and associated rules (requiring further regulations).

The following table provides the definition of affordable residential units as provided through Bill 134 (underlining added for emphasis).

Table 1-1  
Definition of Affordable Residential Units

Item	Bill 134 Definition (as per D.C.A.)
Affordable residential unit rent (subsection 4.1 (2), para. 1)	The rent is no greater than <u>the lesser of</u> , <ol style="list-style-type: none"> <li>i. the <u>income-based affordable rent</u> for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (5), and</li> <li>ii. the <u>average market rent</u> identified for the residential unit set out in the Affordable Residential Units bulletin.</li> </ol>



Item	Bill 134 Definition (as per D.C.A.)
Average market rent/rent based on income (subsection 4.1 (5)) for the purposes of subsection 4.1 (2), para. 1	The Minister of Municipal Affairs and Housing shall, (a) determine the <u>income of a household</u> that, in the Minister's opinion, is <u>at the 60<sup>th</sup> percentile of gross annual incomes for renter households in the applicable local municipality</u> ; and (b) identify the <u>rent</u> that, in the Minister's opinion, is <u>equal to 30 per cent of the income of the household</u> referred to in clause (a).
Affordable residential unit ownership (subsection 4.1 (3), para. 1)	The price of the residential unit is no greater than <u>the lesser of</u> , i. the <u>income-based affordable purchase price</u> for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (6), and ii. <u>90 per cent of the average purchase price</u> identified for the residential unit set out in the Affordable Residential Units bulletin.
Average market purchase price/purchase price based on income (subsection 4.1 (6)) for the purposes of subsection 4.1 (3), para. 1	The Minister of Municipal Affairs and Housing shall, (a) determine the <u>income of a household</u> that, in the Minister's opinion, is <u>at the 60<sup>th</sup> percentile of gross annual incomes for households in the applicable local municipality</u> ; and (b) identify the <u>purchase price</u> that, in the Minister's opinion, <u>would result in annual accommodation costs equal to 30 per cent of the income of the household</u> referred to in clause (a)

As noted, the bulletin was release on May 1, 2024, which provides the information for the Township to measure against for determining the applicability of the exemption from the D.C. (as well as C.B.C. and Parkland requirements). The bulletin provides the following information is specific to the Township (it is noted that the Bulletin will be updated annually):

- For Affordable Ownership Units: the average household income provides the amount to be measured against, being \$416,800, as the 90% of average purchase prices is greater for all unit types, as follows:
  - Detached House: \$891,000
  - Semi-Detached House: \$603,000
  - Row/townhouse: \$639,000
  - Condominium Apartment \$531,000
- For Affordable Rental Units: the average rent based on household income would equal \$2,900 per month. The average market rent by unit type is lower than the



average household income and therefore, provides the amount to be measured against, being where monthly rent is lower than:

- For a bachelor unit: \$ 984
- For a 1-bedroom unit: \$1,285
- For a 2-bedroom unit: \$1,414
- For a unit with 3 or more bedrooms: \$1,543

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

On April 10, 2024, the Ontario Legislature released proposed changes to the D.C.A. which proposes the following changes:

- The removal of the mandatory phase-in for D.C. by-laws;
- A reduction to the D.C. rate freeze timelines for site plan and zoning by-law amendment applications, whereby the period between the building permit issuance and planning application approval is reduced to 18 months vs. two (2) years (note that the two (2) year timeline will still apply to applications received prior to Bill 185 receiving Royal Assent);
- The inclusion of studies as an eligible cost for services, including a D.C. background study;
- The ability to repeal a provision of the D.C. by-law specifying the date the by-law expires (subject to the 10-year by-law limitation provided in the D.C.A.);
- The ability to undertake minor D.C. by-law amendments for by-laws passed after November 28, 2022 and before Bill 185 takes effect, related to the inclusion of capital costs for studies and the removal of the mandatory D.C. phase-in; and
- Modernize D.C. public notice requirements to permit use of municipal websites where newspapers of general circulation are not available.

Bill 185 has not been enacted at the time of writing this D.C. Background Study. As such, the changes proposed in the Bill have been noted in the D.C. calculations but are not fully reflected in the draft D.C. by-law contained herein.



# Chapter 2

## Township of Melancthon

### Current D.C. Policy



## 2. Township of Melancthon Current D.C. Policy

### 2.1 Schedule of Charges

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On August 15, 2019, the Township passed By-law 37-2019 under the D.C.A. to impose D.C.s for residential and non-residential uses. The D.C. by-law is set to expire on August 15, 2024.

### 2.2 Services Covered

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The following services are covered under By-law 37-2019:

- Services Related to a Highway;
- Fire Protection Services;
- Policing Services;
- Administration Studies – Engineering & Protection Services;
- Indoor Recreation Services;
- Outdoor Recreation Services;
- Library Services; and
- Administration Studies – Community Based Services.

The by-law charges specific services based on the categorization of Engineering & Protection Services or Community Based Services. Within each categorization, the related services charge a D.C. on residential and non-residential developments, along with a D.C. charge to wind turbines.

Note: the changes to the D.C.A. under the *More Homes Built Faster Act, 2022* (Bill 23), eliminated studies as an eligible D.C. cost, however, with the proposed changes in the through the *Cutting Red Tape to Build More Homes Act, 2024* (Bill 185) proposes to reintroduce studies as an eligible D.C. cost. As such, studies have been identified and calculated herein (as a class of service). If the *Cutting Red Tape to Build More Homes Act, 2024* (Bill 185) is enacted prior to Council's consideration of the by-law, studies will be included in the schedule to the D.C.by-law.





## 2.3 Timing of D.C. Calculation and Payment

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The by-law indicates that D.C.s are calculated, payable, and collected upon issuance of a building permit for a particular development.

It is noted that the D.C. legislation has been amended since the passage of the by-law and D.C.s are now payable at the time of the first building permit issuance for most developments. Payments with respect to rental housing and institutional development pay their D.C.s over six (6) annual installments. Applications with respect to a site plan or zoning by-law amendment have their D.C. determined at the rates in effect at the time of planning application if the building permit for the proposed development is issued within two (2) years of planning application approval. The provisions of the D.C.A. override the provisions of the current by-law.

## 2.4 Approvals for Development

---

The D.C.s shall be imposed on all lands, buildings, or structures that are developed for residential or non-residential uses if the development requires:

- The passing of a zoning by-law or an amendment thereto;
- The approval of a minor variance;
- A conveyance of land to which a by-law passed under Subsection 50(7) of the *Planning Act*;
- The approval of a plan of subdivision;
- A consent;
- The approval under the *Condominium Act*; or
- The issuance of a building permit.

## 2.5 Indexing

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D.C.s within the by-law are adjusted annually on January 1<sup>st</sup>, without amendment to the By-law, in accordance with the prescribed index in the D.C.A.



## 2.6 Redevelopment Allowance

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As a result of the redevelopment of land where a residential unit or units existed on a property prior to a period of not more than five years prior to an application for a building permit(s) for new residential dwellings on the same property. The new units are not subject to a development charge up to and including the original number of units that existed on the site within five years prior to the application for building permit(s) on the property. All units in excess of the original number are subject to the current development charge. In the case of a non-residential unit or mixed-use building, the D.C. payable is reduced by the D.C. rate and the total Gross Floor Area (G.F.A.) that have been or will be demolished or converted to another principal use.

## 2.7 Exemptions

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The following non-statutory exemptions are provided under By-law 37-2019:

- D.C.s are not imposed with respect to the portion of lands, buildings or structures used for worship in a place of worship, cemetery or burial ground which is exempt from taxation under section 3 of the *Assessment Act*, and
- D.C.s are not imposed on an agricultural use, including barns, silos, or other storage facilities for produce, livestock, or machinery and equipment used in connection with an existing agricultural operation, and other ancillary development to an agricultural use, but excludes a residential dwelling, an on-farm diversified use, a cannabis production facility, or greenhouse.

It is noted that statutory exemptions resulting from D.C.A. amendments as noted in Chapter 1, must also be witness by the Township even though they may not be currently reflected in the existing by-law.

## 2.8 Current Development Charges

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The Township's current D.C.s for residential and non-residential development are shown in Table 2-1, as per By-law 37-2019.



Table 2-1  
Township of Melancthon  
Current Schedule of D.C.  
As of January 1, 2024

Service/Class of Service	Residential				Non-Residential	
	Single & Semi Detached	Multiples	Apartments with >= 2 Bedrooms	Apartments with < 2 Bedrooms	Wind Trubines	Non-Res. per sq.ft. of G.F.A.
Services Related to a Highway	2,688	2,103	1,295	931	2,688	2.03
Fire Protection Services	1,533	1,199	738	530	1,533	1.14
Policing Services	16	11	8	5	-	0.01
Outdoor Recreation Services	77	61	39	26	-	0.02
Indoor Recreation Services	3,058	2,395	1,473	1,061	-	0.85
Library Services	244	192	119	85	-	0.06
Growth Studies	2,146	1,679	1,034	744	-	1.58
<b>Total</b>	<b>\$9,762</b>	<b>\$7,640</b>	<b>\$4,706</b>	<b>\$3,382</b>	<b>\$4,221</b>	<b>\$5.69</b>



# Chapter 3

## Anticipated Development in the Township of Melancthon



## 3. Anticipated Development in the Township of Melancthon

### 3.1 Requirement of the Act

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The growth forecast contained in this chapter (with supplemental tables in Appendix A) provides for the anticipated development for which the Township will be required to provide services over a 10-year (mid-2024 to mid-2034) time horizon.

Chapter 4 provides the methodology for calculating a D.C. as per the D.C.A. Figure 4-1 presents this methodology graphically. It is noted in the first box of the schematic that in order to determine the D.C. that may be imposed, it is a requirement of subsection 5 (1) of the D.C.A. that “the anticipated amount, type and location of development, for which development charges can be imposed, must be estimated.”

### 3.2 Basis of Population, Household and Non-Residential Gross Floor Area Forecast

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The D.C. growth forecast has been derived by Watson. In preparing the growth forecast, the following information sources were consulted to assess the residential and non-residential development potential for the Township over the forecast period, including:

- Dufferin County 2022 Official Plan Review and Municipal Comprehensive Review Draft Land Needs Analysis Report, WSP Canada, July 2022;
- Township of Melancthon Official Plan, approved by the Ontario Municipal Board, September 5, 2017;
- Township of Melancthon 2019 Development Charges Background Study, June 2019, Watson & Associates Economists Ltd.
- 2011, 2016 and 2021 population, household, and employment Census data;
- Historical residential building permit data over the 2013 to 2022 period;
- Residential and non-residential supply; and
- Discussions with Township staff regarding anticipated residential and non-residential development in the Township of Melancthon.

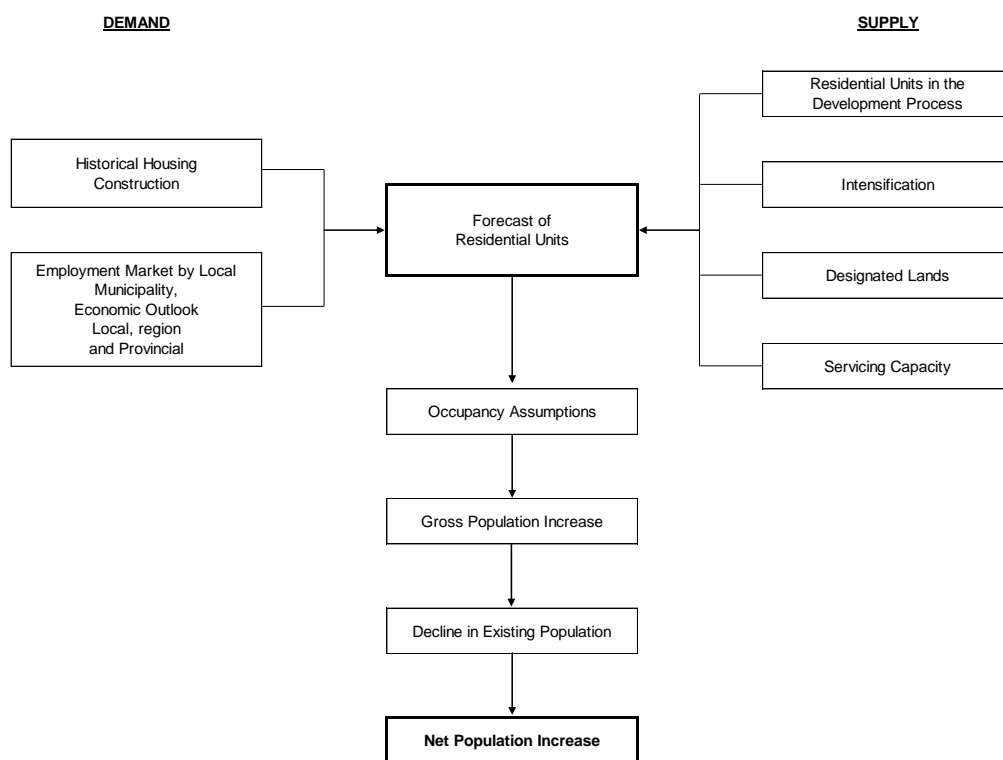


### 3.3 Summary of Growth Forecast

A detailed analysis of the residential and non-residential growth forecasts is provided in Appendix A and the methodology employed is illustrated in Figure 3-1. The discussion provided herein summarizes the anticipated growth for the Township and describes the basis for the forecast. The results of the residential growth forecast analysis are summarized in Table 3-1 below, and Schedule 1 in Appendix A.

As identified in Table 3-1 and Appendix A – Schedule 1, population in the Township of Melancthon (excluding census undercount) is anticipated to reach approximately 3,490 by mid-2034 resulting in an increase of approximately 270 persons.<sup>[1]</sup>

Figure 3-1  
Population and Household Forecast Model



[1] The population figures used in the calculation of the 2024 D.C. exclude the net Census undercount, which is estimated at approximately 3.2%. Population figures presented herein have been rounded.



**Table 3-1  
Township of Melancthon  
Residential Growth Forecast Summary**

Year	Population (Including Census Undercount) <sup>[1]</sup>	Excluding Census Undercount			Housing Units						Person Per Unit (P.P.U.): Total Population/ Total Households	
		Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi-Detached	Multiple Dwellings <sup>[2]</sup>	Apartments <sup>[3]</sup>	Other	Total Households	Equivalent Institutional Households		
Historical	<i>Mid 2011</i>	2,930	2,839	9	2,830	946	17	6	5	974	8	2.915
	<i>Mid 2016</i>	3,100	3,008	3	3,005	1,010	25	0	0	1,035	3	2.906
	<i>Mid 2021</i>	3,230	3,132	32	3,100	1,015	15	0	5	1,035	29	3.026
Forecast	<i>Mid 2024</i>	3,320	3,218	33	3,185	1,052	15	0	5	1,072	30	3.002
	<i>Mid 2034</i>	3,600	3,486	36	3,450	1,142	15	5	5	1,167	33	2.987
Incremental	<b>Mid 2011 - Mid 2016</b>	<b>170</b>	<b>169</b>	<b>-6</b>	<b>175</b>	<b>64</b>	<b>8</b>	<b>-6</b>	<b>-5</b>	<b>61</b>	<b>-5</b>	
	<b>Mid 2016 - Mid 2021</b>	<b>130</b>	<b>124</b>	<b>29</b>	<b>95</b>	<b>5</b>	<b>-10</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>26</b>	
	<b>Mid 2021 - Mid 2024</b>	<b>90</b>	<b>86</b>	<b>1</b>	<b>85</b>	<b>37</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37</b>	<b>1</b>	
	<b>Mid 2024 - Mid 2034</b>	<b>280</b>	<b>268</b>	<b>3</b>	<b>265</b>	<b>90</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>95</b>	<b>3</b>	

<sup>[1]</sup> Population includes the Census undercount estimated at approximately 3.2% and has been rounded.

<sup>[2]</sup> Includes townhouses and apartments in duplexes.

<sup>[3]</sup> Includes bachelor, 1-bedroom, and 2-bedroom+ apartment units.

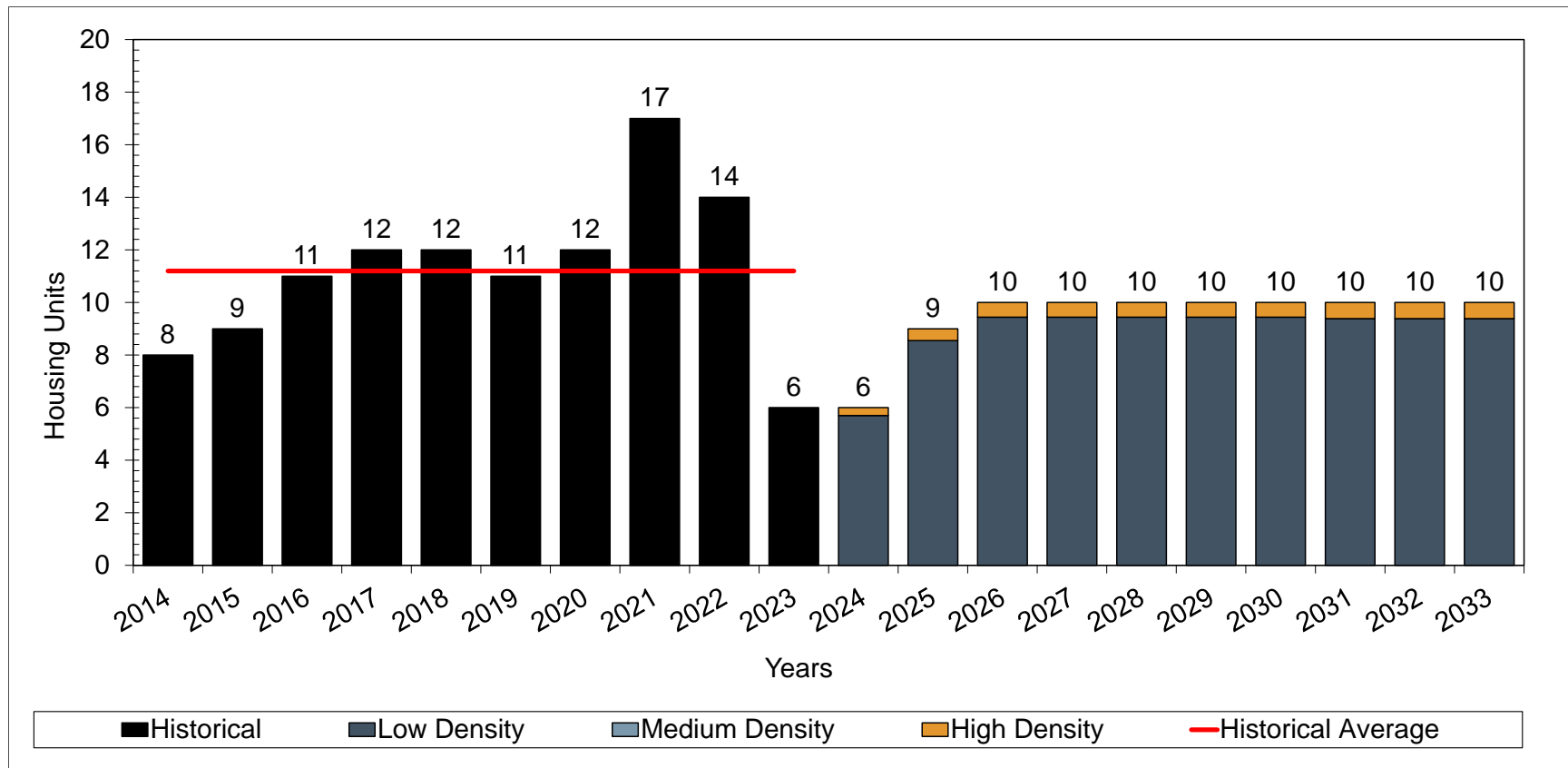
Notes:

Numbers may not add due to rounding.

Source: Watson & Associates Economists Ltd.



Figure 3-2  
Township of Melancthon  
Annual Housing Forecast<sup>[1]</sup>



<sup>[1]</sup> Growth forecast represents calendar year.

Source: Historical housing activity derived from Statistics Canada building permit data, 2014 to 2023, by Watson & Associates Economists Ltd.





Provided below is a summary of the key assumptions and findings regarding the Township's D.C. growth forecast:

- Unit Mix (Appendix A - Schedules 1 and 4)
  - The housing unit mix for the Township was derived from a detailed review of historical development activity (as per Schedule 4), as well as active residential development applications and discussions with Township staff regarding anticipated development trends for the Township.
  - Based on the above indicators, the mid-2024 to mid-2034 household growth forecast for the Township is comprised of a unit mix of 95% low density units (single detached and semi-detached), 0% medium density (multiples except apartments) and 5% high density (bachelor, 1 bedroom and 2-bedroom apartments).
- Planning Period
  - Short-term and longer-term time horizons are required for the D.C. process. The D.C.A. limits the planning horizon for transit services to a 10-year planning horizon. All other services can utilize a longer planning period if the Township has identified the growth-related capital infrastructure needs associated with the longer-term growth planning period.
- Population in New Housing Units (Appendix A - Schedules 2 and 3)
  - The number of housing units to be constructed by 2034 in the Township over the forecast period is presented in Table 3-1. Over the mid-2024 to mid-2034 forecast period, the Township is anticipated to average approximately 10 new housing units per year.



- Institutional population<sup>[1]</sup> is anticipated to increase by approximately 3 people between mid-2024 to mid-2034.
- Population in new units is derived from Schedules 2 and 3, which incorporate historical development activity, anticipated units (see unit mix discussion) and average persons per unit (P.P.U.) by dwelling type for new units.
- Schedule 5a summarizes the average P.P.U. assumed for new housing units by age and type of dwelling based on Statistics Canada 2021 custom Census data for the Township. Due to data limitations medium and high density P.P.U. data was derived from the County of Dufferin which includes the Township of Melancthon, and is outlined in Schedule 5b. The total calculated P.P.U. for all density types has been adjusted accordingly to account for the P.P.U. trends which has been recently experienced in both new and older units. Forecasted 15-year average P.P.U.s by dwelling type are as follows:
  - Low density: 3.381
  - Medium density: 2.951
  - High density: 2.065
- Existing Units and Population Change (Appendix A - Schedules 2 and 3)
  - Existing households for mid-2024 are based on the 2021 Census households, plus estimated residential units constructed between mid-2021 to the beginning of the growth period, assuming a minimum six-month lag between construction and occupancy (see Schedule 2).
  - The change in average occupancy levels for existing housing units is calculated in Schedules 2 through 3<sup>[2]</sup>. The forecast population change in existing households over the mid-2024 to mid-2034 forecast period is forecast to decline by approximately 50.

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<sup>[2]</sup> Institutional population largely includes special care facilities such as nursing home or residences for senior citizens. A P.P.U. of 1.100 depicts 1-bedroom and 2-or-more-bedroom units in collective households.

<sup>[1]</sup> Change in occupancy levels for existing households occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.



- Employment (Appendix A – Schedules 7a and 7b)
  - The employment projections provided herein are largely based on the activity rate method, which is defined as the number of jobs in the Township divided by the number of residents. Key employment sectors include primary, industrial, commercial/population-related, institutional, and work at home, which are considered individually below.
  - 2016 employment data <sup>[1],[2]</sup> (place of work) for the Township is outlined in Schedule 7a. The 2016 employment base is comprised of the following sectors:
    - 65 primary (14%);
    - 185 work at home employment (39%);
    - 110 industrial (23%);
    - 75 commercial/population-related (16%); and
    - 45 institutional (9%).
  - The 2016 employment by usual place of work, including work at home, is 480. An additional 140 employees have been identified for the Township in 2016 that have no fixed place of work (N.F.P.O.W.).<sup>[3]</sup>
  - Total employment, including work at home and N.F.P.O.W. for the Township is anticipated to reach approximately 810 by mid-2034. This represents an employment increase of approximately 70 for the 10-year forecast period.
  - Schedule 7b, Appendix A, summarizes the employment forecast, excluding work at home employment and N.F.P.O.W. employment, which is the basis for the D.C. employment forecast. The impact on township services from work at home employees has already been included in the population forecast. The need for township services

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<sup>[2]</sup> 2016 employment is based on Statistics Canada 2016 Place of Work Employment dataset by Watson & Associates Economists Ltd.

<sup>[3]</sup> Statistics Canada 2021 Census place of work employment data has been reviewed. The 2021 Census employment results have not been utilized due to a significant increase in work at home employment captured due to Census enumeration occurring during the provincial COVID-19 lockdown from April 1, 2021 to June 14, 2021.

<sup>[1]</sup> No fixed place of work is defined by Statistics Canada as "persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc."



related to N.F.P.O.W. employees has largely been included in the employment forecast by usual place of work (i.e., employment and gross floor area generated from N.F.P.O.W. construction employment). Furthermore, since these employees have no fixed work address, they cannot be captured in the non-residential G.F.A. calculation.

Accordingly, work at home and N.F.P.O.W. employees have been removed from the D.C.A. employment forecast and calculation.

- Total employment for the Township (excluding work at home and N.F.P.O.W. employment) is anticipated to reach approximately 410 by mid-2034. This represents an employment increase of approximately 40 for the 10-year forecast period.
  
- Non-Residential Sq.ft. Estimates (G.F.A.), Appendix A - Schedule 7b)
  - Square footage estimates were calculated in Schedule 7b based on the following employee density assumptions:
    - 3,000 sq.ft. per employee for primary;
    - 2,000 sq.ft. per employee for industrial;
    - 550 sq.ft. per employee for commercial/population-related; and
    - 900 sq.ft. per employee for institutional employment.
  - The Township-wide incremental G.F.A. is anticipated to increase by 39,400 sq.ft. over the 10-year forecast period.
  - In terms of percentage growth, the mid-2024 to mid-2034 incremental G.F.A. forecast by sector is broken down as follows:
    - Primary - 15%
    - industrial - 41%;
    - commercial/population-related - 26%; and
    - institutional - 18%.



# Chapter 4

## The Approach to the Calculation of the Charge



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

### 4.1 Introduction

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

### 4.2 Services Potentially Involved

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Table 4-1 lists the full range of municipal services that are provided within municipalities and indicates the D.C. eligible service components included in the D.C. background study for the Township.

A number of these services are not included in the list of eligible services provided in subsection 2 (4) of the D.C.A. as being ineligible for inclusion in D.C.s. These are shown as “ineligible” on Table 4-1B (as per the legend in Table 4-1A). Two ineligible costs defined in subsection 5 (3) of the D.C.A. are “computer equipment” and “rolling stock with an estimated useful life of (less than) seven years.” In addition, local roads are covered separately under subdivision agreements and related means (as are other local services). Services that are potentially eligible for inclusion in the Township’s D.C. are indicated with a “Yes.”

### 4.3 Increase in the Need for Service

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



Figure 4-1  
The Process of Calculating a Development Charge under the Act that must be followed

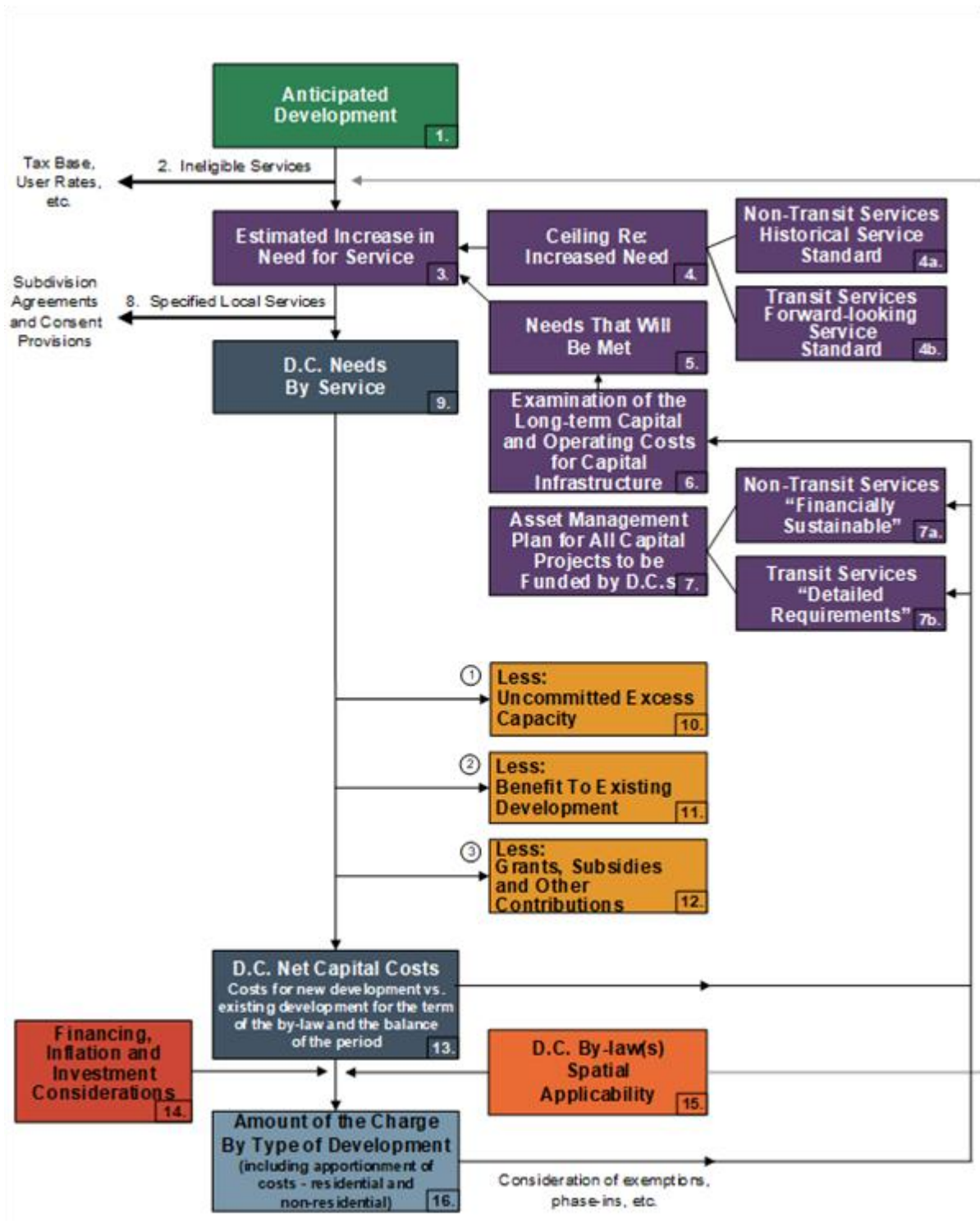




Table 4-1A  
Categories of Municipal Services to be Addressed as Part of the Calculation – Eligibility Legend

Eligibility for Inclusion in the D.C. Calculation	Description
Yes	Township provides the service – service has been included in the D.C. calculation.
No	Township provides the service – service has not been included in the D.C. calculation.
n/a	Township does not provide the service.
Ineligible	Service is ineligible for inclusion in the D.C. calculation.

Table 4-1B  
Categories of Municipal Services to be Addressed as Part of the Calculation

Categories of Municipal Services	Inclusion in the D.C. Calculation	Service Components
1. Water supply services, including distribution and treatment services	n/a	1.1 Treatment plants, Water Supply, and Storage Facilities
	n/a	1.2 Distribution systems
	n/a	1.3 Local systems
	n/a	1.4 Vehicles and equipment <sup>1</sup>
2. Wastewater services, including sewers and treatment services	n/a	2.1 Treatment plants
	n/a	2.2 Sewage trunks
	n/a	2.3 Local systems
	n/a	2.4 Vehicles and equipment <sup>1</sup>
3. Stormwater Drainage and Control Services	No	3.1 Main channels and drainage trunks
	No	3.2 Channel connections
	No	3.3 Retention/detention ponds

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





Categories of Municipal Services	Inclusion in the D.C. Calculation	Service Components
4. Services Related to a Highway	Yes	4.1 Arterial roads
	Yes	4.2 Collector roads
	Yes	4.3 Bridges, Culverts and Roundabouts
	No	4.4 Local municipal roads
	Yes	4.5 Traffic signals
	Yes	4.6 Sidewalks and streetlights
	Yes	4.7 Active Transportation
	Yes	4.8 Works Yard
	Yes	4.9 Rolling stock <sup>1</sup>
5. Electrical Power Services	n/a	5.1 Electrical substations
	n/a	5.2 Electrical distribution system
	n/a	5.3 Electrical system rolling stock <sup>1</sup>
6. Transit Services	n/a	6.1 Transit vehicles <sup>1</sup> & facilities
	n/a	6.2 Other transit infrastructure
7. Waste Diversion Services	n/a	7.1 Waste diversion facilities
	n/a	7.2 Waste diversion vehicles and equipment <sup>1</sup>
8. Policing Services	No	8.1 Police detachments
	No	8.2 Police rolling stock <sup>1</sup>
	No	8.3 Small equipment and gear
9. Fire Protection Services	Yes	9.1 Fire stations
	Yes	9.2 Fire Vehicles <sup>1</sup>
	Yes	9.3 Fire Equipment and gear
10. Ambulance Services	n/a	10.1 Ambulance station space
	n/a	10.2 Vehicles <sup>1</sup>
11. Services provided by a board within the meaning of the <i>Public Libraries Act</i>	Yes	11.1 Public library space (incl. furniture and equipment)
	n/a	11.2 Library vehicles <sup>1</sup>
	Yes	11.3 Library materials
12. Services Related to Long-Term Care	n/a	12.1 Long-Term Care space
	n/a	12.2 Vehicles <sup>1</sup>

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



Categories of Municipal Services	Inclusion in the D.C. Calculation	Service Components
13. Parks and Recreation Services	<p>Ineligible</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>13.1 Acquisition of land for parks, woodlots, and E.S.A.s</p> <p>13.2 Development of municipal parks</p> <p>13.3 Parks rolling stock<sup>1</sup> and yards</p> <p>13.4 Facilities, such as arenas, indoor pools, fitness facilities, community centres, etc.</p> <p>13.5 Recreation vehicles and equipment<sup>1</sup></p>
14. Services Related to Public Health	<p>n/a</p> <p>n/a</p>	<p>14.1 Public Health department space</p> <p>14.2 Public Health department vehicles<sup>1</sup></p>
15. Child Care and Early Years Programs and Services within the meaning of Part VI of the <i>Child Care and Early Years Act, 2014</i> and any related services.	<p>n/a</p> <p>n/a</p>	<p>15.1 Childcare space</p> <p>15.2 Vehicles<sup>1</sup></p>
16. Services related to proceedings under the <i>Provincial Offences Act, including by-law enforcement services and municipally administered court services</i>	<p>No</p> <p>No</p>	<p>16.1 P.O.A. space, including by-law enforcement and municipally administered court services</p> <p>16.2 Vehicles<sup>1</sup></p>
17. Services Related to Emergency Preparedness	<p>No</p> <p>No</p>	<p>17.1 Emergency Preparedness Space</p> <p>17.2 Equipment</p>
18. Services Related to Airports	<p>Ineligible</p> <p>Ineligible</p>	<p>18.1 Airports</p> <p>18.2 Other Airports</p>
19. Provision of Headquarters for the General Administration of Municipalities and Area Municipal Boards	<p>Ineligible</p> <p>Ineligible</p> <p>Ineligible</p>	<p>19.1 Office space</p> <p>19.2 Office furniture</p> <p>19.3 Computer equipment</p>

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



Categories of Municipal Services	Inclusion in the D.C. Calculation	Service Components
20. Other	No	20.1 Interest on money borrowed to pay for growth-related capital

## 4.4 Local Service Policy

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

## 4.5 Capital Forecast

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

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

The capital costs include:

- a. costs to acquire land or an interest therein (including a leasehold interest);
- b. costs to improve land;
- c. costs to acquire, lease, construct or improve buildings and structures;
- d. costs to acquire, lease or improve facilities, including rolling stock (with a useful life of 7 or more years), furniture and equipment (other than computer equipment), materials acquired for library circulation, reference, or information purposes; and
- e. interest on money borrowed to pay for the above-referenced costs.

In order for an increase in need for service to be included in the D.C. calculation, Township Council must indicate “that it intends to ensure that such an increase in need

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will be met” (subsection 5 (1) 3). This can be done if the increase in service forms part of a Council-approved Official Plan, capital forecast, or similar expression of the intention of Council (O. Reg. 82/98 section 3). The capital program contained herein reflects the Township’s approved and proposed capital budgets, and Roads Management Plan. In addition, for Fire Protection Services and Library Services, the capital program includes Melancthon’s proportionate share of anticipated growth-related capital needs identified by the joint service boards.

## **4.6 Treatment of Credits**

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

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

## **4.7 Class of Services**

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

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

These provisions allow for services to be grouped together to create a class for the purposes of the D.C. by-law and D.C. reserve funds. Currently the growth studies have been provided as a class of service for purposes of calculating the potential additional D.C.s, in the event that Bill 185 is enacted.



## 4.8 Existing Reserve Funds

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

“The money in a reserve fund established for a service may be spent only for capital costs determined under paragraphs 2 to 7 of subsection 5 (1).”

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

For services that are subject to a per-capita-based, service level “cap,” the reserve fund balance should be applied against the development-related costs for which the charge was imposed once the project is constructed (i.e., the needs of recent growth). This cost component is distinct from the development-related costs for the next 10-year period, which underlie the D.C. calculation herein.

The alternative would involve the Township spending all reserve fund monies prior to renewing each by-law, which would not be a sound basis for capital budgeting. Thus, the Municipality will use these reserve funds for the Township’s cost share of applicable development-related projects, which are required but have not yet been undertaken, as a way of directing the funds to the benefit of the development which contributed them (rather than to future development, which will generate the need for additional facilities directly proportionate to future growth).

The Township D.C. reserve fund balance, by service as of December 31, 2023, is provided in Table 4-2. These balances have been considered in the D.C. calculations:



Table 4-2  
Township of Melancthon  
Projected Development Charge Reserve Fund Balances  
As of December 31, 2023

<b>Service</b>	<b>Balance Dec. 31, 2023</b>
Services Related to a Highway	\$188,716.30
Fire Protection Services	\$170,847.63
Parks and Recreation Services	\$392,232.53
Library Services	\$30,779.80
Growth Studies	\$207,960.32
Policing Services	\$0.00
<b>Total</b>	<b>\$990,536.58</b>

## 4.9 Deductions

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

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

The requirements behind each of these reductions are addressed below.

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

This is designed to ensure that the increase in need included in section 4.3 does “not include an increase that would result in the level of service [for the additional development increment] exceeding the average level of the service provided in the municipality over the 15-year period immediately preceding the preparation of the background study” (D.C.A., subsection 5 (1) 4). O. Reg. 82/98 (section 4) goes further to indicate that “both the quantity and quality of a service shall be taken into account in determining the level of service and the average level of service.”



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

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

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

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

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

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

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

- the repair or unexpanded replacement of existing assets that are in need of repair;
- an increase in average service level of quantity or quality (compare water as an example);
- the elimination of a chronic servicing problem not created by growth; and



- providing services where none previously existed (generally considered for water or wastewater services).

This step involves a further reduction in the need, by the extent to which such an increase in service would benefit existing development. The level of service cap in section 3.10.1 is related but is not the identical requirement. Sanitary, storm, and water trunks are highly localized to growth areas and can be more readily allocated in this regard than other services such as services related to a highway, which do not have a fixed service area.

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

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

In addition, the growth forecasts indicate that the Township will experience a growth in population in existing households. Therefore, a proportionate share of growth needs that benefit this increase growth in existing households, have been deducted from the costs included in the D.C. calculations/charges that will be imposed on new residential growth units.





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

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

#### **4.9.5 Municipal-wide vs. Area-Specific**

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

#### **4.9.6 Allocation of Development**

This step involves relating the costs involved to anticipated development for each period under consideration and using allocations between residential and non-residential development and between one type of development and another, to arrive at a schedule of charges.

#### **4.9.7 Asset Management**

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



# Chapter 5

## D.C. Eligible Cost Analysis by Service



## 5. D.C. Eligible Cost Analysis by Service

### 5.1 Introduction

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

The service component is evaluated on two format sheets:

- The service standards that provide the average historical 15-year level of service calculation (see Appendix B), which “caps” the D.C. amounts (note that this is not required for water and wastewater services); and
- The infrastructure cost calculation, which determines the potential D.C. recoverable cost.

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

### 5.2 Service Levels and 10-Year Capital Costs for Township-wide D.C. Services Calculation

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This section evaluates the development-related capital requirements for all Township-wide services over a 10-year planning period.

#### 5.2.1 *Services Related to a Highway*

The Township’s inventory of roadways is measured in kilometres (km) and are further classified as asphalt (including rural, semi-urban, and urban roads) and gravel (only rural roads) roads. In total, the Township currently owns 265.3 km of D.C. eligible roads. Additionally, the Township owns and maintains a total of 51 bridges, culverts, and portion of a prefabricated structure. Further, 19,336 sq.ft. of roads operations facility space is owned and used by the Township for Services Related to a Highway, along with 14 vehicles and equipment items to service the road network.

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The total inventory of assets over the past 15-years results in an invested level of service of \$55,855 per capita. When applied to the 10-year forecast population, a maximum D.C. eligible cost of approximately \$14.97 million is applicable.

Table 5-1 provides the 10-year capital program for Services Related to a Highway. The capital program includes upgrades to road and bridges, as well as an additional vehicle. The total gross capital cost of the program is approximately \$1.4 million over the 2024-2033 forecast period. Deductions related to the benefit to the existing development were applied of approximately \$627,200, along with an adjustment to recognize the balance in the existing reserve fund of \$188,716. As a result, the total D.C. recoverable cost of \$583,284 has been included in the calculation of the charge. Approximately \$513,378 (88%) and \$70,006 (12%) has been attributed to residential and non-residential developments, respectfully. These attributions are based on the incremental growth anticipated in population and employment over the 10-year forecast period.

### **5.2.2 Fire Protection Services**

The Township currently provides Fire Protection Services to its community through two (2) shared fire facilities, one (1) is located in the Township of Melancthon (shared with The Township of Mulmur) and the second is located in the Town of Shelburne (shared with the Towns of Shelburne and Mono, and the Townships of Mulmur and Amaranth). The facilities, vehicles, small equipment, and gear are shared with the based on the following proportionate shares:

- The Mulmur-Melancthon Honeywood Fire Station: The Township's proportionate share of the service is 50%, based on an equal cost allocation with the Township of Mulmur. As such, the Township's share of the capital assets includes 3,375 sq.ft., of facility space (including the fire station and Sea-Cans), 4 vehicles, and 11 items related to small equipment and gear.
- Shelburne Fire Hall: The Township's share of the service is adjusted annually. The apportionment between participating municipalities is based on an average of assessment, households, and a three-year fire call average. Historically, the Township's cost share has ranged between 8.40% to 10.5% over the past 15-years. The Township's 2023 cost share was 10.5%. This represents total facility space of 1,028 sq.ft., 1 vehicle, and 4.5 items related to small equipment and gear.



In total in 2023, the Township was responsible for 4,404 sq.ft. of fire facility space, 5 fire vehicles, and 15.5 items related to small equipment and gear to provide fire protection services to its community.

The total inventory of assets over the past 15-years results in an invested level of service of \$1,218 per capita. When applied to the 10-year forecast population, a maximum D.C. eligible cost of approximately \$326,400 is applicable.

The 10-year capital program for Fire Protection Services is provided in Table 5-2. The capital program included a total gross capital cost of approximately \$2.16 million over the 2024-2033 forecast period. As the Honeywood and Shelburne Fire Services are shared with the Township of Mulmur and Town of Shelburne, deductions have made against each capital project to account for the contributions from the other member municipalities to the service agreements. In total, these deductions equate to approximately \$1.63 million.

A post-period deduction has been made of \$25,000 to recognize oversizing of capital to the benefit beyond the 10-year forecast period, in addition, \$170,848 has been deducted for the existing D.C. reserve fund balance. As a result, the D.C. recoverable cost of \$325,452 has been apportioned to residential and non-residential development. The residential development cost share totals \$286,398 (8%) and non-residential development cost share totals \$39,054 (12%). The allocation of D.C. recoverable costs by type of development is based on the incremental population and employment growth over the period.

### **5.2.3 Parks and Recreation Services**

The Township provides a variety of parks and recreation-related assets to service the community. It should be noted that some assets are located within the Township while others have been shared in the past and located in neighbouring municipalities. Currently, the Township maintains approximately 7.5 acres of developed parkland and 10 parkland amenities such as ball diamonds, playgrounds, pavilions, etc. Further, the Township is responsible for 24,920 sq.ft. of recreation facility space, along with an equivalent of 3 vehicles and equipment (some of which are shared with the Township of Mulmur).



The total inventory of assets over the past 15-years provides in an invested level of service of approximately \$2,396 per capita. When applied to the 10-year forecast population, a maximum D.C. eligible cost of approximately \$642,100 is applicable.

Table 5-3 provides the associated 10-year capital program for Parks and Recreation Services. The gross capital costs identified in the capital program totals \$1,674,600. This program includes the Horning's Mills Park Development, a provision for anticipated parks and recreation development within the Township, and the Township's proportionate share of recreation facility space in Shelburne, the that is anticipated to be required over the forecast period. It is noted that the location of the new park(s) within the Township has not been finalized at this time. The gross capital costs are adjusted to make deductions for the existing 2023 year-end D.C. reserve fund balance of \$392,233. The total D.C. recoverable amount of \$638,367 has been included in the calculation of the charge.

The predominate users of Parks and Recreation Services tend to be residents of the Township, as such, the forecast D.C. recoverable costs have been allocated 95% to residential development and 5% for non-residential development. This results in \$606,449 being attributed to residential developments and \$31,918 being attributed to non-residential development.

#### **5.2.4 Library Services**

The Township currently has an agreement with the Town of Shelburne Library Board to utilize a portion of public library facility located in the Town of Shelburne. Library costs are shared with the Towns of Shelburne and Mono, and the Townships of Melancthon, Mulmur and Amaranth. The Township's proportionate share of capital costs varies annually based on a 3-year average of active library household cardholders within each of the member municipalities. The Township's cost share in 2023 was 16.1%. As a result, the Township share of facility space has ranged from 1,049 sq.ft. to 1,083 sq.ft. over the past 15 years. In addition, the Township is responsible for approximately 11,420 items of library collection materials, based on the same proportionate shares annually. In aggregate, the inventory of assets that the Township has been responsible for Library Services over the past 15-years equates to an average historical level of service of \$343 per capita. When applied to the 10-year forecast population, a maximum D.C. eligible cost of approximately \$91,950 could be included in the D.C. calculation.



Table 5-4 presents the 10-year capital program for Library Services. The gross capital cost, which includes capital projects for Shelburne Public Library equates to a total of \$194,500. A deduction of \$83,900 for the capital costs that are the responsibility of the other municipalities was made in relation to “Pop up” Satellite Branches. This deduction has been made to ensure that only the Township’s portion of the capital cost are included for recovery through the D.C. Additionally, it is anticipated that one of these “Pop up” Satellite Branches is to be funded through other contributions, totalling \$50,000, for which a deduction has been made.

In addition to the “Pop up” Satellite Branches, part of the total gross costs includes a provision of \$44,500 to allow for the expansion of the collection materials required to service the anticipated growth over the forecast period. A deduction of \$30,780 related to the 2023 year-end D.C. reserve fund has been made. As a result, a total D.C. recoverable cost of \$29,820 has been included in the calculation of the charge. As the predominate users of Library Services tend to be residents, the forecast D.C. recoverable costs have been allocated 95% to residential development and 5% for non-residential development. This allocation equates to \$28,329 and \$1,491 attributable to residential and non-residential development, respectfully.

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

Upon enactment of Bill 185, the Township intends to remove of the mandatory phase-in of charges, and include the cost of growth-related studies in the charge. The growth-related studies anticipated for inclusion are as follows:

- Development Charge Studies;
- Official Plan Update;
- Strategic Plans; and
- Zoning By-law Update.

The list of growth-related studies has an estimated gross capital cost of \$425,000 and net D.C. recoverable cost of \$64,913, after deductions for benefit to existing development, the portion of studies that do not relate to D.C. eligible services, and the year-end reserve fund balance. Table 5-5 provides the summary of the class of service for growth studies. The growth studies will be added to the schedule of charges in the by-law if Bill 185 is proclaimed. These costs have been attributed to residential and



non-residential growth based on the incremental population and employment growth over the forecast period (i.e., 88% residential and 12% non-residential).





Table 5-1  
Township of Melancthon  
Infrastructure Costs Included in the Development Charge Calculation  
for Services Related to a Highway

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2033	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 88%	Non-Residential Share 12%
	<b>Road Upgrades:</b>										
1	4th Ln OS - Gravel Pit to Cty Rd. 17 (pulverize, gravel, pave)	2026	300,000	-	-	300,000	222,900	-	77,100	67,848	9,252
2	Provision for Road Expansions including Expanded Shoulders	2024-2033	300,000	-	-	300,000	150,000	-	150,000	132,000	18,000
	<b>Bridges and Culverts:</b>										
3	0011 - Anderson Bridge 8th Ln SW (3.4km N of Hwy 89)	2024-2031	53,800	-	-	53,800	45,700	-	8,100	7,128	972
4	2023 - 4th Ln (400m South of Cty 21)	2024-2031	246,000	-	-	246,000	209,100	-	36,900	32,472	4,428
	<b>Vehicles and Equipment:</b>										
5	Excavator with Brusher	2024	500,000	-	-	500,000	-	-	500,000	440,000	60,000
	<b>Adjustments:</b>										
6	Reserve Fund Adjustment			-	-	-	188,716	-	(188,716)	(166,070)	(22,646)
	<b>Total</b>		<b>1,399,800</b>	<b>-</b>	<b>-</b>	<b>1,399,800</b>	<b>816,416</b>	<b>-</b>	<b>583,384</b>	<b>513,378</b>	<b>70,006</b>



Table 5-2  
Township of Melancthon  
Infrastructure Costs Included in the Development Charge Calculation  
for Fire Protection Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2033	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 88%	Non-Residential Share 12%
<b>Honeywood Station:</b>											
1	Pick-up Truck	2025-2033	59,000	-	29,500	29,500	-	-	29,500	25,960	3,540
2	Provision for additional fire facility	2025-2033	500,000	25,000	250,000	225,000	-	-	225,000	198,000	27,000
3	Additional Hose & Nozzels	2024	33,000	-	16,500	16,500	-	-	16,500	14,520	1,980
<b>Shelburne Station:</b>											
4	Provision for Building Addition	2028	1,394,000	-	1,193,000	201,000	-	-	201,000	176,880	24,120
5	Provision for Additional Firefighter Equipment (8)	2024-2027	94,000	-	80,500	13,500	-	-	13,500	11,880	1,620
6	Additional Service Vehicle (Shelburne - 4 additional - Mulmur Share)	2028-2033	75,000	-	64,200	10,800	-	-	10,800	9,504	1,296
<b>Adjustments:</b>											
7	Reserve Fund Adjustment			-		-	170,848	-	(170,848)	(150,346)	(20,502)
<b>Total</b>			<b>2,155,000</b>	<b>25,000</b>	<b>1,633,700</b>	<b>496,300</b>	<b>170,848</b>	<b>-</b>	<b>325,452</b>	<b>286,398</b>	<b>39,054</b>



Table 5-3  
Township of Melancthon  
Infrastructure Costs Included in the Development Charge Calculation  
for Parks and Recreation Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2033	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 88%	Non-Residential Share 12%
	<b>Road Upgrades:</b>										
1	4th Ln OS - Gravel Pit to Cty Rd. 17 (pulverize, gravel, pave)	2026	300,000	-	-	300,000	222,900	-	77,100	67,848	9,252
2	Provision for Road Expansions including Expanded Shoulders	2024-2033	300,000	-	-	300,000	150,000	-	150,000	132,000	18,000
	<b>Bridges and Culverts:</b>										
3	0011 - Anderson Bridge 8th Ln SW (3.4km N of Hwy 89)	2024-2031	53,800	-	-	53,800	45,700	-	8,100	7,128	972
4	2023 - 4th Ln (400m South of Cty 21)	2024-2031	246,000	-	-	246,000	209,100	-	36,900	32,472	4,428
	<b>Vehicles and Equipment:</b>										
5	Excavator with Brusher	2024	500,000	-	-	500,000	-	-	500,000	440,000	60,000
	<b>Adjustments:</b>										
6	Reserve Fund Adjustment			-	-	-	188,716	-	(188,716)	(166,070)	(22,646)
	<b>Total</b>		<b>1,399,800</b>	<b>-</b>	<b>-</b>	<b>1,399,800</b>	<b>816,416</b>	<b>-</b>	<b>583,384</b>	<b>513,378</b>	<b>70,006</b>



Table 5-4  
Township of Melancthon  
Infrastructure Costs Included in the Development Charge Calculation  
for Library Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2024 to 2033									95%	5%
1	"Pop-Up" Sattelite Branch	2024-2033	150,000	-	83,900	66,100	-	50,000	16,100	15,295	805
2	Provision for Additional Collection Materials & E-Materials	2024-2033	44,500	-	-	44,500	-	-	44,500	42,275	2,225
	<b>Adjustments:</b>										
3	Reserve Adjustment		-	-	-	-	30,780	-	(30,780)	(29,241)	(1,539)
	<b>Total</b>		<b>194,500</b>	<b>-</b>	<b>83,900</b>	<b>110,600</b>	<b>30,780</b>	<b>50,000</b>	<b>29,820</b>	<b>28,329</b>	<b>1,491</b>



**Table 5-5  
Township of Melancthon  
Infrastructure Costs Included in the Development Charge Calculation  
for the Growth Studies Class of Service**

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Service(s) to Which the Study Relates	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 88%	Non-Residential Share 12%
<b>1</b>	<b>Development Charges Study:</b>											
1a	Development Charges Study	2024	Services Related to a Highway	10,173	-	-	10,173	-	-	10,173	8,952	1,221
1b	Development Charges Study	2024	Fire Protection Services	5,675	-	-	5,675	-	-	5,675	4,994	681
1c	Development Charges Study	2024	Parks and Recreation Services	11,132	-	-	11,132	-	-	11,132	9,796	1,336
1d	Development Charges Study	2024	Library Services	520	-	-	520	-	-	520	458	62
	<b>Sub-total Development Charges Study</b>			<b>27,500</b>	<b>-</b>	<b>-</b>	<b>27,500</b>	<b>-</b>	<b>-</b>	<b>27,500</b>	<b>24,200</b>	<b>3,300</b>
<b>2</b>	<b>Development Charges Study:</b>											
2a	Development Charges Study	2033	Services Related to a Highway	10,173	-	-	10,173	-	-	10,173	8,952	1,221
2b	Development Charges Study	2033	Fire Protection Services	5,675	-	-	5,675	-	-	5,675	4,994	681
2c	Development Charges Study	2033	Parks and Recreation Services	11,132	-	-	11,132	-	-	11,132	9,796	1,336
2d	Development Charges Study	2033	Library Services	520	-	-	520	-	-	520	458	62
	<b>Sub-total Development Charges Study</b>			<b>27,500</b>	<b>-</b>	<b>-</b>	<b>27,500</b>	<b>-</b>	<b>-</b>	<b>27,500</b>	<b>24,200</b>	<b>3,300</b>
<b>3</b>	<b>Official Plan:</b>											
3a	Official Plan	2024-2025	Services Related to a Highway	18,496	-	1,850	16,646	4,162	-	12,484	10,986	1,498
3b	Official Plan	2024-2025	Fire Protection Services	10,319	-	1,032	9,287	2,322	-	6,965	6,129	836
3c	Official Plan	2024-2025	Parks and Recreation Services	20,240	-	2,024	18,216	4,554	-	13,662	12,023	1,639
3d	Official Plan	2024-2025	Library Services	945	-	94	851	213	-	638	561	77
	<b>Sub-total Official Plan</b>			<b>50,000</b>	<b>-</b>	<b>5,000</b>	<b>45,000</b>	<b>11,251</b>	<b>-</b>	<b>33,749</b>	<b>29,699</b>	<b>4,050</b>
<b>4</b>	<b>Zoning By-law Update:</b>											
4a	Zoning By-law Update	2024-2025	Services Related to a Highway	27,745	-	2,775	24,970	6,243	-	18,727	16,480	2,247
4b	Zoning By-law Update	2024-2025	Fire Protection Services	15,478	-	1,548	13,930	3,483	-	10,447	9,193	1,254
4c	Zoning By-law Update	2024-2025	Parks and Recreation Services	30,359	-	3,036	27,323	6,831	-	20,492	18,033	2,459
4d	Zoning By-law Update	2024-2025	Library Services	1,418	-	141	1,277	319	-	958	843	115
	<b>Sub-total Zoning By-law Update</b>			<b>75,000</b>	<b>-</b>	<b>7,500</b>	<b>67,500</b>	<b>16,876</b>	<b>-</b>	<b>50,624</b>	<b>44,549</b>	<b>6,075</b>
<b>5</b>	<b>Strategic Plan:</b>											
5a	Strategic Plan	2029	Services Related to a Highway	11,098	-	1,110	9,988	4,994	-	4,994	4,395	599
5b	Strategic Plan	2029	Fire Protection Services	6,191	-	619	5,572	2,786	-	2,786	2,452	334
5c	Strategic Plan	2029	Parks and Recreation Services	12,144	-	1,214	10,930	5,465	-	5,465	4,809	656



Table 5-5 (continued)  
Township of Melancthon  
Infrastructure Costs Included in the Development Charge Calculation  
for the Growth Studies Class of Service

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2033	Timing (year)	Service(s) to Which the Study Relates	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 88%	Non-Residential Share 12%
5d	Strategic Plan	2029	Library Services	567	-	57	510	255	-	255	224	31
	<b>Sub-total Strategic Plan</b>			<b>30,000</b>	-	<b>3,000</b>	<b>27,000</b>	<b>13,500</b>	-	<b>13,500</b>	<b>11,880</b>	<b>1,620</b>
6	Bridge Studies (5)	2025-2033	Services Related to a Highway	100,000	-	-	100,000	50,000	-	50,000	44,000	6,000
7	Road Needs Study	2028-2029	Services Related to a Highway	65,000	-	-	65,000	32,500	-	32,500	28,600	3,900
8	Parks & Recreation Master Plan	2025-2033	Parks and Recreation Services	50,000	-	-	50,000	12,500	-	37,500	33,000	4,500
	<b>Adjustments</b>											
9	Reserve Fund Adjustment				-	-	-	207,960	-	(207,960)	(183,005)	(24,955)
	<b>Total</b>			<b>425,000</b>	-	<b>15,500</b>	<b>409,500</b>	<b>344,587</b>	-	<b>64,913</b>	<b>57,123</b>	<b>7,790</b>



# Chapter 6

## D.C. Calculation



## 6. D.C. Calculation

Table 6-1 calculate the proposed D.C.s to be imposed on development for all Township-wide services over the 10-year forecast period (2024-2033). Table 6-2 calculates the proposed D.C.s to be imposed on development on a Township-wide basis for the growth studies class of service, which will be considered if Bill 185 is enacted.

The calculation for residential development is generated on a per capita basis and is based upon four (4) forms of housing types (singles and semi-detached dwellings, other multiple dwellings, bachelor and 1-bedroom apartments, and 2+ bedrooms apartments). The non-residential D.C. has been calculated on a uniform per sq.ft. of G.F.A. basis for all types of non-residential development (industrial, commercial, and institutional).

The D.C. eligible costs for each service component were determined in Chapter 5 for all Township-wide services, based on their associated capital programs.

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The residential D.C. recoverable capital cost calculations set out in Chapter 5 are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units (Appendix A, Schedule 5) to calculate the charges in Tables 6-2. Wind Turbines are deemed to be equivalent to a residential single detached unit as it relates to Services Related to a Highway, and Fire Protection Services only.

Table 6-3 provides the schedule of charges that is applicable for all services by type of development. Table 6-4 provides the schedule of charges if growth-related study costs become eligible for recovery through D.C., upon enactment of Bill 185. Table 6-5 summarizes the gross capital expenditures and sources of revenue for works to be undertake during the 10-year life of the by-law (excluding growth-related studies). Similarly, Table 6-6 provides a summary of the gross capital expenditures and sources for revenue works for all services and class of services, including growth-related studies.





Table 6-1  
Township of Melancthon  
Town-Wide Services D.C. Calculation  
2024-2033

SERVICE/CLASS	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
1. <u>Services Related to a Highway</u>	\$	\$	\$	\$
1.1 Roads and Related	513,378	70,006	5,458	1.77
	513,378	70,006	5,458	1.77
2. <u>Fire Protection Services</u>				
2.1 Fire facilities, vehicles & equipment	286,398	39,054	3,045	0.99
	286,398	39,054	3,045	0.99
3. <u>Parks and Recreation Services</u>				
3.1 Park development, amenities, trails, recreation facilities, vehicles, and equipment	606,449	31,918	6,448	0.81
	606,449	31,918	6,448	0.81
4. <u>Library Services</u>				
4.1 Library facilities, materials and vehicles	28,329	1,491	301	0.04
	28,329	1,491	301	0.04
<b>TOTAL</b>	<b>\$1,434,554</b>	<b>\$142,470</b>	<b>\$15,252</b>	<b>\$3.61</b>
D.C.-Eligible Capital Cost	\$1,434,554	\$142,470		
10-Year Gross Population/GFA Growth (sq.ft.)	318	39,400		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$4,511.18</b>	<b>\$3.62</b>		
<b>By Residential Unit Type</b>	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	3.381	\$15,252		
Other Multiples	2.951	\$13,312		
Apartments - 2 Bedrooms +	2.213	\$9,983		
Apartments - Bachelor and 1 Bedroom	1.100	\$4,962		

Table 6-2  
Township of Melancthon  
Town-Wide Class of Services D.C. Calculation  
2024-2033

CLASS OF SERVICE	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
5. <u>Growth Studies</u>				
5.1 Services Related to a Highway	29,109	3,969	309	0.10
5.2 Fire Protection Services	6,604	901	70	0.02
5.3 Library Services	605	83	6	-
5.4 Parks and Recreation Services	20,805	2,837	221	0.07
<b>D.C.-Eligible Capital Cost</b>	<b>\$57,123</b>	<b>\$7,790</b>	<b>\$606</b>	<b>\$0.19</b>
10-Year Gross Population/GFA Growth (sq.ft.)	318	39,400		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$179.63</b>	<b>\$0.19</b>		
<b>By Residential Unit Type</b>	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	3.381	\$607		
Other Multiples	2.951	\$530		
Apartments - 2 Bedrooms +	2.213	\$398		
Apartments - Bachelor and 1 Bedroom	1.100	\$198		



Table 6-3  
Township of Melancthon  
Calculated Schedule of Development Charges  
by Service

Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Wind Trubines	(per sq.ft. of Gross Floor Area)
<b>Township-Wide Services</b>						
Services Related to a Highway	5,458	4,764	3,572	1,776	5,458	1.77
Fire Protection Services	3,045	2,658	1,993	991	3,045	0.99
Parks and Recreation Services	6,448	5,628	4,220	2,098		0.81
Library Services	301	263	197	98		0.04
<b>Total Township-Wide Services</b>	<b>\$15,252</b>	<b>\$13,313</b>	<b>\$9,982</b>	<b>\$4,963</b>	<b>\$8,503</b>	<b>\$3.61</b>



Table 6-4  
Township of Melancthon  
Calculated Schedule of Development Charges  
by Service and Class of Service

Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Wind Trubines	(per sq.ft. of Gross Floor Area)
<b>Township-Wide Services</b>						
Services Related to a Highway	5,458	4,764	3,572	1,776	5,458	1.77
Fire Protection Services	3,045	2,658	1,993	991	3,045	0.99
Parks and Recreation Services	6,448	5,628	4,220	2,098		0.81
Library Services	301	263	197	98		0.04
<b>Total Township-Wide Services</b>	<b>\$15,252</b>	<b>\$13,313</b>	<b>\$9,982</b>	<b>\$4,963</b>	<b>\$8,503</b>	<b>\$3.61</b>
<b>Township-Wide Class of Service*</b>						
Growth Studies	606	529	397	197		0.19
<b>Total Township-Wide Class of Service</b>	<b>\$606</b>	<b>\$529</b>	<b>\$397</b>	<b>\$197</b>	<b>\$0</b>	<b>\$0.19</b>
<b>Grand Total Township-Wide Services &amp; Class of Service</b>	<b>\$15,858</b>	<b>\$13,842</b>	<b>\$10,379</b>	<b>\$5,160</b>	<b>\$8,503</b>	<b>\$3.80</b>

\*Potential D.C. for Growth Studies to be considered if Bill 185 is enacted



Table 6-5  
Township of Melancthon  
Gross Expenditure and Sources of Revenue Summary for Costs  
to Incurred over the 10-Year Life of the By-law for all Services

Service/Class	Total Gross Cost	Sources of Financing					
		Tax Base or Other Non-D.C. Source			Post D.C. Period Benefit	D.C. Reserve Fund	
		Other Deductions	Benefit to Existing	Other Funding		Residential	Non-Residential
1. Services Related to a Highway 1.1 Roads and Related	1,399,800	0	816,416	0	0	513,378	70,006
2. Fire Protection Services 2.1 Fire facilities, vehicles & equipment	2,155,000	1,633,700	170,848	0	25,000	286,398	39,054
3. Parks and Recreation Services 3.1 Park development, amenities, trails, recreation facilities, vehicles, and equipment	1,674,600	0	392,233	0	644,000	606,449	31,918
4. Library Services 4.1 Library facilities, materials and vehicles	194,500	83,900	30,780	50,000	0	28,329	1,491
<b>Total Expenditures &amp; Revenues</b>	<b>\$5,423,900</b>	<b>\$1,717,600</b>	<b>\$1,410,276</b>	<b>\$50,000</b>	<b>\$669,000</b>	<b>\$1,434,554</b>	<b>\$142,470</b>



**Table 6-6**  
**Township of Melancthon**  
**Gross Expenditure and Sources of Revenue Summary for Costs**  
**to Incurred over the 10-Year Life of the By-law for all Services/Class of Services**

Service/Class	Total Gross Cost	Sources of Financing					
		Tax Base or Other Non-D.C. Source			Post D.C. Period Benefit	D.C. Reserve Fund	
		Other Deductions	Benefit to Existing	Other Funding		Residential	Non-Residential
1. Services Related to a Highway							
1.1 Roads and Related	1,399,800	0	816,416	0	0	513,378	70,006
2. Fire Protection Services							
2.1 Fire facilities, vehicles & equipment	2,155,000	1,633,700	170,848	0	25,000	286,398	39,054
3. Parks and Recreation Services							
3.1 Park development, amenities, trails, recreation facilities, vehicles, and equipment	1,674,600	0	392,233	0	644,000	606,449	31,918
4. Library Services							
4.1 Library facilities, materials and vehicles	194,500	83,900	30,780	50,000	0	28,329	1,491
5. Growth Studies							
5.1 Services Related to a Highway	242,685	5,735	97,899	0	0	122,365	16,686
5.2 Fire Protection Services	43,338	3,199	8,591	0	0	27,762	3,786
5.3 Library Services	3,970	292	787	0	0	2,544	347
5.4 Parks and Recreation Services	135,007	6,274	29,350	0	0	87,457	11,926
<b>Total Expenditures &amp; Revenues</b>	<b>\$5,848,900</b>	<b>\$1,733,100</b>	<b>\$1,546,903</b>	<b>\$50,000</b>	<b>\$669,000</b>	<b>\$1,674,682</b>	<b>\$175,214</b>



# Chapter 7

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



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

### 7.1 Introduction

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

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

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

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

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

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

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

The rules provided give consideration for the recent amendments to the D.C.A. as summarized in Chapter 1. However, these policies are provided for Council’s consideration and may be refined prior to adoption of the by-law.



## 7.2 D.C. By-law Structure

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It is recommended that:

- The Township uses a uniform Township-wide D.C. calculation for all services.

## 7.3 D.C. By-law Rules

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

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

### 7.3.1 *Payment in any Particular Case*

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

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

### 7.3.2 *Determination of the Amount of the Charge*

The following convention be adopted:

1. Costs allocated to residential uses will be assigned to different types of residential units based on the average occupancy for each housing type constructed during the previous decade. Costs allocated to non-residential uses





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

2. Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each municipal circumstance, as follows:
  - For Services Related to a Highway and Fire Protections Services, an 88% residential and 12% non-residential attribution has been made, over the Township-wide 10-Year forecast period;
  - For Parks and Recreation Services along with Library Services, a 95% residential attribution and 5% non-residential attribution over the Township-wide 10-year forecast period; and
  - For Growth Studies Class of Service, an 88% residential and 12% non-residential attribution has been made, over the Township-wide 10-Year forecast period.

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

Despite any other provisions of this By-law 45-2019, 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:

- 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 D.C. by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and
- 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 applicable D.C., by the G.F.A. that has been or will be demolished or converted to another principal use;



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

The conversion from an exempt principal use to a non-exempt principal use, on the same land, would result in the payment of the applicable D.C. based on the new non-exempt use (with no D.C. credit applicable).

### **7.3.4 Exemptions**

Statutory exemptions include the following:

- Partial exemption for industrial building additions of up to and including 50% of the existing G.F.A. (defined in O. Reg. 82/98, section 1) of the building; for industrial building additions that exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50%, is subject to D.C.s (subsection 4 (3) of the D.C.A.);
- Full exemption for buildings or structures owned by and used for the purposes of any municipality, local board, or Board of Education;
- Full exemption for additional residential development in existing buildings: development that results only in 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 section 2 of O. Reg. 82/98);
- Full exemption for additional residential development in new dwellings: development that includes the creation of up to two additional dwelling units (based on prescribed limits set out in section 2 of O. Reg. 82/98); and
- Full exemption for a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario;
- Full exemption for affordable residential units (see bulletin rates identified in section 1.3.8 herein);
- Full exemption for attainable residential units;
- Full exemption for affordable inclusionary zoning units;
- Full exemption for non-profit housing developments; and
- Partial exemption through a discount for rental housing units based on the number of bedrooms contained in each unit, as prescribed (note that these discounts are not part of the methodology required for calculating the charge, but a rule that has to be included in the by-law which informs implementation):



- Residential units intended for use as a rented residential premises with three (3) or more bedrooms - 25% discount.
- Residential units intended for use as a rented residential premises with two (2) bedrooms - 20% discount.
- Residential units intended for use as a rented residential premises not referred to 1 or 2 above - 15% discount.

Non-statutory (discretionary exemptions) include the following:

- D.C.s shall not be imposed on the development an agricultural use, including barns, silo, or other storage facilities for produce, livestock, or machinery and equipment used in connection with an existing agricultural operation, and other ancillary development to an agricultural use, but excluding a residential dwelling, an on-farm diversified use, a cannabis production facility, or a greenhouse.
- D.C. shall not be imposed on a place of worship, for the portion of lands, buildings, or structures used for worship, or as a cemetery or burial ground exempt from taxation under the *Assessment Act*.

### **7.3.5 Mandatory Phasing In**

As required by the *More Homes Built Faster Act, 2022* the calculated D.C. will be phased-in over a five-year period as follows (unless Bill 185 is enacted, removing this mandatory requirement):

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

### **7.3.6 Timing of Collection**

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



Rental housing and institutional developments will pay D.C.s in six equal annual payments commencing at occupancy. Moreover, the D.C. amount for all developments occurring within two (2) years of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted after January 1, 2020 and before Bill 185 is enacted), shall be determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application. The D.C. amount for all developments occurring within eighteen (18) months of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted after Bill 185 is enacted), shall be determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application.

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

### **7.3.7 Indexing**

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

### **7.3.8 D.C. Spatial Applicability**

The D.C.A. historically has provided the opportunity for a municipality to impose municipal-wide charges or area specific charges. Sections 2(7) and 2(8) of the D.C.A. provide that a D.C. by-law may apply to the entire municipality or only part of it and more than one D.C. by-law may apply to the same area. The D.C.A. now require municipalities to consider the application of municipal-wide and area-specific D.C.s. s.10(2) (c.1) requires Council to consider the use of more than one D.C. by-law to reflect different needs from services in different areas. Most municipalities in Ontario have established uniform, municipal-wide D.C.s. When area-specific charges are used, it is generally to underpin master servicing and front-end financing arrangements for more localized capital costs.

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



1. All Municipal services, except for water and wastewater, require that the average 15-year service standard be calculated. This average service standard multiplied by growth in the Municipality, establishes an upper ceiling on the amount of funds that can be collected from all developing landowners. Section 4 (4) of O. Reg. 82/98 provides that “if a development charge by-law applies to a part of the municipality, the level of service and average level of service cannot exceed that which would be determined if the by-law applied to the whole municipality.” Put in layman terms, the average service standard multiplied by the growth within the specific area would establish an area-specific ceiling which would significantly reduce the total revenue recoverable for the Municipality hence potentially resulting in D.C. revenue shortfalls and impacts on property taxes.
2. Expanding on item 1, attempting to impose an area charge potentially causes equity issues in transitioning from a Municipal-wide approach to an area-specific approach. For example, if all services were now built (and funded) within Area A (which is 75% built out) and this was funded with some revenues from Areas B and C, moving to an area-rating approach would see Area A contribute no funds to the costs of services in Areas B and C. The D.C.s would be lower in Area A (as all services are now funded) and higher in Areas B and C. As well, funding shortfalls may then potentially encourage the municipality to provide less services to Areas B and C due to reduced revenue.
3. Many services provided (roads, parks & recreation facilities) are not restricted to one specific area and are often used by all residents. For example, arenas located in different parts of the Municipality will be used by residents from all areas depending on the programming of the facility (i.e., a public skate is available each night, but at a different arena; hence usage of any one facility at any given time is based on programming availability).

Based on the foregoing and discussions with Township staff, there is no apparent justification for the establishment of area-specific D.C.s at this time. The recommendation is to apply Township-wide D.C.s for all services.



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

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It is recommended that:

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

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

- Services Related to a Highway;
- Fire Protection Services;
- Parks and Recreation Services; and
- Library Services.

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

With enactment of Bill 185, it is recommended that the Township's D.C. collections related to the growth studies class of service be contributed into a separate reserve fund from the four reserve funds for the services noted above in section 7.4.1.

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

A by-law under the D.C.A. comes into force on the day after which the by-law is passed by Council.

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

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



## 7.5 Other Recommendations

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### It is recommended that Council:

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

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

“Adopt the D.C. approach to calculate the charges on a uniform Township-wide basis for all services.”

“Approve the capital project listing set out in Chapter 5 of the D.C. Background Study dated May 16, 2024, subject to further annual review during the capital budget process;”

“Approve the D.C. Background Study dated May 16, 2024, as amended (if applicable);”

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

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



# Chapter 8

## By-law Implementation





## 8. By-law Implementation

### 8.1 Public Consultation Process

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#### **8.1.1 Introduction**

This chapter addresses the mandatory, formal public consultation process (section 8.1.2), as well as the optional, informal consultation process (section 8.1.3). The latter is designed to seek the co-operation and participation of those involved, in order to produce the most suitable policy. Section 8.2 addresses the anticipated impact of the D.C. on development from a generic viewpoint.

#### **8.1.2 Public Meeting of Council**

Section 12 of the D.C.A. indicates that before passing a D.C. by-law, 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, Council must determine whether a further meeting (under this section) is necessary (i.e., if the proposed by-law which is proposed for adoption has been changed in any respect, 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 Ontario Land Tribunal (O.L.T.) (formerly the Local Planning Appeal Tribunal (LPAT)).

#### **8.1.3 Other Consultation Activity**

There are three broad groupings of the public who are generally the most concerned with municipal D.C. policy:

1. The first grouping is the residential development community, consisting of land developers and builders, who are typically responsible for generating the majority



of the D.C. revenues. Others, such as realtors, are directly impacted by D.C. policy. They are, therefore, potentially interested in all aspects of the charge, particularly the quantum by unit type, projects to be funded by the D.C. and the timing thereof, and municipal policy with respect to development agreements, D.C. 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.
3. The third grouping is the industrial/commercial/institutional/primary 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, institutional buildings, and buildings on agricultural lands. 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 D.C. policy. Their primary concern is frequently with the quantum of the charge, gross floor area exclusions such as basements, mechanical or indoor parking areas, or exemptions and phase-in or capping provisions in order to moderate the impact.

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

The establishment of sound D.C. policy often requires the achievement of an acceptable balance between two competing realities. The first is that high non-residential D.C.s 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 D.C.s can ultimately be expected to be recovered via housing prices and can impact project feasibility in some cases (e.g., rental apartments).

On the other hand, D.C.s 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.



## 8.2 Implementation Requirements

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### 8.2.1 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 sections that follow present an overview of the requirements in each case.

### 8.2.2 Notice of Passage

In accordance with section 13 of the D.C.A., when a D.C. 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 no 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;
- subsection 10 (4) lists the persons/organizations who must be given notice; and
- subsection 10 (5) lists the eight items that the notice must cover.

### 8.2.3 By-law Pamphlet

In addition to the “notice” information, the Municipality must prepare a “pamphlet” explaining each D.C. by-law in force, setting out:

- a description of the general purpose of the D.C.s;
- 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 D.C.s relate; and
- a 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 O.L.T., the pamphlet must be readied within 60 days after the by-law comes into force. Later dates apply to appealed by-law.

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

### **8.2.4 Appeals**

Sections 13 to 19 of the D.C.A. set out the requirements relative to making and processing a D.C. by-law appeal and O.L.T. hearing in response to an appeal. Any person or organization may appeal a D.C. by-law to the O.L.T. by filing a notice of appeal with the Municipal Clerk, 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.

The Municipality is conducting a public consultation process in order to address the issues that come forward as part of that process, thereby avoiding or reducing the need for an appeal to be made.

### **8.2.5 Complaints**

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

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

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



### **8.2.6 Credits**

Sections 38 to 41 of the D.C.A. 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 D.C. by-law.

These credits would be used to reduce the amount of D.C.s 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 D.C. is payable.

### **8.2.7 Front-Ending Agreements**

The Municipality and one or more landowners may enter into a front-ending agreement that provides for the costs of a project that will benefit an area in the Municipality to which the D.C. 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 D.C.A. (sections 44 to 58) addresses front-ending agreements and removes some of the obstacles to their use which were contained in the Development Charges Act, 1989. Accordingly, the Municipality assesses whether this mechanism is appropriate for its use, as part of funding projects prior to Municipal funds being available.

### **8.2.8 Severance and Subdivision Agreement Conditions**

Section 59 of the D.C.A. 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 section 51 or section 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;" and
- "local services to be installed or paid for by the owner as a condition of approval under section 53 of the Planning Act."

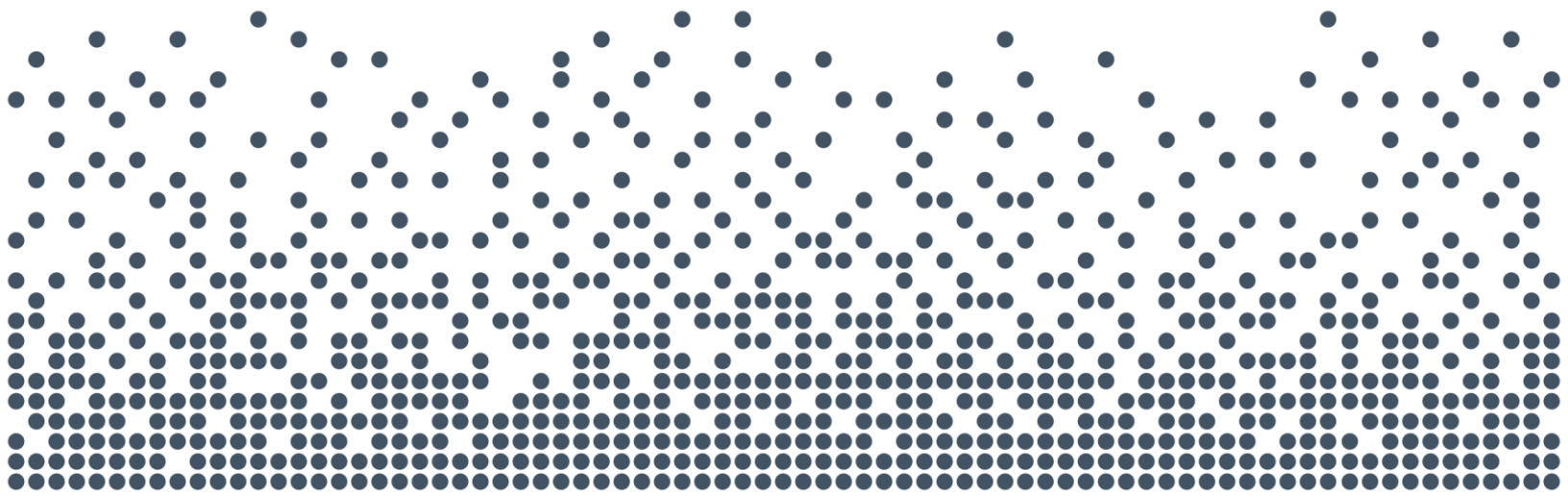


It is also noted that subsection 59 (4) of the D.C.A. requires that the municipal approval authority for a draft plan of subdivision under subsection 51 (31) of the Planning Act, use its power to impose conditions to ensure that the first purchaser of newly subdivided land is informed of all the D.C.s 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 D.C.A. it would need to provide to the approval authority information regarding the applicable municipal D.C.s 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 that can impose a D.C.

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.



# Appendices



# Appendix A

## Background Information on Residential and Non- Residential Growth Forecast





## Schedule 1 Township of Melancthon Residential Growth Forecast Summary

Year	Population (Including Census Undercount) <sup>[1]</sup>	Excluding Census Undercount			Housing Units						Person Per Unit (P.P.U.): Total Population/ Total Households	
		Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi-Detached	Multiple Dwellings <sup>[2]</sup>	Apartments <sup>[3]</sup>	Other	Total Households	Equivalent Institutional Households		
Historical	Mid 2011	2,930	2,839	9	2,830	946	17	6	5	974	8	2.915
	Mid 2016	3,100	3,008	3	3,005	1,010	25	0	0	1,035	3	2.906
	Mid 2021	3,230	3,132	32	3,100	1,015	15	0	5	1,035	29	3.026
Forecast	Mid 2024	3,320	3,218	33	3,185	1,052	15	0	5	1,072	30	3.002
	Mid 2034	3,600	3,486	36	3,450	1,142	15	5	5	1,167	33	2.987
Incremental	Mid 2011 - Mid 2016	170	169	-6	175	64	8	-6	-5	61	-5	
	Mid 2016 - Mid 2021	130	124	29	95	5	-10	0	5	0	26	
	Mid 2021 - Mid 2024	90	86	1	85	37	0	0	0	37	1	
	Mid 2024 - Mid 2034	280	268	3	265	90	0	5	0	95	3	

<sup>[1]</sup> Population includes the Census undercount estimated at approximately 3.2% and has been rounded.

<sup>[2]</sup> Includes townhouses and apartments in duplexes.

<sup>[3]</sup> Includes bachelor, 1-bedroom, and 2-bedroom+ apartment units.

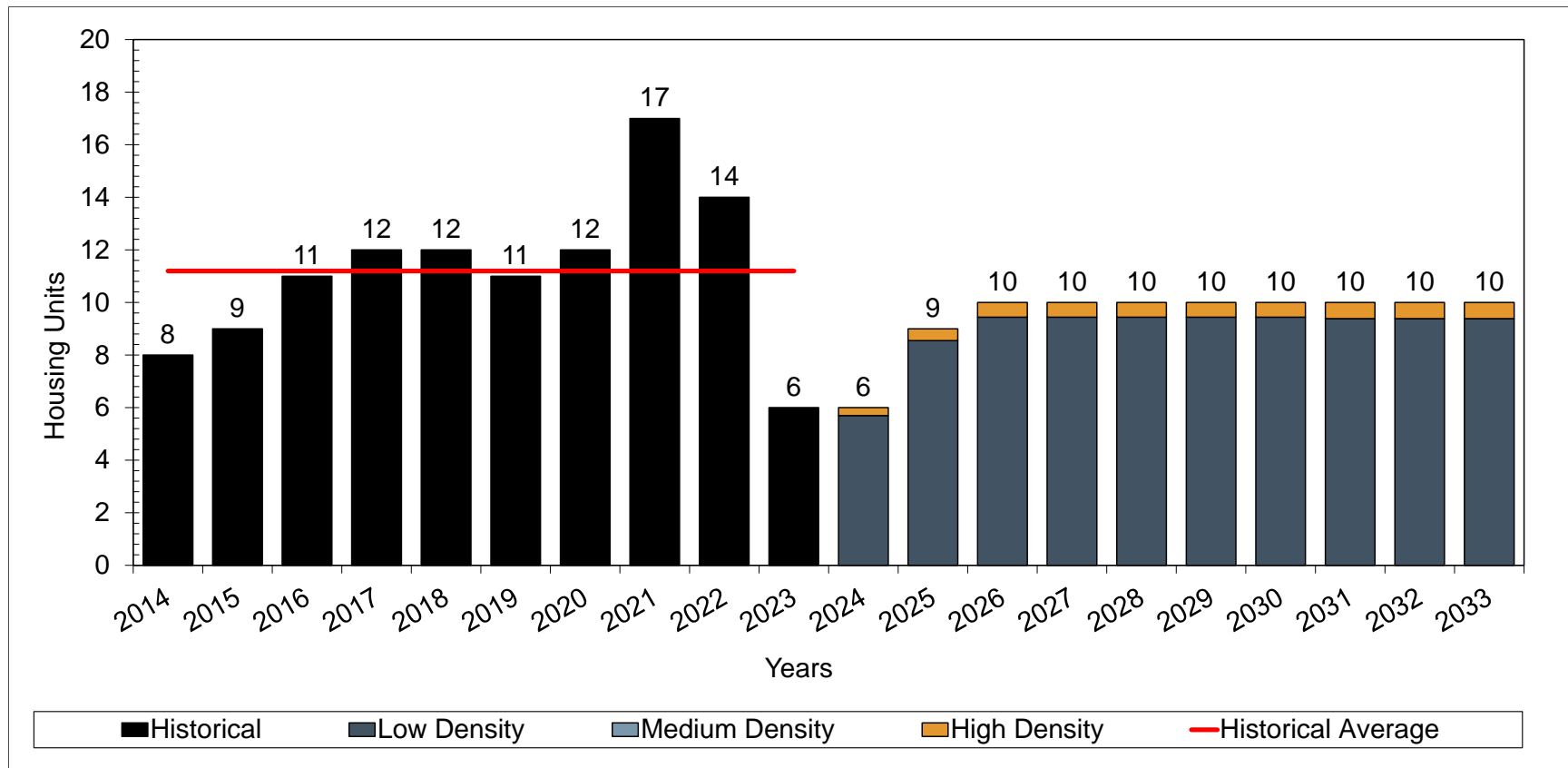
Notes:

Numbers may not add due to rounding.

Source: Watson & Associates Economists Ltd.



Figure A-1  
Township of Melancthon  
Annual Housing Forecast<sup>[1]</sup>



<sup>[1]</sup> Growth forecast represents calendar year.

Source: Historical housing activity derived from Statistics Canada building permit data, 2014 to 2023, by Watson & Associates Economists Ltd.



Schedule 2  
Township of Melancthon  
Current Year Growth Forecast  
Mid 2021 to Mid 2024

		Population
Mid 2021 Population		3,132
Occupants of New Housing Units, Mid 2021 to Mid 2024	<i>Units (2)</i>	37
	<i>multiplied by P.P.U. (3)</i>	3.441
	<i>gross population increase</i>	127
Occupants of New Equivalent Institutional Units, Mid 2021 to Mid 2024	<i>Units</i>	1
	<i>multiplied by P.P.U. (3)</i>	1.100
	<i>gross population increase</i>	1
Decline in Housing Unit Occupancy, Mid 2021 to Mid 2024	<i>Units (4)</i>	1,035
	<i>multiplied by P.P.U. decline rate (5)</i>	-0.041
	<i>total decline in population</i>	-42
Population Estimate to Mid 2024		3,218
<i>Net Population Increase, Mid 2021 to Mid 2024</i>		86

(1) 2021 population based on Statistics Canada Census unadjusted for Census undercount.

(2) Estimated residential units constructed, Mid-2021 to the beginning of the growth period assuming a six-month lag between construction and occupancy.

(3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit <sup>1</sup> (P.P.U.)	% Distribution of Estimated Units <sup>2</sup>	Weighted Persons Per Unit Average
<i>Singles &amp; Semi Detached</i>	3.441	100%	3.441
<i>Multiples (6)</i>	3.196	0%	0.000
<i>Apartments (7)</i>	2.519	0%	0.000
<b>Total</b>		100%	3.441

<sup>1</sup> Based on 2021 Census custom database

<sup>2</sup> Based on Building permit/completion activity

(4) 2021 households taken from Statistics Canada Census.

(5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.

(6) Includes townhouses and apartments in duplexes.

(7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



Schedule 3  
Township of Melancthon  
Ten Year Growth Forecast  
Mid 2024 to Mid 2034

		Population
Mid 2024 Population		3,218
Occupants of New Housing Units, Mid 2024 to Mid 2034	<i>Units (2)</i>	95
	<i>multiplied by P.P.U. (3)</i>	3.312
	<i>gross population increase</i>	315
Occupants of New Equivalent Institutional Units, Mid 2024 to Mid 2034	<i>Units</i>	3
	<i>multiplied by P.P.U. (3)</i>	1.100
	<i>gross population increase</i>	3
Decline in Housing Unit Occupancy, Mid 2024 to Mid 2034	<i>Units (4)</i>	1,072
	<i>multiplied by P.P.U. decline rate (5)</i>	-0.047
	<i>total decline in population</i>	-50
Population Estimate to Mid 2034		3,486
<i>Net Population Increase, Mid 2024 to Mid 2034</i>		268

(1) Mid 2024 Population based on:

2021 Population (3,132) + Mid 2021 to Mid 2024 estimated housing units to beginning of forecast period (37 x 3.441 = 127) + (1 x 1.1 = 1) + (1,035 x -0.041 = -42) = 3,218

(2) Based upon forecast building permits/completions assuming a lag between construction and occupancy.

(3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit <sup>1</sup> (P.P.U.)	% Distribution of Estimated Units <sup>2</sup>	Weighted Persons Per Unit Average
<i>Singles &amp; Semi Detached</i>	3.381	95%	3.203
<i>Multiples (6)</i>	2.951	0%	0.000
<i>Apartments (7)</i>	2.065	5%	0.109
<i>one bedroom or less</i>	1.100		
<i>two bedrooms or more</i>	2.213		
<b>Total</b>		100%	3.312

<sup>1</sup> Persons per unit based on adjusted Statistics Canada Custom 2021 Census database.

<sup>2</sup> Forecast unit mix based upon historical trends and housing units in the development process.

(4) Mid 2024 households based upon 2021 Census (1,035 units) + Mid 2021 to Mid 2024 unit estimate (37 units) = 1,072 units.

(5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.

(6) Includes townhouses and apartments in duplexes.

(7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



Schedule 4  
Township of Melancthon  
Historical Residential Building Permits  
Years 2014 to 2023

Year	Residential Building Permits			
	Singles & Semi Detached	Multiples <sup>[1]</sup>	Apartments <sup>[2]</sup>	Total
2014	8	0	0	8
2015	9	0	0	9
2016	11	0	0	11
2017	12	0	0	12
2018	12	0	0	12
Sub-total	52	0	0	52
<b>Average (2014 - 2018)</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>10</b>
% Breakdown	100.0%	0.0%	0.0%	100.0%
2019	9	0	2	11
2020	12	0	0	12
2021	17	0	0	17
2022	14	0	0	14
2023	6	0	0	6
Sub-total	58	0	2	60
<b>Average (2019 - 2023)</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>12</b>
% Breakdown	96.7%	0.0%	3.3%	100.0%
2014 - 2023				
Total	110	0	2	112
<b>Average</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>11</b>
% Breakdown	98.2%	0.0%	1.8%	100.0%

<sup>[1]</sup> Includes Townhouses and apartments in duplexes.

<sup>[2]</sup> Includes bachelor, 1-bedroom, and 2-bedroom+ apartment units.

Source: Historical housing activity derived from Statistics Canada building permit data for the Township of Melancthon, 2014-2023, by Watson & Associates Economists Ltd.



Schedule 5a  
Township of Melancthon  
Persons Per Unit by Age and Type of Dwelling  
(2021 Census)

Age of Dwelling	Singles and Semi-Detached						15 Year Average	15 Year Average Adjusted <sup>[1]</sup>
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	-	-	-	-	-		
6-10	-	-	-	-	-	-		
11-15	-	-	-	3.769	-	<b>3.389</b>	3.389	3.381
16-20	-	-	-	3.250	-	<b>3.294</b>		
20-25	-	-	-	2.333	-	<b>2.467</b>		
25-35	-	-	-	2.818	-	<b>2.923</b>		
35+	-	-	2.000	2.908	-	<b>2.900</b>		
<b>Total</b>	<b>0.154</b>	<b>-</b>	<b>2.412</b>	<b>2.979</b>	<b>5.400</b>	<b>3.010</b>		

Age of Dwelling	All Density Types					
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total
1-5	-	-	-	-	-	-
6-10	-	-	-	-	-	-
11-15	-	-	-	3.769	-	<b>3.389</b>
16-20	-	-	-	3.250	-	<b>3.278</b>
20-25	-	-	-	2.333	-	<b>2.467</b>
25-35	-	-	-	2.818	-	<b>2.923</b>
35+	-	-	2.077	2.921	6.273	<b>2.850</b>
<b>Total</b>	<b>0.133</b>	<b>-</b>	<b>2.500</b>	<b>2.986</b>	<b>5.074</b>	<b>2.976</b>

<sup>[1]</sup> Adjusted based on historical trends.

Note: Does not include Statistics Canada data classified as "Other."

P.P.U. Not calculated for samples less than or equal to 50 dwelling units and does not include institutional population.



Schedule 5b  
Dufferin County  
Person Per Unit by Age and Type of Dwelling  
(2021 Census)

Age of Dwelling	Multiples <sup>[1]</sup>						15 Year Average	15 Year Average Adjusted <sup>[3]</sup>
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	-	-	3.205	-	<b>3.196</b>		
6-10	-	-	-	2.950	-	<b>2.714</b>		
11-15	-	-	-	-	-	<b>2.571</b>	2.827	2.951
16-20	-	-	-	2.667	-	<b>2.727</b>		
20-25	-	-	-	2.882	-	<b>2.300</b>		
25-35	-	-	-	3.250	-	<b>3.033</b>		
35+	0.300	1.231	2.105	2.657	-	<b>2.321</b>		
<b>Total</b>	<b>0.368</b>	<b>1.750</b>	<b>2.103</b>	<b>2.885</b>	<b>-</b>	<b>2.581</b>		

Age of Dwelling	Apartments <sup>[2]</sup>						15 Year Average	15 Year Average Adjusted <sup>[3]</sup>
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	-	-	2.696	-	<b>2.519</b>		
6-10	-	-	1.538	-	-	<b>1.813</b>		
11-15	-	-	1.500	-	-	<b>1.765</b>	2.032	2.065
16-20	-	-	-	-	-	<b>1.583</b>		
20-25	-	-	-	-	-	<b>1.294</b>		
25-35	-	-	-	-	-	<b>1.467</b>		
35+	0.643	1.204	1.776	2.318	-	<b>1.514</b>		
<b>Total</b>	<b>0.500</b>	<b>1.194</b>	<b>1.726</b>	<b>2.686</b>	<b>-</b>	<b>1.586</b>		

Age of Dwelling	All Density Types					
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total
1-5	-	-	-	3.236	4.750	<b>3.336</b>
6-10	-	-	1.750	3.245	4.696	<b>3.293</b>
11-15	-	-	1.690	3.241	4.088	<b>3.134</b>
16-20	-	-	2.000	3.129	4.394	<b>3.153</b>
20-25	-	1.571	1.842	3.106	4.086	<b>3.026</b>
25-35	-	-	1.935	2.950	4.273	<b>2.994</b>
35+	1.091	1.271	1.865	2.711	3.995	<b>2.537</b>
<b>Total</b>	<b>1.667</b>	<b>1.360</b>	<b>1.868</b>	<b>2.920</b>	<b>4.219</b>	<b>2.809</b>

[1] Includes townhouses and apartments in duplexes.

[2] Includes bachelor, 1 bedroom and 2 bedroom+ apartments.

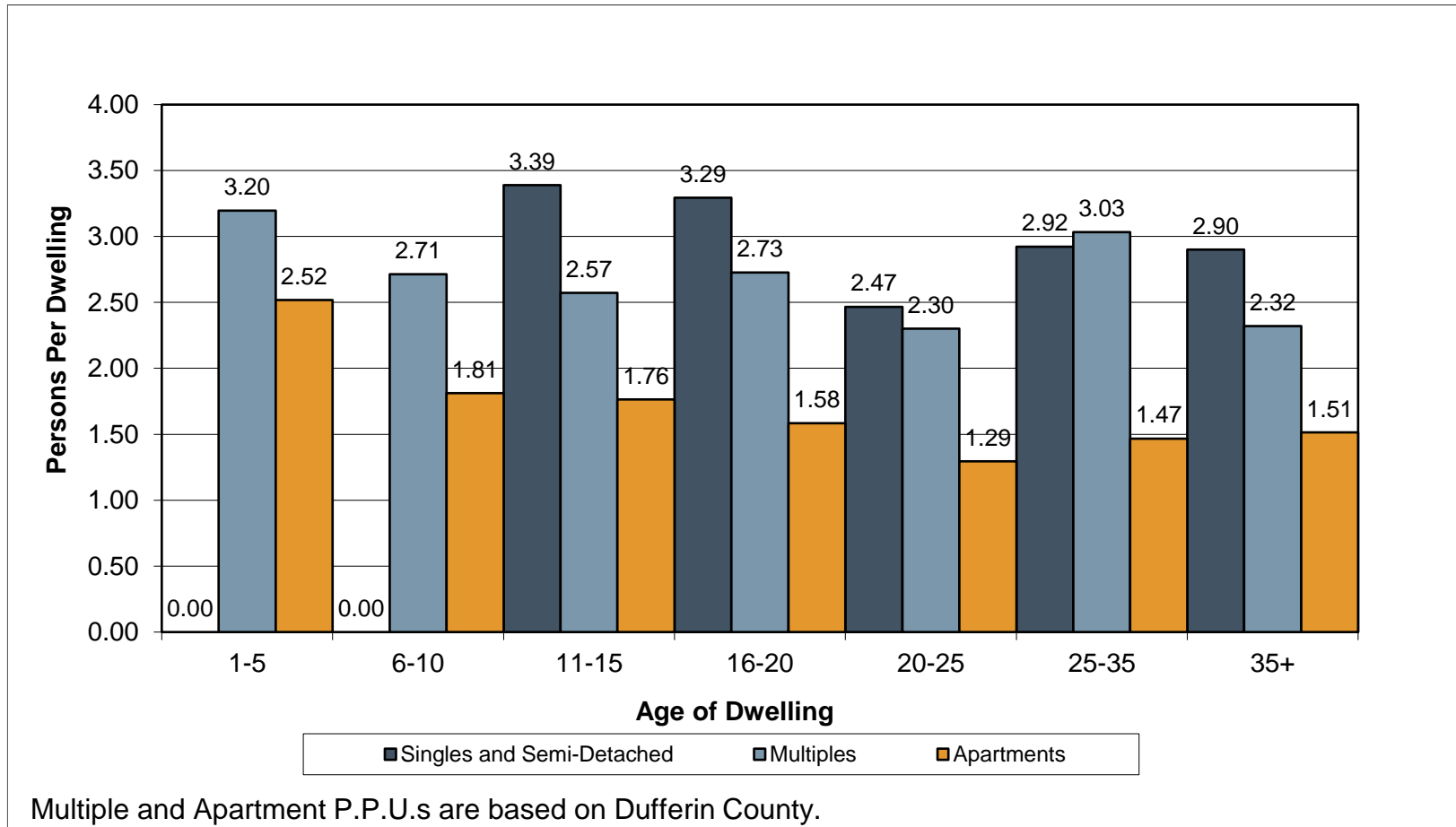
[3] Adjusted based on historical trends.

Note: Does not include Statistics Canada data classified as "Other."

P.P.U. Not calculated for samples less than or equal to 50 dwelling units and does not include institutional population.



Schedule 6  
Township of Melancthon  
Person Per Unit Structural Type and Age of Dwelling  
(2021 Census)







## Schedule 7a Township of Melancthon Employment Forecast, 2024 to 2034

Period	Population	Activity Rate								Employment								Employment Total (Excluding Work at Home and N.F.P.O.W.)
		Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. <sup>[1]</sup>	Total Including N.F.P.O.W.	Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. <sup>[1]</sup>	Total Employment (Including N.F.P.O.W.)	
Mid 2016	3,008	0.022	0.062	0.037	0.025	0.015	0.160	0.046	0.205	65	185	110	75	45	480	137	617	295
Mid 2024	3,218	0.016	0.066	0.034	0.032	0.034	0.182	0.046	0.228	52	211	111	102	110	586	149	735	375
Mid 2034	3,486	0.016	0.068	0.034	0.034	0.034	0.186	0.046	0.232	54	237	119	119	118	647	160	807	410
<b>Incremental Change</b>																		
Mid 2016 - Mid 2024	210	-0.0054	0.0041	-0.0021	0.0068	0.0192	0.0225	0.0008	0.0233	-13	26	1	27	65	106	12	118	80
Mid 2024 - Mid 2034	268	-0.0005	0.0025	-0.0003	0.0025	-0.0003	0.0039	-0.0003	0.0036	2	26	8	17	8	61	11	72	35
<b>Annual Average</b>																		
Mid 2016 - Mid 2024	26	-0.00068	0.00051	-0.00026	0.00085	0.00240	0.00282	0.00009	0.00291	-2	3	0	3	8	13	2	15	10
Mid 2024 - Mid 2034	27	-0.00005	0.00025	-0.00003	0.00025	-0.00003	0.00039	-0.00003	0.00036	0	3	1	2	1	6	1	7	4

<sup>[1]</sup> Statistics Canada defines no fixed place of work (N.F.P.O.W.) employees as "persons who do not go from home to the same work place location at the beginning of each shift". Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc.

Note: Statistics Canada 2021 Census place of work employment data has been reviewed. The 2021 Census employment results have not been utilized due to a significant increase in work at home employment captured due to Census enumeration occurring during the provincial COVID-19 lockdown from April 1, 2021 to June 14, 2021.

Source: Watson & Associates Economists Ltd.



Schedule 7b  
Township of Melancthon  
Employment and Gross Floor Area (G.F.A.) Forecast, 2024 to 2034

Period	Population	Employment					Gross Floor Area in Square Feet (Estimated) <sup>[1]</sup>				
		Primary	Industrial	Commercial/ Population Related	Institutional	Total	Primary - Non- Bona Fide Farming <sup>[2]</sup>	Industrial	Commercial/ Population Related	Institutional	Total
Mid 2016	3,008	65	110	75	45	295					
Mid 2024	3,218	52	111	102	110	375					
Mid 2034	3,486	54	119	119	118	410					
<b>Incremental Change</b>											
Mid 2016 - Mid 2024	210	-13	1	27	65	80					
Mid 2024 - Mid 2034	268	2	8	17	8	35	6,000	16,000	10,200	7,200	39,400
<b>Annual Average</b>											
Mid 2016 - Mid 2024	26	-2	0	3	8	10					
Mid 2024 - Mid 2034	27	0	1	2	1	4	600	1,600	1,020	720	3,940

<sup>[1]</sup> Square Foot Per Employee Assumptions

Primary - Non-Bona Fide Farming	3,000
Industrial	2,000
Commercial/Population-Related	550
Institutional	900

<sup>[2]</sup> Primary industry includes bona-fide, non bona-fide farming and cannabis growing operation related employment.

\*Reflects Mid-2024 to Mid-2034 forecast period.

Note: Numbers may not add up precisely due to rounding.

Source: Watson & Associates Economists Ltd.



# Appendix B

## Level of Service



**Schedule B-1**  
**Township of Melancthon**  
**Summary of the Level of Service Ceiling by Services Considered**

SUMMARY OF SERVICE STANDARDS AS PER DEVELOPMENT CHARGES ACT, 1997, AS AMENDED							
Service Category	Sub-Component	15 Year Average Service Standard					Maximum Ceiling LOS
		Cost (per capita)		Quantity (per capita)	Quality (per capita)		
Service Related to a Highway	Services Related to a Highway - Roads	\$39,778.87	0.0884	km of roadways	449,987	per km	10,660,737
	Services Related to a Highway - Bridges, Culverts & Structures	\$13,435.00	0.0170	Number of Bridges, Culverts & Structures	790,294	per item	3,600,580
	Services Related to a Highway - Public Works Facilities	\$1,423.00	5.5256	sq.ft. of building area	258	per sq.ft.	381,364
	Services Related to a Highway - Public Works Vehicles & Equipment	\$1,218.03	0.0037	No. of vehicles and equipment	329,197	per vehicle	326,432
Fire Protection	Fire Protection Services - Facilities	\$579.56	1.4693	sq.ft. of building area	394	per sq.ft.	155,322
	Fire Protection Services - Vehicles & Equipment	\$503.83	0.0014	No. of vehicles	359,879	per vehicle	135,026
	Fire Protection Services - Small Equipment and Gear	\$134.52	0.0055	No. of equipment and gear	24,458	per item	36,051
Parks & Recreation	Parkland Development	\$159.21	0.0021	No. of parkland amenities	75,814	per acre	42,668
	Parkland Amenities	\$86.85	0.0017	No. of parkland amenities	51,088	per amenity	23,276
	Recreation Facilities	\$2,136.24	5.8313	sq.ft. of building area	366	per sq.ft.	572,512
	Parks & Recreation Vehicles and Equipment	\$13.72	0.0005	No. of vehicles and equipment	27,440	per vehicle	3,677
Library	Library Services - Facilities	\$176.97	0.3561	sq.ft. of building area	497	per sq.ft.	47,428
	Library Services - Collection Materials	\$166.14	3.6920	No. of library collection items	45	per collection item	44,526



## Schedule B-2 Township of Melancthon Services Related to a Highway – Roads and Related

Unit Measure: km of roadways

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/km)
Asphalt - Rural	67.02	67.02	67.02	67.02	67.02	67.02	67.02	67.02	67.02	67.02	62.02	62.02	62.02	54.36	54.36	\$625,000
Asphalt - Semi-Urban	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	\$615,000
Asphalt - Urban	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	\$650,000
Gravel - Rural	188.22	188.22	188.22	188.22	188.22	188.22	188.22	188.22	188.22	188.22	193.22	193.22	193.22	200.88	200.88	\$382,000
<b>Total</b>	<b>265.30</b>	<b>265.30</b>	<b>265.30</b>	<b>265.30</b>	<b>265.30</b>	<b>265.30</b>	<b>265.30</b>	<b>265.30</b>	<b>265.30</b>	<b>265.30</b>	<b>265.30</b>	<b>265.30</b>	<b>265.30</b>	<b>265.30</b>	<b>265.30</b>	

Population	2,918	2,871	2,839	2,863	2,894	2,931	2,968	3,008	3,032	3,058	3,084	3,105	3,132	3,177	3,211
Per Capita Standard	0.0909	0.0924	0.0934	0.0927	0.0917	0.0905	0.0894	0.0882	0.0875	0.0868	0.0860	0.0854	0.0847	0.0835	0.0826

15 Year Average	2009 to 2023
Quantity Standard	0.0884
Quality Standard	\$449,987
Service Standard	\$39,779

C. Amount (before deduction)	10 Year
Forecast Population	268
\$ per Capita	\$39,779
Eligible Amount	\$10,660,737



Schedule B-3  
Township of Melancthon  
Services Related to a Highway – Bridges and Culverts

Unit Measure: Number of Bridges, Culverts & Structures

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/item)
Bridge/Structure	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	1,012,200
Culvert	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	517,100
Prefabricated Structure (50% Share)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	206,500
<b>Total</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	

Population	2,918	2,871	2,839	2,863	2,894	2,931	2,968	3,008	3,032	3,058	3,084	3,105	3,132	3,177	3,211
Per Capita Standard	0.0175	0.0178	0.0180	0.0178	0.0176	0.0174	0.0172	0.0170	0.0168	0.0167	0.0165	0.0164	0.0163	0.0161	0.0159

15 Year Average	2009 to 2023
Quantity Standard	0.0170
Quality Standard	\$790,294
Service Standard	\$13,435

D.C. Amount (before deductions)	10 Year
Forecast Population	268
\$ per Capita	\$13,435
Eligible Amount	\$3,600,580



## Schedule B-4 Township of Melancthon Services Related to a Highway – Public Works Facilities

Unit Measure: sq.ft. of building area

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Bld'g Value (\$/sq.ft.)	Value/sq.ft. with land, site works, etc.
Sand Storage Facility	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	\$249	\$289
Public Works Garage	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	\$249	\$289
Equipment Storage Facility	-	-	-	-	-	-	-	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	\$38	\$57
<b>Total</b>	<b>14,336</b>	<b>14,336</b>	<b>14,336</b>	<b>14,336</b>	<b>14,336</b>	<b>14,336</b>	<b>14,336</b>	<b>14,336</b>	<b>19,336</b>	<b>19,336</b>	<b>19,336</b>	<b>19,336</b>	<b>19,336</b>	<b>19,336</b>	<b>19,336</b>		

Population	2,918	2,871	2,839	2,863	2,894	2,931	2,968	3,008	3,032	3,058	3,084	3,105	3,132	3,177	3,211
Per Capita Standard	4.9130	4.9934	5.0497	5.0073	4.9537	4.8912	4.8302	4.7660	6.3773	6.3231	6.2698	6.2274	6.1737	6.0862	6.0218

15 Year Average	2009 to 2023
Quantity Standard	5.5256
Quality Standard	\$258
Service Standard	\$1,423

D.C. Amount (before deductions)	10 Year
Forecast Population	268
\$ per Capita	\$1,423
Eligible Amount	\$381,364



Schedule B-5  
Township of Melancthon  
Services Related to a Highway - Public Works Vehicles and Equipment

Unit Measure: No. of vehicles and equipment

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/Vehicle)
Champion Grader	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	\$618,200
GMC Dump Truck	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$478,700
Freightliner Dump Truck	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$478,700
GMC Pickup	2	2	2	2	2	1	1	1	1	1	1	1	1	1	1	\$52,000
JBC Backhoe	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$377,900
Western Star Plow	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$478,700
Western Star Dump Truck	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$478,700
John Deer Grader	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	\$527,500
CAT Grader	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$527,500
Volvo vehicles	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$216,600
CAT Loader	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$146,200
Ford F150 Pickup	-	-	-	-	-	-	-	1	1	1	1	1	1	1	1	\$59,800
Ford 550 with Sander Unit & Plow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$154,000
2015 John Deere Grader	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	\$303,000
2022 Western Star Plow Truck	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	\$330,000
<b>Total</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>14</b>	

Population	2,918	2,871	2,839	2,863	2,894	2,931	2,968	3,008	3,032	3,058	3,084	3,105	3,132	3,177	3,211
Per Capita Standard	0.0038	0.0038	0.0039	0.0038	0.0038	0.0034	0.0034	0.0037	0.0036	0.0036	0.0036	0.0035	0.0035	0.0038	0.0044

15 Year Average	2009 to 2023
Quantity Standard	0.0037
Quality Standard	\$329,197
Service Standard	\$1,218

D.C. Amount (before deductions)	10 Year
Forecast Population	268
\$ per Capita	\$1,218
Eligible Amount	\$326,432





## Schedule B-6 Township of Melancthon Fire Protection Services - Facilities

Unit Measure: sq.ft. of building area

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Bld'g Value (\$/sq.ft.)	Value/sq.ft. with land, site works, etc.
<b>Mulmur Melancthon Fire Hall (located in Mulmur)</b>																	
Mulmur Melancthon (Honeywood) Fire Station (Melancthon's Portion)	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	\$272	\$323
Mulmur-Melancthon Fire Station - Sea-Cans (Melancthon's Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.50	0.50	\$5,500	\$5,500
<b>Shelburne Fire Station</b>																	
Shelburne Fire Station (Melancthon's Portion)	866	866	866	1,136	1,136	1,136	1,096	1,067	1,072	1,046	1,046	1,071	1,073	1,039	1,028	\$500	\$627
<b>Total</b>	<b>4,241</b>	<b>4,241</b>	<b>4,241</b>	<b>4,511</b>	<b>4,511</b>	<b>4,511</b>	<b>4,471</b>	<b>4,442</b>	<b>4,447</b>	<b>4,421</b>	<b>4,421</b>	<b>4,446</b>	<b>4,448</b>	<b>4,415</b>	<b>4,404</b>		

Population	2,918	2,871	2,839	2,863	2,894	2,931	2,968	3,008	3,032	3,058	3,084	3,105	3,132	3,177	3,211
Per Capita Standard	1.4534	1.4772	1.4938	1.5756	1.5587	1.5391	1.5064	1.4767	1.4667	1.4457	1.4335	1.4319	1.4202	1.3895	1.3714

15 Year Average	2009 to 2023
Quantity Standard	1.4693
Quality Standard	\$394
Service Standard	\$580

D.C. Amount (before deductions)	10 Year
Forecast Population	268
\$ per Capita	\$580
Eligible Amount	\$155,322



## Schedule B-7 Township of Melancthon Fire Protection Services – Vehicles and Equipment

Unit Measure:

No. of vehicles

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/Vehicle)
<b>Mulmur Melancthon Fire Hall (Melancthon's portion):</b>																
1999 Freightliner Pumper	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$629,900
2009 Spartan Rescue Pumper ZS4	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$629,900
1987 Ford Tanker	0.50	0.50	-	-	-	-	-	-	-	-	-	0.50	0.50	0.50	0.50	\$363,600
2005 International Tanker	-	-	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$285,300
2000 Ford F-350 Rescue	0.50	0.50	0.50	0.50	0.50	0.50	0.50	-	-	-	-	0.50	0.50	0.50	0.50	\$103,600
2000 Freightliner Command Rescue	-	-	-	-	-	-	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$87,900
2007 Trailer 20'	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$30,800
8 Wheeled Argo	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$46,000
<b>Shelburne Fire Station (Melancthon's portion):</b>																
Rescue Unit 26	0.16	0.16	0.16	0.16	0.16	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.14	\$543,200
Pumper Unit 1	0.16	0.16	0.16	0.16	0.16	0.16	-	-	-	-	-	-	-	-	-	\$714,700
Pumper Unit 27	0.16	0.16	0.16	0.16	0.16	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.14	\$714,700
Tanker Truck Unit 25	0.16	0.16	0.16	0.16	0.16	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.14	\$643,300
Ford Crew Cab Unit 2	-	-	-	0.16	0.16	0.16	0.15	0.15	0.15	0.15	-	-	-	-	-	\$71,500
Ariel Truck Unit 28	-	-	-	0.16	0.16	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.14	\$1,643,900
GMC Safari Cargo Van Unit 2	0.16	0.16	0.16	-	-	-	-	-	-	-	-	-	-	-	-	\$60,800
Ford SUV	-	-	-	-	-	-	-	-	-	-	-	0.15	0.15	0.15	0.14	\$100,000
Chev Crew Cab C22	-	-	-	-	-	-	-	-	-	-	0.15	0.15	0.15	0.15	0.14	\$71,500
Pumper 24	-	-	-	-	-	-	-	-	-	0.15	0.15	0.15	0.15	0.15	0.14	\$714,700
<b>Total</b>	<b>3.80</b>	<b>3.80</b>	<b>3.80</b>	<b>3.95</b>	<b>3.95</b>	<b>3.95</b>	<b>3.77</b>	<b>3.75</b>	<b>3.75</b>	<b>3.88</b>	<b>3.88</b>	<b>5.05</b>	<b>5.05</b>	<b>5.02</b>	<b>5.01</b>	

Population	2,918	2,871	2,839	2,863	2,894	2,931	2,968	3,008	3,032	3,058	3,084	3,105	3,132	3,177	3,211
Per Capita Standard	0.0013	0.0013	0.0013	0.0014	0.0014	0.0013	0.0013	0.0012	0.0012	0.0013	0.0013	0.0016	0.0016	0.0016	0.0016

15 Year Average	2009 to 2023
Quantity Standard	0.0014
Quality Standard	\$359,879
Service Standard	\$504

D.C. Amount (before deductions)	10 Year
Forecast Population	268
\$ per Capita	\$504
Eligible Amount	\$135,026



Schedule B-8  
Township of Melancthon  
Fire Protection Services – Small Equipment and Gear

Unit Measure:

No. of equipment and gear

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/item)
<b>Mulmur Melancthon Fire Hall (located in Honeywood)</b>																
Mulmur Melancthon (Honeywood) Fire Fighters (Melancthon's Share)	11.00	11.00	11.00	11.50	11.50	13.00	12.50	12.00	12.00	10.50	10.50	10.50	10.50	10.50	10.50	\$11,000
Mulmur Melancthon (Honeywood) Small Equipment (Melancthon's Share)	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$240,400
<b>Shelburne Fire Station</b>																
Fire Hoses (Melancthon's Share)	0.14	0.14	0.14	0.16	0.16	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.14	114,000
Shelburne Firefighters and Small Equipment (Melancthon's Share)	4.77	4.77	4.77	4.77	4.77	4.77	4.61	4.49	4.51	4.40	4.40	4.40	4.40	4.40	4.40	\$31,200
<b>Total</b>	<b>16.41</b>	<b>16.41</b>	<b>16.41</b>	<b>16.93</b>	<b>16.93</b>	<b>18.43</b>	<b>17.76</b>	<b>17.13</b>	<b>17.16</b>	<b>15.54</b>	<b>15.54</b>	<b>15.55</b>	<b>15.55</b>	<b>15.54</b>	<b>15.54</b>	

Population	2,918	2,871	2,839	2,863	2,894	2,931	2,968	3,008	3,032	3,058	3,084	3,105	3,132	3,177	3,211
Per Capita Standard	0.0056	0.0057	0.0058	0.0059	0.0059	0.0063	0.0060	0.0057	0.0057	0.0051	0.0050	0.0050	0.0050	0.0049	0.0048

15 Year Average	2009 to 2023
Quantity Standard	0.0055
Quality Standard	\$24,458
Service Standard	\$135

D.C. Amount (before deductions)	10 Year
Forecast Population	268
\$ per Capita	\$135
Eligible Amount	\$36,051



Schedule B-9  
Township of Melancthon  
Parks and Recreation Services – Parkland Development

Unit Measure: Acres of Parkland

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/item)
Horning's Mills Park	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	\$73,800
Corbetton Community Park (682409 Main St)	-	-	-	-	-	-	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	\$74,600
<b>Total</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	

Population	2,918	2,871	2,839	2,863	2,894	2,931	2,968	3,008	3,032	3,058	3,084	3,105	3,132	3,177	3,211
Per Capita Standard	0.0017	0.0017	0.0018	0.0017	0.0017	0.0017	0.0025	0.0025	0.0025	0.0025	0.0024	0.0024	0.0024	0.0024	0.0023

15 Year Average	2009 to 2023
Quantity Standard	0.0021
Quality Standard	\$75,814
Service Standard	\$159

D.C. Amount (before deductions)	10 Year
Forecast Population	268
\$ per Capita	\$159
Eligible Amount	\$42,668



Schedule B-10  
Township of Melancthon  
Parks and Recreation Services – Parkland Amenities

Unit Measure: No. of parkland amenities

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/item)
<b>Corbetton Community Park (682409 Main St):</b>																
Pavillion (320 sq.ft.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.0	\$29,700
Playground Equipment	-	-	-	-	-	-	-	-	-	-	-	-	1.0	1.0	1.0	\$52,000
Asphalt Pad	-	-	-	-	-	-	-	-	-	-	-	-	1.0	1.0	1.0	\$6,800
Gravel Parking Area	-	-	-	-	-	-	-	-	-	-	-	1.0	1.0	1.0	1.0	\$1,400
<b>Horning's Mills Park:</b>																
Ball Diamond	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	\$100,000
Ball Diamond Bleachers	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	\$17,000
Ball Diamond Lighting	-	-	-	-	-	-	-	-	-	-	-	-	1.0	1.0	1.0	\$31,600
Playground Equipment	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	\$25,000
Pavillion (Storage & Covered Picnic Area)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	\$89,100
<b>North Dufferin Community Centre - Mulmur/Melancthon Area:</b>																
Playground Equipment	-	-	-	-	-	-	-	-	-	0.5	0.5	0.5	0.5	0.5	0.5	\$16,100
Bleachers	-	-	-	-	-	-	-	-	-	0.5	0.5	0.5	0.5	0.5	0.5	\$37,400
<b>Total</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>5.0</b>	<b>5.0</b>	<b>6.0</b>	<b>9.0</b>	<b>9.0</b>	<b>10.0</b>	

Population	2,918	2,871	2,839	2,863	2,894	2,931	2,968	3,008	3,032	3,058	3,084	3,105	3,132	3,177	3,211
Per Capita Standard	0.0014	0.0014	0.0014	0.0014	0.0014	0.0014	0.0013	0.0013	0.0013	0.0016	0.0016	0.0019	0.0029	0.0028	0.0031

15 Year Average	2009 to 2023
Quantity Standard	0.0017
Quality Standard	\$51,088
Service Standard	\$87

D.C. Amount (before deductions)	10 Year
Forecast Population	268
\$ per Capita	\$87
Eligible Amount	\$23,276



Schedule B-10  
Township of Melancthon  
Parks and Recreation Services – Recreation Facilities

Unit Measure: sq.ft. of building area

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Bid'g Value (\$/sq.ft.)	Value/sq.ft. with land, site works, etc.
Centre Dufferin Recreation Complex (15% Melancthon portion)	4,660	6,830	6,830	6,830	6,830	6,830	6,830	6,830	6,830	6,877	6,877	6,877	6,877	6,877	6,877	\$384	\$438
Southgate Dundalk Community Centre (10% Melancthon portion)	3,052	3,052	3,052	3,052	3,052	3,052	3,052	3,052	3,052	3,052	3,052	3,052	3,052	3,052	3,052	\$237	\$276
Homing's Mills Hall	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	\$253	\$294
North Dufferin Community Centre - Mulmur/Melancthon Area - Arena	-	-	-	-	-	-	-	-	-	11,750	11,750	11,750	11,750	11,750	11,751	\$331	\$373
<b>Total</b>	<b>10,953</b>	<b>13,123</b>	<b>13,123</b>	<b>13,123</b>	<b>13,123</b>	<b>13,123</b>	<b>13,123</b>	<b>13,123</b>	<b>13,123</b>	<b>24,920</b>	<b>24,920</b>	<b>24,920</b>	<b>24,920</b>	<b>24,920</b>	<b>24,920</b>		

Population	2,918	2,871	2,839	2,863	2,894	2,931	2,968	3,008	3,032	3,058	3,084	3,105	3,132	3,177	3,211
Per Capita Standard	3.7535	4.5707	4.6222	4.5835	4.5344	4.4771	4.4213	4.3625	4.3280	8.1490	8.0803	8.0257	7.9565	7.8438	7.7609

15 Year Average	2009 to 2023
Quantity Standard	5.8313
Quality Standard	\$366
Service Standard	\$2,136

D.C. Amount (before deductions)	10 Year
Forecast Population	268
\$ per Capita	\$2,136
Eligible Amount	\$572,512



Schedule B-11  
Township of Melancthon  
Parks and Recreation Services – Vehicles and Equipment

Unit Measure: No. of vehicles and equipment

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/Vehicle)
John Deere Zero Turn Mower	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	\$14,400
Ice Resurfacing Machine	-	-	-	-	-	-	-	-	-	0.5	0.5	0.5	0.5	0.5	0.5	\$121,000
Gas Ice Edger	-	-	-	-	-	-	-	-	-	0.5	0.5	0.5	0.5	0.5	0.5	\$4,600
Floor Scrubber	-	-	-	-	-	-	-	-	-	-	0.5	0.5	0.5	0.5	0.5	\$8,700
Zero Turn John Deere Mower	-	-	-	-	-	-	-	-	-	-	-	-	0.5	0.5	0.5	\$13,700
<b>Total</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>2.0</b>	<b>2.5</b>	<b>2.5</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	

Population	2,918	2,871	2,839	2,863	2,894	2,931	2,968	3,008	3,032	3,058	3,084	3,105	3,132	3,177	3,211
Per Capita Standard	0.0003	0.0003	0.0004	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0007	0.0008	0.0008	0.0010	0.0009	0.0009

15 Year Average	2009 to 2023
Quantity Standard	0.0005
Quality Standard	\$27,440
Service Standard	\$14

D.C. Amount (before deductions)	10 Year
Forecast Population	268
\$ per Capita	\$14
Eligible Amount	\$3,677



## Schedule B-11 Township of Melancthon Library Services – Facilities

Unit Measure: sq.ft. of building area

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Bld'g Value (\$/sq.ft.)	Value/sq.ft. with land, site works, etc.
Shelburne Library (Melancthon portion)	1,049	1,049	1,049	1,049	1,049	1,076	1,076	1,076	1,076	1,076	1,083	1,083	1,083	1,083	1,083	\$409	\$497
<b>Total</b>	<b>1,049</b>	<b>1,049</b>	<b>1,049</b>	<b>1,049</b>	<b>1,049</b>	<b>1,076</b>	<b>1,076</b>	<b>1,076</b>	<b>1,076</b>	<b>1,076</b>	<b>1,083</b>	<b>1,083</b>	<b>1,083</b>	<b>1,083</b>	<b>1,083</b>		

Population	2,918	2,871	2,839	2,863	2,894	2,931	2,968	3,008	3,032	3,058	3,084	3,105	3,132	3,177	3,211
Per Capita Standard	0.3595	0.3654	0.3695	0.3664	0.3625	0.3671	0.3625	0.3577	0.3549	0.3519	0.3511	0.3487	0.3457	0.3408	0.3372

15 Year Average	2009 to 2023
Quantity Standard	0.3561
Quality Standard	\$497
Service Standard	\$177

D.C. Amount (before deductions)	10 Year
Forecast Population	268
\$ per Capita	\$177
Eligible Amount	\$47,428





## Schedule B-12 Township of Melancthon Library Services – Collection Materials

Unit Measure: No. of library collection items

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/item)
Shelburne Public Library:																
Circulation Books & Periodicals (Melancthon's Share)	8,418	8,523	10,342	11,391	11,391	11,683	11,654	12,147	12,524	12,098	10,669	11,417	11,417	11,417	11,417	\$45
<b>Total</b>	<b>8,418</b>	<b>8,523</b>	<b>10,342</b>	<b>11,391</b>	<b>11,391</b>	<b>11,683</b>	<b>11,654</b>	<b>12,147</b>	<b>12,524</b>	<b>12,098</b>	<b>10,669</b>	<b>11,417</b>	<b>11,417</b>	<b>11,417</b>	<b>11,417</b>	

Population	2,918	2,871	2,839	2,863	2,894	2,931	2,968	3,008	3,032	3,058	3,084	3,105	3,132	3,177	3,211
Per Capita Standard	2.88	2.97	3.64	3.98	3.94	3.99	3.93	4.04	4.13	3.96	3.46	3.68	3.65	3.59	3.56

15 Year Average	2009 to 2023
Quantity Standard	3.6920
Quality Standard	\$45
Service Standard	\$166

D.C. Amount (before deductions)	10 Year
Forecast Population	268
\$ per Capita	\$166
Eligible Amount	\$44,526



# Appendix C

## Long-Term Capital and Operating Cost Examination



## Appendix C: Long-Term Capital and Operating Cost Examination

As a requirement of the D.C.A. under subsection 10 (2) (c), an analysis must be undertaken to assess the long-term capital and operating cost impacts for the capital infrastructure projects identified within the D.C. background study. As part of this analysis, it was deemed necessary to isolate the incremental operating expenditures directly associated with these capital projects, factor in cost savings attributable to economies of scale or cost sharing where applicable and prorate the cost on a per unit basis (i.e., sq.ft. of building space, per vehicle, etc.). This was undertaken through a review of the Township's approved 2022 Financial Information Return (F.I.R.).

In addition to the operational impacts, over time the initial capital projects will require replacement. This replacement of capital is often referred to as lifecycle cost. By definition, lifecycle costs are all the costs that are incurred during the life of a physical asset, from the time its acquisition is first considered, to the time it is taken out of service for disposal or redeployment. Lifecycle costs were estimated by dividing the growth-related costs by the average useful life. The useful life assumptions used for each asset class are provided in Table C-1.

Table C-1  
Average Useful Life by Asset Class

Asset	Lifecycle Cost Average Useful Life
Facilities	50
Services Related to a Highway	25
Parkland Development	15-50
Vehicles	15
Small Equipment & Gear	10
Library Materials	10



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

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

SERVICE	GROSS COST LESS BENEFIT TO EXISTING	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
<b>1. Services Related to a Highway</b>				
1.1 Roads and Related	583,384	43,317	169,423	212,740
<b>2. Fire Protection Services</b>				
2.1 Fire facilities, vehicles & equipment	1,984,152	14,398	19,282	33,680
<b>3. Parks and Recreation Services</b>				
3.1 Park development, amenities, trails, recreation facilities, vehicles, and equipment	1,282,367	10,440	11,347	21,787
<b>4. Library Services</b>				
4.1 Library facilities, materials and vehicles	163,720	5,094	-	5,094
<b>Total</b>	<b>\$4,013,624</b>	<b>\$73,249</b>	<b>\$200,052</b>	<b>\$273,301</b>



# Appendix D

## D.C. Reserve Fund Policy



# Appendix D: D.C. Reserve Fund Policy

## D.1 Legislative Requirements

The *Development Charges Act, 1997*, as amended (D.C.A.) requires development charge (D.C.) collections (and associated interest) to be placed in separate reserve funds. Sections 33 through 36 of the D.C.A. provide the following regarding reserve fund establishment and use:

- A municipality shall establish a reserve fund for each service to which the D.C. by-law relates; subsection 7 (1), however, allows services to be grouped into categories of services for reserve fund (and credit) purposes and for classes of services to be established.
- The municipality shall pay each D.C. it collects into a reserve fund or funds to which the charge relates.
- The money in a reserve fund shall be spent only for the "capital costs" determined through the legislated calculation process (as per subsection 5 (1) 2 to 8).
- Money may be borrowed from the fund but must be paid back with interest (O. Reg. 82/98, subsection 11 (1) defines this as Bank of Canada rate either on the day the by-law comes into force or, if specified in the by-law, the first business day of each quarter).
- D.C. reserve funds may not be consolidated with other municipal reserve funds for investment purposes and may only be used as an interim financing source for capital undertakings for which D.C.s may be spent (section 37).

Annually, the Treasurer of the municipality is required to provide Council with a financial statement related to the D.C. by-law(s) and reserve funds. This statement must be made available to the public and may be requested to be forwarded to the Minister of Municipal Affairs and Housing.

Subsection 43 (2) and O. Reg. 82/98 prescribe the information that must be included in the Treasurer's statement, as follows:

- opening balance;
- closing balance;



- description of each service and/or service category for which the reserve fund was established (including a list of services within a service category);
- transactions for the year (e.g., collections, draws) including each asset's capital costs to be funded from the D.C. reserve fund and the manner for funding the capital costs not funded under the D.C. by-law (i.e., non-D.C. recoverable cost share and post-period D.C. recoverable cost share);
- for projects financed by D.C.s, the amount spent on the project from the D.C. reserve fund and the amount and source of any other monies spent on the project;
- amounts borrowed, purpose of the borrowing, and interest accrued during previous year;
- amount and source of money used by the municipality to repay municipal obligations to the D.C. reserve fund;
- list of credits by service or service category (outstanding at the beginning of the year, given in the year, and outstanding at the end of the year by the holder);
- for credits granted under section 14 of the previous D.C.A., a schedule identifying the value of credits recognized by the municipality, the service to which it applies, and the source of funding used to finance the credit; and
- a statement as to compliance with subsection 59 (1) of the D.C.A., whereby the municipality shall not impose, directly or indirectly, a charge related to a development or a requirement to construct a service related to development, except as permitted by the D.C.A. or another Act.

Recent changes arising from Bill 109 (*More Homes for Everyone Act, 2022*) provide that the Council shall make the statement available to the public by posting the statement on the website or, if there is no such website, in the municipal office. In addition, Bill 109 introduced the following requirements which shall be included in the treasurer's statement.

- For each service for which a development charge is collected during the year
  - whether, as of the end of the year, the municipality expects to incur the amount of capital costs that were estimated, in the relevant development charge background study, to be incurred during the term of the applicable development charge by-law, and
  - if the answer to the above is no, the amount the municipality now expects to incur and a statement as to why this amount is expected.



- For any service for which a development charge was collected during the year but in respect of which no money from a reserve fund was spent during the year, a statement as to why there was no spending during the year.

Based upon the above, Appendix D-1 and Attachments 1 through 3 (Appendix D-2 through D-4), set out the format for which annual reporting to Council should be provided.

## **D.2 D.C. Reserve Fund Application**

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

“The money in a reserve fund established for a service may be spent only for capital costs determined under paragraphs 2 to 7 of subsection 5(1).”

This provision clearly establishes that reserve funds collected for a specific service are only to be used for that service, or to be used as a source of interim financing of capital undertakings for which a D.C. may be spent.





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

Description	Services to which the Development Charge Relates				Total
	Services Related to a Highway	Fire Protection Services	Parks and Recreation Services	Library Services	
<b>Opening Balance, January 1, _____</b>					<b>0</b>
<u>Plus:</u>					
Development Charge Collections					0
Accrued Interest					0
Repayment of Monies Borrowed from Fund and Associated Interest <sup>1</sup>					0
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Less:</u>					
Amount Transferred to Capital (or Other) Funds <sup>2</sup>					0
Amounts Refunded					0
Amounts Loaned to Other D.C. Service Category for Interim Financing					0
Credits <sup>3</sup>					0
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing Balance, December 31, _____</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1</sup> Source of funds used to repay the D.C. reserve fund

<sup>2</sup> See Attachment 1 for details

<sup>3</sup> See Attachment 2 for details

imposed on development nor has a requirement to construct a service related to development been imposed, except as permitted by the *Development Charges Act* or another Act.



## Appendix D-2 Amount Transferred to Capital (or Other) Funds - Capital Fund Transactions

Capital Fund Transactions	Gross Capital Cost	D.C. Recoverable Cost Share					Non-D.C. Recoverable Cost Share				
		D.C. Forecast Period		Post D.C. Forecast Period			Other Reserve/Reserve Fund Draws	Tax Supported Operating Fund Contributions	Rate Supported Operating Fund Contributions	Debt Financing	Grants, Subsidies Other Contributions
		D.C. Reserve Fund Draw	D.C. Debt Financing	Grants, Subsidies Other Contributions	Post-Period Benefit/ Capacity Interim Financing	Grants, Subsidies Other Contributions					
<b>Services Related to a Highway</b>											
Capital Cost A											
Capital Cost B											
Capital Cost C											
<b>Sub-Total - Services Related to Highways</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Fire Protection Services</b>											
Capital Cost D											
Capital Cost E											
Capital Cost F											
<b>Sub-Total - Fire Protection Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Parks and Recreation Services</b>											
Capital Cost G											
Capital Cost H											
Capital Cost I											
<b>Sub-Total - Parks and Recreation Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Library Services</b>											
Capital Cost G											
Capital Cost H											
Capital Cost I											
<b>Sub-Total - Library Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



### Appendix D-3 Amount Transferred to Operating (or Other) Funds - Operating Fund Transactions

Operating Fund Transactions	Annual Debt Repayment Amount	D.C. Reserve Fund Draw		Post D.C. Forecast Period			Non-D.C. Recoverable Cost Share		
		Principal	Interest	Principal	Interest	Source	Principal	Interest	Source
<b><u>Services Related to a Highway</u></b>									
Capital Cost J									
Capital Cost K									
Capital Cost L									
<b>Sub-Total - Services Related to a Highway</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	
<b><u>Fire Protection Services</u></b>									
Capital Cost M									
Capital Cost N									
Capital Cost O									
<b>Sub-Total - Fire Protection Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	
<b><u>Parks and Recreation Services</u></b>									
Capital Cost P									
Capital Cost Q									
Capital Cost R									
<b>Sub-Total - Parks and Recreation Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	
<b><u>Library Services</u></b>									
Capital Cost P									
Capital Cost Q									
Capital Cost R									
<b>Sub-Total - Library Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	



Appendix D-4  
Statement of Credit Holder Transactions

Credit Holder	Applicable D.C. Reserve Fund	Credit Balance Outstanding Beginning of Year _____	Additional Credits Granted During Year	Credits Used by Holder During Year	Credit Balance Outstanding End of Year _____
Credit Holder A					
Credit Holder B					
Credit Holder C					
Credit Holder D					
Credit Holder E					
Credit Holder F					



Appendix D-5  
Annual Treasurer's Statement of Development Charge Reserve Funds  
Statement of Reserve Fund Balance Allocations

Service:	Services Related to a Highway
Balance in Reserve Fund at Beginning of Year:	
60% of Balance to be Allocated (at a minimum):	

**Projects to Which Funds Will be Allocated**

Project Description	Project Number	Total Growth-related Capital Cost Remaining to be Funded	Share of Growth-related Cost Allocated to Date	Share of Growth-related Cost Allocated - Current Year
<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



# Appendix E

## Local Service Policy



## Appendix E: Local Service Policy

This Appendix sets out the Township's General Policy Guidelines on D.C. and local service funding for Services Related to a Highway, Water, Wastewater, Stormwater and Parkland Development services. The guidelines outline, in general terms, the size and nature of engineered infrastructure that is included in the study as a D.C. project, versus infrastructure that is considered as a local service, to be emplaced separately by landowners, pursuant to a development agreement.

The following policy guidelines are general principles by which staff will be guided in considering development applications. However, each application will be considered, in the context of these policy guidelines as subsection 59(2) of the D.C.A., 1997, as amended on its own merits having regard to, among other factors, the nature, type and location of the development and any existing and proposed development in the surrounding area, as well as the location and type of services required and their relationship to the proposed development and to existing and proposed development in the area.

### **A. Services Related to a Highway**

A highway and services related to a highway are intended for the transportation of people and goods via many different modes including, but not limited to passenger automobiles, commercial vehicles, transit vehicles, bicycles, and pedestrians. The highway shall consist of all land and associated infrastructure built to support (or service) this movement of people and goods regardless of the mode of transportation employed, thereby achieving a complete street. A complete street is the concept whereby a highway is planned, designed, operated, and maintained to enable pedestrians, cyclists, public transit users and motorists to safely and comfortably be moved, thereby allowing for the efficient movement of persons and goods.

The associated infrastructure to achieve this concept shall include, but is not limited to: road pavement structure and curbs; grade separation/bridge structures (for any vehicles, railways and/or pedestrians); grading, drainage and retaining wall features; culvert structures; storm water drainage systems; utilities; traffic control systems; signage; gateway features; street furniture; active transportation facilities (e.g. sidewalks, bike lanes, multi-use trails which interconnect the transportation network, etc.); transit lanes & lay-bys; roadway illumination systems; boulevard and median



surfaces (e.g. sod & topsoil, paving, etc.); street trees and landscaping; parking lanes & lay-bys; (excluding on-street parking in the downtown) and driveway entrances; noise attenuation systems; railings and safety barriers.

1. Roads (including associated land)

- Roads Internal to Development – Direct developer responsibility under s.59 of the D.C.A. (as a local service)
- Roads External to Development – If local service within the area to which the plan relates, direct developer responsibility under s.59 of the D.C.A.
- Roads External to Development – if not within the area to which the plan relates, Include in D.C. calculation to the extent permitted under s.5(1) of the D.C.A.

2. Streetlights

- Streetlights on Township Roads – Linked to road funding source.

3. Sidewalks

- Sidewalks on Township Roads – Linked to road funding source.

**B. Stormwater Management**

- Quality and Quantity Works – be direct developer responsibility through local service provisions (s.59 of the D.C.A.).

**C. Water**

- Water Services – direct developer responsibility through local service provisions (s.59 of the D.C.A.).

**D. Wastewater**

- Wastewater Services – direct developer responsibility through local service provisions (s.59 of the D.C.A.).





## E. Parkland

1. Parkland Development for Municipal Parks, Community Parks, Neighbourhood Parks and Parkettes: responsibility to provide up to base condition is a direct developer responsibility as a local service provision under s. 59 of the D.C.A. including, but not limited to, the following:
  - a. Clearing and grubbing.
  - b. Topsoil Stripping, screening, and stockpiling, (Topsoil or any fill or soils shall not be stockpiled on parkland without the approval of the Municipality).
  - c. Parkland shall be free of any contaminated soil or subsoil.
  - d. Servicing - Water, Hydro, Stormwater, Sanitary, Electrical, Fibre/phone, catch basins, meter, and meter boxes to a point just inside the property line as per Municipal requirements. This includes providing a catch basin, manhole, access boxes and meter boxes within the park property.
  - e. Rough grading (pre-grading) to allow for positive drainage of the Park, with a minimum slope of 2%. If necessary, this may include some minor drainage tile work and grading as per the overall subdivision grading design complete with any required swales or catch basins. Runoff from the development property shall not drain into the park unless approved by the Municipality
  - f. Supply and spreading of topsoil to 200 mm depth as per Municipal requirements (import topsoil if existing on-site is insufficient to reach required depth).
  - g. Parkland shall not be mined for engineering fill and replaced with fill or topsoil.
  - h. Seeding of site with Municipal-approved seed mix. Maintenance of seed until acceptance by the Municipality.
  - i. Parkland shall be conveyed free and clear of all encumbrances.
  - j. When parkland parcels cannot be developed in a timely manner, they shall be graded to ensure positive drainage and seeded to minimize erosion and dust.



- k. Temporary fencing may also be required where there is no permanent fence to prevent illegal dumping.
  - l. Temporary Park sign advising future residents that the site is a future park is a direct developer responsibility as a local service under s. 59 of the D.C.A.
  - m. Perimeter fencing of parkland to the Municipal standard located on the public property side of the property line adjacent land uses (residential, industrial, commercial) as required by the Municipality is a direct developer responsibility as a local service under s. 59 of the D.C.A.
  - n. The Park block shall not be used for topsoil or other construction material, equipment storage, or sales pavilions.
  - o. Required heritage features within the park as set out within the Planning approval conditions.
2. Program facilities, including but limited to, sports facilities, creative play structures/equipment, shade shelters, multi-purpose courts, walkways, trails, site furnishings, and other amenities (including associated utilities) within Parks are included in the parkland D.C.'s.



# Appendix F

## Asset Management Plan



## Appendix F: Asset Management Plan

The recent changes to the Development Charges Act, 1997, as amended (D.C.A.) (new subsection 10 (2) (c.2)) require that the background study must include an asset management plan (A.M.P.) related to new infrastructure. Section 10 (3) of the D.C.A. provides:

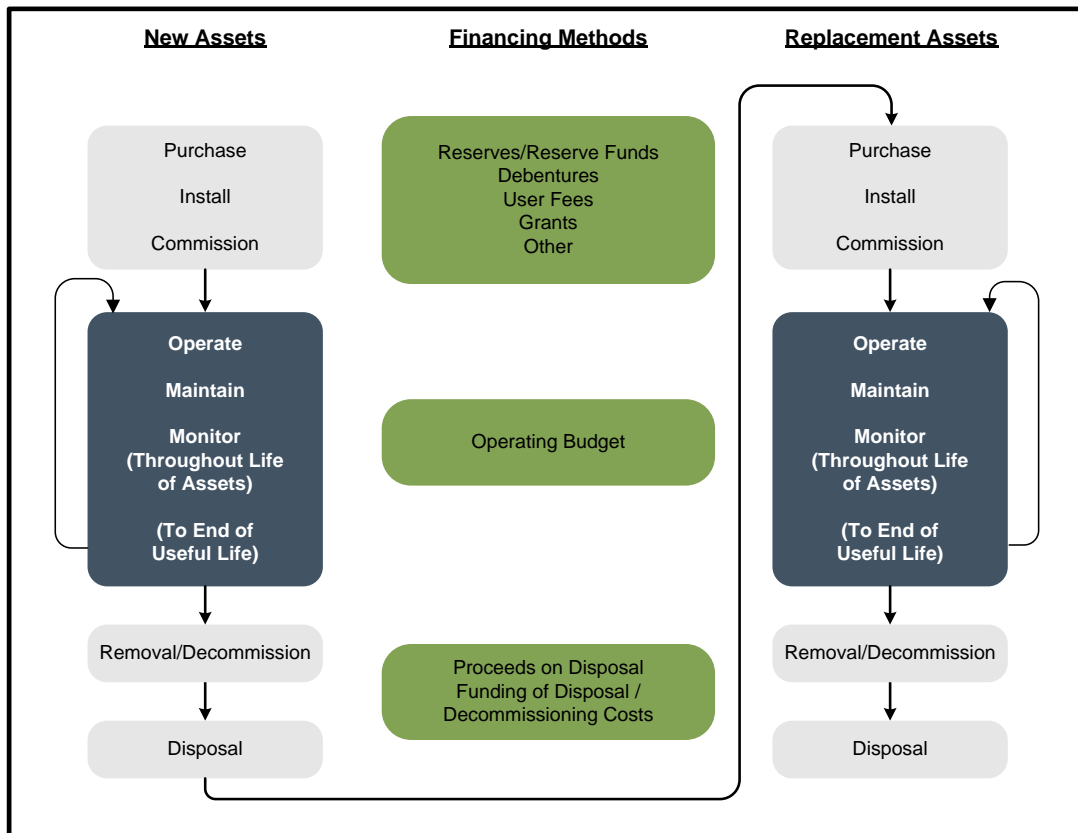
“The asset management plan shall,

- (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.”

In regard to the above, section 8 of the regulations was amended to include subsections (2), (3), and (4) which set out specific detailed requirements for transit (only). For all services except transit, there are no prescribed requirements at this time, thus requiring the municipality to define the approach to include in the background study.

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 development charge (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.

It should be noted that with the recent passing of the Infrastructure for Jobs and Prosperity Act (I.J.P.A.) municipalities are now required to complete A.M.P.s, based on certain criteria, which are to be completed by 2021 for core municipal services and 2024 for all other services. The amendments to the D.C.A. do not require municipalities to complete these A.M.P.s (required under I.J.P.A.) for the D.C. background study, rather the D.C.A. requires that the D.C. background study include information to show the assets to be funded by the D.C. are sustainable over their full lifecycle.



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.



Commensurate with the above, the Municipality's prepared an A.M.P. in 2021 for its existing core infrastructure assets; however, it did not take into account future growth-related assets. As a result, the asset management requirement for the D.C. must be undertaken in the absence of this information.

In recognition to the schematic above, the following table (presented in 2023\$) has been developed to provide the annualized expenditures and revenues associated with new growth. Note that the D.C.A. does not require an analysis of the non-D.C. capital needs or their associated operating costs so these are omitted from the table below. As well, as all capital costs included in the D.C. eligible capital costs are not included in the Township's A.M.P., the present infrastructure gap and associated funding plan have not been considered at this time. Hence the following does not represent a fiscal impact assessment (including future tax/rate increases) but provides insight into the potential affordability of the new assets:

1. The non-D.C. recoverable portion of the projects that will require financing from municipal financial resources (i.e., rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 2023 D.C. capital works have been presented based on a straight-line basis. The assets have been considered over their estimated useful lives.
3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are approximately \$445,800.
5. Consideration was given to the potential new tax and user fee revenue which will be generated as a result of new growth. These revenues will be available to assist in financing the expenditures above. The new operating revenues are \$230,650, which will be in addition to the total existing revenues of approximately \$4.6 million, for a total of approximately \$4.84 million.
6. In consideration of the above, the capital plan is deemed to be financially sustainable.



Table F-1  
Township of Melancthon  
Asset Management – Future Expenditures and Associated Revenues  
2024\$

Expenditure/Revenue	2033 (Total)
<b>Expenditures (Annualized)</b>	
Annual Debt Payment on Non-Growth Related Capital <sup>1</sup>	\$172,571
Annual Lifecycle	\$73,249
Incremental Operating Costs (for D.C. Services)	\$200,052
<b>Total Expenditures</b>	<b>\$445,873</b>
<b>Revenue (Annualized)</b>	
Total Existing Revenue <sup>2</sup>	\$4,612,896
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$230,650
<b>Total Revenues</b>	<b>\$4,843,546</b>

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

<sup>2</sup> As per Sch. 10 of FIR



# Appendix G

## Proposed D.C. By-law





## THE CORPORATION OF THE TOWNSHIP OF MELANCTHON

### By-law Number XX-2024

BEING A BY-LAW to establish development charges for the Township of Melancthon and to repeal Development Charge By-law Number 37-2019.

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

**AND WHEREAS** a Development Charges Background Study for the Township of Melancthon, dated May 16, 2024 (the "Study") as required by section 10 of the Act was presented to Council along with a draft of this By-law as then proposed on July 18, 2019 and was completed within a one-year period prior to the enactment of this By-law;

**AND WHEREAS** notice of a public meeting was given pursuant to subsection 12(1) of the Act, and in accordance with the regulations under the Act, on or before May 16, 2024, and copies of the Study and this proposed development charge by-law were made available to the public not later than May 16, 2024 in accordance with subsection 12(1) of the Act;

**AND WHEREAS** a public meeting was held on June 6, 2024 in accordance with the Act to hear comments and representations from all persons who applied to be heard (the "Public Meeting");

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

**AND WHEREAS** the Council of the Township of Melancthon has determined that no further public meeting is required in accordance with Section 12(3) of the Development Charges Act, 1997, S.O. 1997, c. 27;

**NOW THEREFORE** The Corporation of the Township of Melancthon by its Council enacts the following:



**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF MELANCTHON ENACTS AS FOLLOWS:**

**1) Definitions**

**In this By-law”**

- (a) "Act" means the Development Charges Act, 1997, S.O. 1997, c. 27, as amended, or any successor thereto;
- (b) "Accessory Use" means where used to describe a use, building, or structure that the use, building or structure is naturally and normally incidental, subordinate in purpose of floor area or both, and exclusively devoted to a principal use, building or structure;
- (c) "Affordable Residential Unit" means a Residential Unit that meets the criteria set out in subsection 4.1 of the Act;
- (d) "Agricultural Use" means the growing of crops, including nursery, biomass, and horticultural crops; raising of livestock; raising of other animals for food, fur, or fibre, including poultry and fish; aquaculture; apiaries; agro- forestry, maple syrup projection; and associated on-farm buildings and structures, including but not limited to livestock facilities and manure storages, excluding:
  - a) Residential uses;
  - b) On-farm diversified uses;
  - c) Cannabis Production Facilities;
  - d) Greenhouse.
- (e) "Ancillary Residential Use" means a Residential Dwelling that would be ancillary to a Single Detached Dwelling, Semi-Detached Dwelling, or Row dwelling;
- (f) "Apartment Unit" means any residential unit within a building containing three or more dwelling units where access to each residential unit is obtained through a common entrance or entrances from the street level and the residential units are connected by an interior corridor;



- (g) "Assessment Act" means the Assessment Act, R.S.O. 1990, c. A.31, as amended or any successor thereto;
- (h) "Attainable Residential Unit" means a residential unit that meets the criteria set out in subsection 4.1 of the Act;
- (i) "Back-to-Back Townhouse Dwelling" means a building containing three or more dwelling units separated vertically by a common wall, including a rear common wall, that do not have rear yards;
- (j) "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;
- (k) "Benefiting 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;
- (l) "Board" has the same meaning as that specified in the Education Act, R.S.O. 1990, c. E.2, as amended or any successor thereto;
- (m) "Building Code Act" means the Building Code Act, 1992, S.O. 1992, c. 23, as amended, and all Regulations made under it including the Building Code, as amended, or any successors thereto;
- (n) "Cannabis" means:
  - a) A Cannabis plant;
  - b) Any part of a cannabis plant, including the phytocannabinoids produced by, or found in, such a plant, regardless of whether that part has been processed or not;
  - c) any substance or mixture of substances that contains or has on it any part of such a plant; and
  - d) any substance that is identical to any phytocannabinoid produced by, or found in, such a plant, regardless of how the substance was obtained.
- (o) "Cannabis Plant" means a plant that belongs to the genus "Cannabis";



(p) "Cannabis Facilities" means a Building, or part thereof, designed, used, or intended to be used for one or more of the following: cultivation, growing propagation, production, processing, harvesting, testing, alteration, destruction, storage, packaging, shipment or distribution of cannabis where a licence, permit or authorization has been issued under applicable federal law but does not include a Building or part thereof solely designed, used, or intended to be used for retail sales of cannabis.

(q) "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,
  - i. rolling stock with an estimated useful life of seven years or more,
  - ii. furniture and equipment, other than computer equipment, and
  - iii. materials acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act, R. O. 1990, c. 57, and
  - iv. to undertake studies in connection with any of the matters referred to in clauses (a) to (d);
- e) to complete the development charge background study under Section 10 of the Act;
- f) 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;

(r) "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;

- (s) "Council" means the Council of the Township of Melancthon;
- (t) "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;
- (u) "Development Charge" means a charge imposed pursuant to this By-law;
- (v) "Duplex" means a building that is divided horizontally into two dwelling units each of which has an independent entrance either directly or through a common vestibule.
- (w) "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;
- (x) "Education Act" means the Education Act, R.S.O. 1990, c. E.2, as amended or any successor thereto;
- (y) "Existing Industrial" means an industrial building or buildings existed on a lot in the Township on the day this By-law comes into effect or the first industrial building or buildings constructed and occupied on a vacant lot pursuant to site plan approval under section 41 of the Planning Act subsequent to this By-law coming into effect for which full Development Charges were paid:
- (z) "Grade" means the average level of finished ground adjoining a building or structure at all exterior walls;
- (aa) "Greenhouse" means the use of a building or structure for the growing of such items as flowers, bushes, shrubs, trees, plants, fruits, vegetables, and other types of nursery stock for wholesale or retail purposes. Such use may also include the retail sale of greenhouse products customarily, incidental, subordinate and exclusively, devoted to the principal use, located on the same lot



therein. A retail space accessory to a greenhouse shall have a maximum retail floor area of 75 square metres.

(bb) "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

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

(cc) "Hospice" means a building or portion of a mixed-use building designed and intended to provide palliative care and emotional support to the terminally ill in a home or homelike setting so that quality of life is maintained, and family members may be active participants in care;

(dd) "Industrial" means lands, buildings or structures used or designed or intended for use for manufacturing, processing, fabricating or assembly of raw goods, warehousing or bulk storage of goods, and includes office uses and the sale of commodities to the general public where such uses are accessory to an industrial



use, but does not include the sale of commodities to the general public through a warehouse club, or any land, buildings or structures used for an agricultural use;

(ee) "Institutional" means development of a building or structure intended for use:

- a) as a long-term care home within the meaning of subsection 2 (1) of the Fixing Long-Term Care Homes Act, 2021;
- b) as a retirement home within the meaning of subsection 2 (1) of the Retirement Homes Act, 2010;
- c) by any institution of the following post-secondary institutions for the objects of the institution:
  - i. a university in Ontario that receives direct, regular, and ongoing operation funding from the Government of Ontario;
  - ii. a college or university federated or affiliated with a university described in subclause (a); or
  - iii. an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institute Act, 2017;

(ff) "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;

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

(hh) "Multiple Dwellings" means all dwellings other than single-detached, semi-detached and apartment unit dwellings;

(ii) "Municipality" (or the "Township") means The Corporation of the Township of Melancthon;



- (jj) "Non-profit housing development" means development of a building or structure intended for use as residential premises by:
- a) a corporation without share capital to which the Corporations Act applies, that is in good standing under that Act and whose primary objective is to provide housing;
  - b) a corporation without share capital to which the Canada Not-for-profit Corporation Act applies, that is in good standing under that Act and whose primary objective is to provide housing; or
  - c) a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act.
- (kk) "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;
- (ll) "On-Farm Diversified Use" means a use, occurring entirely and exclusively within a detached building that is secondary and subordinate to the active and principle agricultural use occurring on a property. Such uses shall be integrated within a farm cluster of buildings which must include a dwelling, and may include, but are not limited to, uses that produce value added agricultural products or provide a service that is supportive of regional agri-business.
- (mm) "Other Multiples" means all dwellings other than Single-detached, Semi-detached, and Apartment dwellings, and includes a Duplex, and the portion of a Live-Work Unit, intended to be used exclusively for living accommodations for one or more individuals;
- (nn) "Owner" means the owner of land or a person who has made an application for approval for the development of land upon which a development charge is imposed;
- (oo) "Official Plan" means the Official Plan adopted for the municipality, as amended, and approved;
- (pp) "Place of Worship" means a building or structure that is used primarily for worship and religious practices and purposes, including related administrative, assembly and associated spaces, but does not include portions of such building





or structure used for any commercial use, including but not limited to daycare facilities;

(qq) "Planning Act" means the Planning Act, R.S.O. 1990, c. P.13, as amended or any successor thereto;

(rr) "Rate" means the interest rate established weekly by the Bank of Canada based on Treasury Bills having a term of 91 days;

(ss) "Redevelopment" means the construction, erection or placing of one (1) or more buildings or structures on land where all or part of a building or structure has previously been demolished on such land, or changing the use of a building or structure from residential to non-residential or from non-residential to residential;

(tt) "Regulation" means any regulation made under the Act;

(uu) "Rental housing" means development of a building or structure with four or more dwelling units all of which are intended for use as rented residential premises.

(vv) "Residential 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;

(ww) "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;

(xx) "Row Dwelling" shall mean a residential building that is divided vertically into three or more dwelling units.

(yy) "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;



- (zz) "Service" means a service designed in Schedule "A" to this By-law, and "services" shall have a corresponding meaning;
- (aaa) "Single Detached Dwelling" means a completely detached building containing only one dwelling unit;
- (bbb) "Stacked Townhouse Dwelling" means a Building, or part of a building, containing two or more dwelling units where each Dwelling Unit is separated horizontally and/or vertically from another Dwelling Unit by a common wall and having direct separate access to an exterior ground level main entrance/exit;
- (ccc) "Townhouse Dwelling" means a dwelling unit in a building divided vertically into no less than three nor more than eight dwelling units attached by common walls extended from the base of the foundation to the roof line, each dwelling unit having a separate entrance at grade, and includes a Back-to-Back Townhouse.
- (ddd) "Wind Turbine" means any wind energy system, comprising one or more turbines, that converts energy into electricity, with a combined nameplate generating capacity greater than 500 kilowatts and a height greater than 100 metres, that converts energy into electricity, and consists of a wind turbine, a tower, and associated control or conversion electronics. A wind turbine and energy system may be connected to the electricity grid in circuits at a substation to provide electricity off-site for sale to an electrical utility or other intermediary;
- (eee) "Zoning By-Law" means the Zoning By-Law of the Township, or any successor thereof passed pursuant to Section 34 of the Planning Act, S. 0. 1998;



## **2) Designation of Services**

2.1 The category of service for which development charges are imposed under this By-law is:

- a) Services Related to a Highway;
- b) Fire Protection Services;
- c) Parks and Recreation Services; and
- d) Library Services.

2.2 The components of the services designated in subsection 2.1 are described in Schedule "A" to this By-law.

## **3) 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 subsection 3.2; and
- b) the development of the lands requires any of the approvals set out in clause 3.4(a).

### Area to Which By-law Applies

3.2 Subject to subsection 3.3, this By-law applies to all lands in the geographic area of the Township of Melancthon.

3.3 This By-law shall not apply to lands that are owned by and used for the purposes of:

- a) the Township of Melancthon or a local board thereof;
- b) a board as defined in section 1(1) of the Education Act, or
- c) the Corporation of the County of Dufferin or a local board thereof.



## 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 3.4(b), if two or more of the actions described in subsection 3.4(a) 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) A second residential unit in an existing detached house, semi-detached house, or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the existing detached house, semi-detached house or rowhouse cumulatively contain no more than one residential unit;
- c) A third residential unit in an existing detached house, semi-detached house, or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units;
- d) One residential unit in a building or structure ancillary to an existing detached house, semi-detached house or rowhouse on a parcel of land, if the existing detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units;
- e) A second residential unit in a new detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the new detached house, semi-detached house or rowhouse cumulatively will contain no more than one residential unit;
- f) A third residential unit in a new detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the new detached house, semi-detached house or rowhouse contains any residential units;
- g) One residential unit in a building or structure ancillary to a new detached house, semi-detached house or rowhouse on a parcel of land, if the new detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the



new detached house, semi-detached house or rowhouse contains any residential units; or

- h) In an existing rental residential Building, which contains four or more residential Dwelling Units, the creation of the greater of one residential Dwelling Unit or one percent of the existing residential Dwelling Units.
- 3.6 Notwithstanding subsection 3.5 development charges shall be imposed if the total floor area of the additional one or two dwelling units in the single detached dwelling exceeds the total floor area of the dwelling unit already in the building.
- 3.7 Notwithstanding section 3.5, development charges shall be imposed if the additional unit has a gross floor area greater than:
- a) in the case of a semi-detached or row dwelling, the gross floor area of the existing dwelling unit; and
  - b) in the case of any other residential building, the gross floor area of the smallest dwelling unit contained in the residential building.
- 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:
    - 3.8.2.1 notwithstanding section 3.8.1, if the Gross Floor Area is enlarged by more than 50 percent (50%), development charges shall be payable and collected and the amount payable shall be calculated in accordance with s.4(3) of the Act.



3.8.2.2 that for greater certainty in applying the exemption in this section, the gross floor area of an Existing Industrial building is enlarged where there is a bona fide increase in the size of the Existing Industrial building, the enlarged area is attached to the Existing Industrial building, there is a direct means of ingress and egress from the Existing Industrial building to and from the enlarged areas for persons, goods, and equipment, and the Existing Industrial building and the enlarged area are used for or in connection with an industrial purpose as set out in subsection 1.1 of this by-law. Without limiting the generality of the foregoing, the exemption in this section shall not apply where the enlarged area is attached to the Existing Industrial building by means only of a tunnel, bridge, canopy, corridor, or other passageway, or through a shared below-grade connection such as a service tunnel, foundation, footing, or a parking facility

3.8.2.3 in particular, for the purposes of applying this exemption, the industrial building is considered existing if it is built, occupied, and assessed for property taxation at the time of the application respecting the enlargement

3.8.2.4 the exemption of an Existing Industrial building provided by this section shall be applied to a maximum of fifty percent (50%) of the gross floor area that was existing as of the effective date of this by-law, or based on the first building or structures constructed on a vacant site pursuant to site plan approval under section 41 of the Planning Act, R.S.O. 1990, c. P. 13, as amended, or any successor thereof, subsequent to the effective date of this by-law, for which full development charges were paid.

### 3.9 Other Exemptions

3.9.1 Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to the portion of lands, buildings or structures used for worship in a place of worship as well as a cemetery, or a burial ground exempt from taxation under the Assessment Act.



- 3.9.2 Notwithstanding the provisions of this By-law, development charges shall not be imposed on "an agricultural use", including barns, silos, or other storage facilities for produce, livestock, or machinery and equipment used in connection with an existing agricultural operation, and other ancillary development to an agricultural use, but excluding a "residential dwelling", an "on-farm diversified use", a "cannabis production facility", or a "greenhouse".
- 3.9.3 Notwithstanding the provisions of this By-law, development charges shall not be imposed on land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education if the development is intended to be occupied and used by the university.
- 3.9.4 Notwithstanding the provisions of this development charges shall not be imposed on Non-profit Housing.
- 3.9.5 Notwithstanding the provisions of this development charges shall not be imposed on Affordable residential units.
- 3.9.6 Notwithstanding the provisions of this development charges shall not be imposed on Attainable residential units.
- 3.9.7 Notwithstanding the provisions of this development charges shall not be imposed on inclusionary zoning units.

### Amount of Charges

#### Residential Uses

- 3.10 The residential development charges set out in Schedule B shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a 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, and the residential portion for a Live-Work unit, according to the type of residential unit, and calculated with respect to the service according to the type of residential use.





## Non-Residential Uses

3.11 The development charges described in Schedules B-1 and B-2 to this by-law shall be imposed on non-residential uses of lands, buildings, or structures, and, in the case of a mixed-use building or structure, on the non-residential uses in the mixed-use building or structure, and the non-residential portion for a Live-Work unit, and calculated with respect to each of the services according to the total floor area of the non-residential use.

## Wind Turbines

3.12 The development charges described in Schedules B to this by-law shall be imposed on wind turbines with respect to services related to a highway and fire protection services on a per unit basis.

## 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 5 years 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) 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 5 years 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:
- b) 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 5 years 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:

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

### Discounts for Rental Housing

3.14 The Development Charge payable for Rental Housing developments will be reduced based on the number of bedrooms in each unit as follows:

- a) Three or more bedrooms - 25% reduction;
- b) Two bedrooms - 20% reduction; and
- c) All other bedroom quantities - 15% reduction.

### Time of payment of Development Charges

3.15 Except as otherwise provided in this By-law, Development Charges shall be determined and payable on the date that the first building permit is issued.

3.16 Except as otherwise provided in this By-law, a building permit shall not be issued until the development charge has been paid in full.

3.17 Development charges for rental housing and institutional developments are due and payable in 6 equal installments commencing with the first installment payable on the date of occupancy, and each subsequent installment, including interest, payable on the anniversary date each year thereafter.

3.18 Where the development of land results from the approval of a Site Plan or Zoning By-law Amendment made on or after January 1, 2020, and the approval of the application occurred within the period of building permit issuance as specific in section 26.2(5) of the Act, the development charges under subsections 3.15, 3.16, and 3.17 shall be calculated based on the rates set out in Schedule "B" on the date the planning application was made. Where both planning applications apply, development charges under subsections 3.15, 3.16, and 3.17 shall be calculated on the rates set out in Schedule "B", on the date of the latter planning application, including interest.



3.19 Interest for the purposes of rule 3.17 and 3.18 shall be determined as prescribed in the Development Charges Act, as amended from time to time.

3.20 Despite section 3.15, 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.

#### **4) Payment By Services**

4.1 Despite the payment required under subsections 3.10, 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.

#### **5) Indexing**

5.1 Development charges imposed pursuant to this By-law shall be adjusted annually, without amendment to this By-law, on January 1st of each year, in accordance with the prescribed index in the Act.

#### **6) SCHEDULES**

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

Schedule A – Components of Services Designated in Section 2.1

Schedule B – Schedule of Development Charges for all services

#### **7) Conflicts**

7.1 Where the Township of Melancthon 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.

## **8) 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.

## **9) Date By-law In Force**

9.1 This By-law shall come into effect at 12:01 AM on July 18, 2024.

## **10) Date By-law Expires**

10.1 This By-law will expire at 12:01 AM on July 18, 2034 unless it is repealed by Council at an earlier date.

## **11) Existing By-law Repealed**

11.1 By-law Number 37-2019 is hereby repealed as of the date and time of this By-law coming into effect

## **12) Short Title**

12.1 This By-law may be referred to as the "Development Charges By-law".

READ A FIRST AND SECOND TIME THIS 18<sup>th</sup> DAY OF JULY, 2024.

READ A THIRD TIME AND FINALLY PASSED THIS 18<sup>th</sup> DAY OF JULY, 2024.

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Mayor

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Clerk



SCHEDULE "A" TO BY-LAW  
DESIGNATED MUNICIPAL SERVICES UNDER THIS BY-LAW

**Township-Wide Services**

1. Services Related to a Highway
2. Fire Protection Services
3. Parks and Recreation Services
4. Library Services



**SCHEDULE "B" TO BY-LAW  
SCHEDULE OF DEVELOPMENT CHARGES**

Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Wind Trubines	(per sq.ft. of Gross Floor Area)
<b>Township-Wide Services:</b>						
Services Related to a Highway	5,458	4,764	3,572	1,776	5,458	1.77
Fire Protection Services	3,045	2,658	1,993	991	3,045	0.99
Parks and Recreation Services	6,448	5,628	4,220	2,098		0.81
Library Services	301	263	197	98		0.04
<b>Total Township-Wide Services</b>	<b>\$15,252</b>	<b>\$13,313</b>	<b>\$9,982</b>	<b>\$4,963</b>	<b>\$8,503</b>	<b>\$3.61</b>