



Addendum to 2024 Development Charges Background Study

Township of Melancthon

For Public Circulation and Comment

July 16, 2024

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1. Summary of Revisions to the May 16, 2024 Development Charges Background Study

Commensurate with the provisions of the Development Charges Act (D.C.A.), 1997, the Township of Melancthon (Township) has undertaken a Development Charges Background Study (D.C.B.S.) and has distributed the study and draft by-law to the public. The following provides a summary of the key dates in the Development Charges (D.C.s) by-law process:

- May 16, 2024 – Release D.C.B.S. and draft by-law
- June 6, 2024 – Public Meeting of Council
- July 18, 2024 – Anticipated passage of D.C. By-law
- July 18, 2024 – Anticipated date of by-law enactment.

On June 6, 2024, Bill 185 (*Cutting Red Tape to Build More Homes Act, 2024*) received Royal Assent and includes the following changes to the D.C.A.:

- The removal of the Mandatory Phase-in for D.C. by-laws passed after Bill 185 comes into effect;
- A reduction to the D.C. rate freeze timelines for developments proceeding through site plan and zoning by-law amendment applications under the Planning Act. Charges are currently held at rates in place on the date the application is made until building permit issuance, provided the building permit is issued within two (2) years of the approval of the application. This time period is reduced to 18 months under Bill 185. Note that the two-year timeline will still apply to applications received and approved between January 1, 2020, and prior to Bill 185 receiving Royal Assent (i.e., June 6, 2024);
- Inclusion of growth-related studies, including the D.C. background study, as D.C.-eligible costs;
- A provision to permit the repeal of the expiry date for existing D.C. by-laws;
- To allow minor amendments related to the imposition of studies, removal of the mandatory phase-in, and extension of by-law expiry dates (subject to the 10-year limitations provided in the D.C.A.) to be undertaken for by-laws passed after November 28, 2022, and prior to Bill 185 taking effect (i.e., June 6, 2024); and



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

The purpose of the addendum to the May 16, 2024, D.C.B.S. is to refine the capital infrastructure requirements for Services Related to a Highway for a project that was initially missed in the background study related to a new sidewalk, revise the calculations for D.C. eligible costs associated with growth-related studies, and reflect other changes in the D.C.A. as per Bill 185 (such as the changes to the D.C. “freeze” time period, and the removal of the statutory phase-in of the charge in the proposed by-law).

The refinements, as they related to the calculation of the D.C.s are detailed in this report, and will form part of the D.C.B.S. for Council’s consideration and approval prior to adoption of the D.C. By-law. A revised draft proposed by-law is included herein, which embraces the legislative changes and updates to the calculate charges.



2. Addendum

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

2.1 Refinements to Services Related to a Highway

The capital program provided in the May 16, 2024 D.C. background study for Services Related to a Highway has been refined to include an additional growth-related project identified by Township staff. A new sidewalk project on Main Street, from Oldfield Court to South of High Street has been included with a gross capital cost estimate of \$528,000 and net D.C.-eligible cost of \$132,000.

As such, the capital program is revised to include a total gross capital cost estimate of approximately \$1.93 million and a benefit to the existing development of approximately \$1.02 million (including the current D.C. reserve fund balance). As a result, the total D.C. recoverable costs are \$715,384, with a residential share of \$629,538 (88%) and non-residential share of \$85,846 (12%). The residential and non-residential attributions are based on the incremental growth anticipated in population and employment over the 10-year forecast period, as noted in the May 16, 2024 D.C. background study.

This refinement has increased the calculated D.C. for Services Related to a Highway by \$1,235 for a single/semi detached residential dwelling (from \$5,458 to \$6,693) and \$0.40 per sq.ft. of gross floor area for non-residential development (from \$1.77/sq.ft. to \$2.17/sq.ft.).

2.2 Growth-Related Studies

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

A refinement was required to the calculations of the D.C.s to align the residential/non-residential proportionate shares for the Growth-Related Studies, with the residential/non-residential proportionate shares for each of the eligible services to which the studies relate and the proportionate share of the studies that relate to the growth-



related costs in each eligible services, as refined based on the revised capital program for Services Related to a Highway.

In aggregate, the study costs that have been identified total \$490,000. Deductions of \$151,253 for the benefit to existing share, \$22,000 to recognize the cost which benefit non-D.C.-eligible services, and \$207,960 related to the current D.C. reserve fund, have been made. The net D.C. eligible costs for studies that have been considered with the calculation of the charge within the class of services totals \$108,787.

These costs have been allocated between residential and non-residential benefits based on the same shares identified for each applicable service. This results in an overall residential share of \$98,483 (91%), and non-residential share of \$10,304 (9%).

The refinements have increased the calculated D.C. for residential developments, and non-residential developments. The revised D.C. for a single/semi detached residential dwelling unit related to Growth-Related Studies is \$1,047 (increasing from \$606), and the D.C. for non-residential development is \$0.80 per sq.ft. of gross floor area (increasing from \$0.19 per sq.ft.).

2.3 Impacts on the Calculated D.C.

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



**Table 2-1
Amended Schedule of Development Charges**

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Wind Turbines	(per sq.ft. of Gross Floor Area)
Township-Wide Services						
Services Related to a Highway	6,693	5,842	4,381	2,178	6,693	2.17
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
Total Township-Wide Services	\$16,487	\$14,391	\$10,791	\$5,365	\$9,738	\$4.01
Township-Wide Class of Services						
Growth-Related Studies	1,047	914	685	341	-	0.27
Total Township-Wide Class of Services	\$1,047	\$914	\$685	\$341	\$0	\$0.27
Grand Total Township-Wide Services & Class of Services	\$17,534	\$15,305	\$11,476	\$5,706	\$9,738	\$4.28



By comparison to the charges presented in the May 16, 2024, D.C.B.S., the amended total charge for a single/semi-detached residential unit would increase by \$1,676 (from \$15,858 to \$17,534). The non-residential charges presented in the D.C.B.S., would increase by \$0.48 per square foot of gross floor area (from \$3.80 to \$4.28).

The updated charges presented herein (as per Table 2-2 to 2-3), provide a comparison to the current charges, the charges in the May 16, 2024, D.C.B.S, and the revised charges as per this addendum report. The comparison Tables are provided for a single/semi-detached residential dwelling unit and the cost per sq.ft. of G.F.A. for non-residential development.

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

Services/Class of Services	Current	Calculated as per May 16, 2024 D.C. Background Study	Calculated as per Addendum Report
Township-Wide Services:			
Services Related to a Highway	2,688	5,458	6,693
Fire Protection Services	1,533	3,045	3,045
Policing Services	16	-	-
Parks and Recreation Services*	3,135	6,448	6,448
Library Services	244	301	301
Total Township-Wide Services	\$7,616	\$15,252	\$16,487
Township-Wide Class of Services:			
Growth Studies	2,146	606	1,047
Total Township-Wide Services/Class of Services	\$9,762	\$15,858	\$17,534

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



Table 2-3
Comparison of Current, Calculated, and Amended D.C.s – Non-residential

Services/Class of Services	Current	Calculated as per May 16, 2024 D.C. Background Study	Calculated as per Addendum Report
Township-Wide Services:			
Services Related to a Highway	2.03	1.77	2.17
Fire Protection Services	1.14	0.99	0.99
Policing Services	0.01	-	-
Parks and Recreation Services*	0.87	0.81	0.81
Library Services	0.06	0.04	0.04
Total Township-Wide Services	\$4.11	\$3.61	\$4.01
Township-Wide Class of Services:			
Growth Studies	1.58	0.19	0.27
Total Township-Wide Services/Class of Services	\$5.69	\$3.80	\$4.28

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



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

Based on the foregoing, the following revisions are made to the May 16, 2024 D.C.B.S. Accordingly, the amended pages are appended to this report:

- Table of Contents - Updated to reflect the changes summarized below;
- Executive Summary (pages ii to ix) - Updated to reflect the revised charges, inclusion of growth-related study costs, refinement to Services Related to a Highway, legislative changes, and updates to the page numbering;
- Pages 1-3 to 1-13 – Updated text and Figure 1-1 related to the D.C. process, including the Addendum release date. Further, textual changes have been made throughout these pages related to legislative changes;
- Page 2-1 – Section 2.2 updated to reflect the enactment of Bill 185 (removal of note related to growth-related studies);
- Pages 4-6 to 4-8 – Table 4-1B revised to include the cost of studies as D.C. eligible costs, Section 4.5 updated to reflect the eligible funding of study costs, and Section 4.7 updated to reflect the enactment of Bill 185 to identify growth-related studies as a class of services;
- Pages 4-12 and 4-13 – Section 4.9.5 updated to reflect the enactment of Bill 185 to identify class of services in text;
- Page 5-1 – Section 5.2 updated to reflect Township-wide Class of Services in the D.C. calculations;
- Pages 5-2 to 5-3 and 5-8 (now 5-7) – Updated to reflect the revision to the Services Related to a Highway capital program, along with a revised Table 5-1.
- Pages 5-6 to 5-7 (now 5-5 to 5-6) – Updated to include the refined calculations for Growth-Related Studies;
- Pages 5-12 and 5-13 (now 5-11 and 5-12) – Updated Tables 5-5 to provide the revised calculations related to Growth-Related Studies and added Table 5-6 related to the overall residential and non-residential splits for Growth-Related Studies;
- Pages 6-1 to 6-4 – Chapter 6 updated to include the refinements to the calculations for the growth-related study costs class of services and revised Services Related to a Highway calculations, including all supporting tables in this chapter;
- Pages 7-2 to 7-3, 7-5 to 7-9:



- Section 7.2 updated to identify the class of services for growth-related studies;
 - Section 7.3.2 updated to include growth-related study costs allocation;
 - Section 7.3.5 removed as it related to the Mandatory Phase-in that has now been removed from the D.C.A., and renumber all other following sections accordingly;
 - Section 7.3.6 (now renumbered to Section 7.3.5) updated to reflect legislative changes related to the D.C. “rate freeze;”
 - Section 7.3.8 (now renumbered to Section 7.3.7) updated to note the inclusion of growth-related studies to be applied on a Township-wide basis;
 - Section 7.4.2 updated to reflect legislative changes and recommend a separate reserve fund for the growth-related studies class of services; and
 - Section 7.5 updated to reflect this addendum and the class of services for the growth-related studies.
- Page C-3 – Updated Table C-2 to reflect changes to the operating and capital expenditure impact for future capital expenditures due to the inclusion of Growth-Related Studies and refinement to Services Related to a Highway;
 - Pages D-5, D-6, D-7, and D-10 – Updated Tables D-1, D-2, D-3 and added Table D-6 to reflect the growth-related studies class of services;
 - Pages F-4 and F-5 – Updated to include the additional Services Related to a Highway project in the asset management calculations. Table F-1 has been updated accordingly;
 - Appendix G – Updated proposed by-law to reflect the inclusion of growth-related study costs as a class of services, revise the Services Related to a Highway calculations, and include other legislative changes, due to the enactment of Bill 185;
 - Throughout the report - updated page numbering, including additional pages, due to this addendum report, where required.

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

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



If Council is satisfied with the above noted changes to the D.C.B.S. and proposed D.C. by-law, then prior to by-law passage Council must:

- Approve the D.C.B.S., as amended;
- Determine that no further public meetings are required on the matter; and
- Adopt the new D.C. by-law.



Appendices



Appendix A

Amended Pages

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- 5) Net capital costs are then allocated between residential and non-residential development types; and
 - 6) Net costs divided by the anticipated development to provide the D.C.
- (c) Subsequent to the passage of the 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
 - Bill 185: Cutting Red Tape to Build More Homes Act, 2024

A summary of some of the amendments are outlined below:

- Historical level of service calculation extended to a 15-year period;
- Capital cost definition revised to remove prescribe services for which land or an interest in land will be restricted (no services currently prescribed);
- Annual installment payments for rental and institutional development, in six equal payments commencing at occupancy;
- The determination¹ of D.C.s for development occurring within two years of a site plan or zoning by-law amendment planning approval for applications received and approved between January 1, 2020, and June 5, 2024, and for development occurring within 18 months of a site plan or zoning by-law amendment planning approval for applications received on or after January 1, 2020 where approval has not been granted prior to June 6, 2024;

¹ With charges determined at the time of planning application



- Maximum Interest Rate for Installments and Determination of Charge for Eligible Site Plan and Zoning By-law Amendment Applications to be set at the average prime rate plus 1%;
 - Additional residential unit exemption includes allowance of a third unit as-of-right;
 - Statutory exemptions for Affordable Units, Attainable Units (currently not in force);
 - Statutory exemptions for Affordable Inclusionary Zoning Units;
 - Statutory exemption for non-profit housing;
 - Mandatory discount for rental housing, based on the number of bedrooms;
 - Maximum life of a D.C. by-law extended from 5 years to 10 years after the by-law comes into force;
 - Requirement to Allocate Funds Received - municipalities are required to spend or allocate at least 60% of their reserve fund at the beginning of the year for water, wastewater, and services related to a highway;
 - Additional requirements related to the annual D.C. reserve fund Treasurer's statement;
 - Provision to allow minor amendments to D.C. by-laws concerning by-law expiry dates; and
 - D.C. public notice requirements.
- (d) The growth forecast (provided in Chapter 3), summarized in Table ES-1, on which the D.C. is based, projects the following population, housing, and non-residential employment and associated gross floor area for the 10-year forecast period (mid-2024 to mid-2034).



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

Measure	10 Year mid-2024 to mid-2034
(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 \$6.44 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 approximately:

- \$1.74 million related to the costs of services funded by other municipalities for shared services;
- \$22,000 related to D.C. ineligible services;



- \$2.17 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 \$1,817,810, of which \$1,649,197 is attributed to the forecast residential development and \$168,613 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	\$6,441,900
Less: benefit to existing development	\$2,165,490
Less: share of services to be funded by partner municipalities	\$1,717,600
Less: portion of costs related to D.C. ineligible services	\$22,000
Less: post planning period benefit	\$669,000
Less: grants, subsidies, and other contributions	\$50,000
Net costs to be recovered from D.C.s. over the term of the by-law	\$1,817,810

(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 as provided 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.

The following class of services are calculated based on Township-wide Service area for a 10-year forecast period:

- Growth-Related Studies.

- (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/semi detached residential dwelling within the Township is \$17,534. The calculated D.C. for non-residential development within the Township is \$4.28 per sq.ft. of gross floor area.



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

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Wind Trubines	(per sq.ft. of Gross Floor Area)
Township-Wide Services						
Services Related to a Highway	6,693	5,842	4,381	2,178	6,693	2.17
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
Total Township-Wide Services	\$16,487	\$14,391	\$10,791	\$5,365	\$9,738	\$4.01
Township-Wide Class of Services						
Growth-Related Studies	1,047	914	685	341	-	0.27
Total Township-Wide Class of Services	\$1,047	\$914	\$685	\$341	\$0	\$0.27
Grand Total Township-Wide Services & Class of Services	\$17,534	\$15,305	\$11,476	\$5,706	\$9,738	\$4.28



- (h) Tables ES-4 and ES-5 provide a comparison of the D.C.s currently imposed in the Township and the calculated charges herein, as amended. 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

Services/Class of Services	Current	Calculated as per May 16, 2024 D.C. Background Study	Calculated as per Addendum Report
Township-Wide Services:			
Services Related to a Highway	2,688	5,458	6,693
Fire Protection Services	1,533	3,045	3,045
Policing Services	16	-	-
Parks and Recreation Services*	3,135	6,448	6,448
Library Services	244	301	301
Total Township-Wide Services	\$7,616	\$15,252	\$16,487
Township-Wide Class of Services:			
Growth Studies	2,146	606	1,047
Total Township-Wide Services/Class of Services	\$9,762	\$15,858	\$17,534

* 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

Services/Class of Services	Current	Calculated as per May 16, 2024 D.C. Background Study	Calculated as per Addendum Report
Township-Wide Services:			
Services Related to a Highway	2.03	1.77	2.17
Fire Protection Services	1.14	0.99	0.99
Policing Services	0.01	-	-
Parks and Recreation Services*	0.87	0.81	0.81
Library Services	0.06	0.04	0.04
Total Township-Wide Services	\$4.11	\$3.61	\$4.01
Township-Wide Class of Services:			
Growth Studies	1.58	0.19	0.27
Total Township-Wide Services/Class of Services	\$5.69	\$3.80	\$4.28

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

(i) Chapter 7 herein, provides the D.C. by-law policy recommendations and rules that govern the imposition of the charges. Council will consider the findings and recommendations provided herein and, in conjunction with public input, approve such policies and rates it deems appropriate. These directions will refine the draft D.C. by-law, 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.



Process Steps	Dates
Public Release of Addendum #1 to Background Study	July 16, 2024
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

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

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

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

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

The Province introduced Bill 108, *More Homes, More Choice Act, 2019* which proposed changes to the D.C.A. as part of the province's "More Homes, More Choice: Ontario's



Housing Supply Action Plan.” *The More Homes, More Choice Act, 2019* received Royal Assent on June 6, 2019. At that time many of the amendments to the D.C.A. did not come into effect, awaiting proclamation by the Lieutenant Governor. On January 1, 2020, the following provisions were proclaimed:

- A D.C. for rental housing and institutional developments will pay the charge in six equal annual installments, with the first payment commencing on the date of occupancy. Non-profit housing developments will pay D.C.s in 21 equal annual payments (note, that further changes related to non-profit housing have been made under the *More Homes Built Faster Act*, 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 statues, 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> , <ul style="list-style-type: none"> 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 ii. the <u>average market rent</u> identified for the residential unit set out in the Affordable Residential Units bulletin.
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, <ul style="list-style-type: none"> (a) determine the <u>income of a household</u> that, in the Minister's opinion, is <u>at the 60th 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> , <ul style="list-style-type: none"> i. the <u>income-based affordable purchase price</u> for the residential unit set out in the Affordable Residential Units



Item	Bill 134 Definition (as per D.C.A.)
	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 at the <u>60th 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*

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

- Reintroduces studies as an eligible cost for services, including a D.C. background study;
- Removes the mandatory phase-in of a D.C. by-law;
- Reduces the time period for the determination of a D.C. applicable to site plan and zoning by-law amendment applications, whereby the time period between the building permit issuance and planning application approval is reduced to 18 months from two years (note, the two-year time period still applies to applications received and approved between January 1, 2020 and June 5, 2024);
- Permits the repeal of the date the D.C. by-law expires (allowing for the 10-year by-law term provided in the D.C.A.);
- Allows minor D.C. by-law amendments related to the inclusion of studies, removal of the mandatory phase-in of a D.C. by-law and removal of expiry date for by-laws passed between November 28, 2022 and June 6, 2024; and
- Permits municipalities to publish D.C. public notice on municipal websites where newspapers of general circulation are not available.

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



2. Township of Melancthon Current D.C. Policy

2.1 Schedule of Charges

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

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.

2.3 Timing of D.C. Calculation and Payment

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



Categories of Municipal Services	Inclusion in the D.C. Calculation	Service Components
20. Other	Yes Yes	20.1 Interest on money borrowed to pay for growth-related capital 20.2 Growth-related Studies, including the D.C. Background Study

4.4 Local Service Policy

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

4.5 Capital Forecast

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

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

The capital costs include:

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



- f. costs to undertake studies in connection with the above-referenced matters (include costs of the D.C. background study).

In order for an increase in need for service to be included in the D.C. calculation, Township Council must indicate “that it intends to ensure that such an increase in need will be met” (subsection 5 (1) 3). This can be done if the increase in service forms part of a Council-approved Official Plan, capital forecast, or similar expression of the intention of Council (O. Reg. 82/98 section 3). The capital program contained herein reflects the 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

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

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

4.7 Class of Services

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

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



These provisions allow for services to be grouped together to create a class for the purposes of the D.C. by-law and D.C. reserve funds. As of June 6, 2024, Bill 185 has received Royal Assent, thereby the growth-related studies have been provided as a class of services for purposes of calculating the D.C.s.

4.8 Existing Reserve Funds

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

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

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

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



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 Township-wide vs. Area-Specific

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

The calculated D.C.s herein are based on a Township-wide basis for all services and class of services.

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.



5. D.C. Eligible Cost Analysis by Service

5.1 Introduction

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

The service component is evaluated on two format sheets:

- The service standards that provide the average historical 15-year level of service calculation (see Appendix B), which “caps” the D.C. amounts (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 and Class of Services Calculation

This section evaluates the development-related capital requirements for all Township-wide services and class of 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.



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, a new sidewalk project, as well as an additional vehicle. The total gross capital cost of the program is approximately \$1.9 million over the 2024-2033 forecast period. Deductions related to the benefit to the existing development were applied of approximately \$1.02 million, 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 \$715,384 has been included in the calculation of the charge. Approximately \$629,538 (88%) and \$85,846 (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).



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

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

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

These provisions allow for services to be grouped together to create a class for the purposes of the D.C. by-law and D.C. reserve funds. The D.C. calculations and draft by-law provided herein include a class of services for growth-related studies. This class is comprised of the following services:

- Services Related to a Highway;



- Fire Protection Services;
- Library Services; and
- Parks and Recreation Services.

The following provides a list of studies that have been identified for the 2024 to 2033 forecast period:

- Development Charge Studies;
- Official Plan Update;
- Strategic Plans;
- Zoning By-law Update;
- Bridge Studies;
- Road Needs Study; and
- Parks & Recreation Master Plan.

The total cost of these studies is \$490,000. After deducting \$151,253 for the benefit to existing share, \$270,960 to recognize the current D.C. reserve fund balance, and \$22,000 to recognize the benefit to non-D.C.-eligible services, the D.C. eligible costs for studies that have been considered with the calculation of the charge within the class of service total approximately \$108,787 as presented in Table 5-5.

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

- Services Related to a Highway - 42%;
- Fire Protection Services - 19%;
- Library Services - 2%; and
- Parks and Recreation Services - 37%.

The allocation of the net growth-related costs between residential and non-residential development is based on the residential and non-residential allocations for each service area and are presented in Table 5-6 (i.e., resulting in an overall split of 91% residential and 9% 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%
Road Upgrades:											
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
Bridges and Culverts:											
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
Sidewalks:											
5	New Sidewalk - Main St. from Oldfield Court to South of High St.	2029-2033	528,000	-	-	528,000	396,000	-	132,000	116,160	15,840
Vehicles and Equipment:											
6	Excavator with Brusher	2024	500,000	-	-	500,000	-	-	500,000	440,000	60,000
Adjustments:											
7	Reserve Fund Adjustment			-	-	-	188,716	-	(188,716)	(166,070)	(22,646)
Total			1,927,800	-	-	1,927,800	1,212,416	-	715,384	629,538	85,846



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

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Service(s) to Which the Study Relates	Gross Capital Cost Estimate Total (2024\$)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
									Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2024 to 2033												
1	Development Charges Study	2024	All Services		27,500	-	-	27,500	-	-	27,500	24,953	2,547
2	Development Charges Study	2033	All Services		27,500	-	-	27,500	-	-	27,500	24,953	2,547
3	Official Plan	2024-2025	All Services		90,000	-	9,000	81,000	20,251	-	60,749	55,122	5,627
4	Zoning By-law Update	2024-2025	All Services		100,000	-	10,000	90,000	22,501	-	67,499	61,246	6,253
5	Strategic Plan	2029	All Services		30,000	-	3,000	27,000	13,501	-	13,499	12,248	1,251
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	35,625	1,875
	Adjustments												
9	Reserve Fund Adjustment				-	-	-	-	207,960	-	(207,960)	(188,264)	(19,696)
	Total				490,000	-	22,000	468,000	359,213	-	108,787	98,483	10,304



Table 5-6
Township of Melancthon
Infrastructure Costs Included in the development Charge Calculation
for Growth-Related Studies (Class of Services)
Residential/Non-Residential Shares

Services	Total	Residential Share	Non-Residential Share
Services Related to a Highway	56,620	49,826	6,794
Fire Protection Services	12,868	11,325	1,544
Parks and Recreation Services	1,179	1,120	59
Library Services	38,119	36,213	1,907
Total	\$108,787	\$98,483	\$10,304
Residential/Non-Residential %		91%	9%



6. D.C. Calculation

Table 6-1 calculate the proposed D.C.s to be imposed on development for all Township-wide services and class of services over the 10-year forecast period (2024-2033).

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 and class of 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 6-2 provides the schedule of charges that is applicable for all services and class of services by type of development. Table 6-3 summarizes the gross capital expenditures and sources of revenue for works to be undertake during the 10-year life of the by-law.



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

SERVICES/CLASS OF SERVICES	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	629,538	85,846	6,693	2.17
2. <u>Fire Protection Services</u>				
2.1 Fire facilities, vehicles & equipment	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
4. <u>Library Services</u>				
4.1 Library facilities, materials and vehicles	28,329	1,491	301	0.04
5. <u>Growth-Related Studies</u>	98,483	10,304	1,047	0.27
TOTAL	\$1,649,197	\$168,613	\$17,534	\$4.28
D.C.-Eligible Capital Cost	\$1,649,197	\$168,613		
10-Year Gross Population/GFA Growth (sq.ft.)	318	39,400		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$5,186.15	\$4.28		
By Residential Unit Type				
	P.P.U.			
Single and Semi-Detached Dwelling	3.381	\$17,534		
Other Multiples	2.951	\$15,304		
Apartments - 2 Bedrooms +	2.213	\$11,477		
Apartments - Bachelor and 1 Bedroom	1.100	\$5,705		



Table 6-2
Township of Melancthon
Calculated Schedule of Development Charges
by Service/Class of Services

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Wind Trubines	(per sq.ft. of Gross Floor Area)
Township-Wide Services						
Services Related to a Highway	6,693	5,842	4,381	2,178	6,693	2.17
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
Total Township-Wide Services	\$16,487	\$14,391	\$10,791	\$5,365	\$9,738	\$4.01
Township-Wide Class of Services						
Growth-Related Studies	1,047	914	685	341	-	0.27
Total Township-Wide Class of Services	\$1,047	\$914	\$685	\$341	\$0	\$0.27
Grand Total Township-Wide Services & Class of Services	\$17,534	\$15,305	\$11,476	\$5,706	\$9,738	\$4.28



Table 6-3
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

Services/Class of Services	Total Gross Cost	Sources of Financing					
		Tax Base or Other Non-D.C. Source			Post D.C. Period Benefit	D.C. Reserve Fund	
		Other Deductions	Benefit to Existing	Other Funding		Residential	Non-Residential
1. Services Related to a Highway 1.1 Roads and Related	1,927,800	0	1,212,416	0	0	629,538	85,846
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-Related Studies	490,000	22,000	359,213	0	0	98,483	10,304
Total Expenditures & Revenues	\$6,441,900	\$1,739,600	\$2,165,490	\$50,000	\$669,000	\$1,649,197	\$168,613



7.2 D.C. By-law Structure

It is recommended that:

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

7.3 D.C. By-law Rules

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

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

7.3.1 *Payment in any Particular Case*

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

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

7.3.2 *Determination of the Amount of the Charge*

The following 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-Related Studies Class of Service, a 91% residential and 9% 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;



- 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 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.

Moreover, the D.C. amount for all developments occurring within two (2) years of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted and approved after January 1, 2020, and June 5, 2024), shall be determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application. The D.C. amount for all developments occurring within eighteen (18) months of a Site Plan or Zoning By-law Amendment planning approval (for applications received on or after January 1, 2020, that have not received approval prior to June 6, 2024), shall be determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application.

Installment payments and payments determined at the time of Site Plan or Zoning By-law Amendment applications are subject to annual interest charges. The maximum



interest rate the Town can impose is the average prime rate plus 1% as defined in subsection 26.3(1) of the Act.

7.3.6 Indexing

Indexing of the D.C.s shall be implemented on a mandatory basis annually commencing on January 1st 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.

7.3.7 D.C. Spatial Applicability

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

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

1. All Municipal services, except for water 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 and class of services.



7.4 Other D.C. By-law Provisions

It is recommended that:

7.4.1 Categories of Services for Reserve Fund and Credit Purposes

It is recommended that the 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 Services for Reserve Fund and Credit Purposes

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

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

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 and class of 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;

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

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



Table C-1 depicts the annual operating impact resulting from the proposed gross capital projects at the time they are all in place. It is important to note that, while 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

SERVICES/CLASS OF SERVICES	GROSS COST LESS BENEFIT TO EXISTING	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
1. Services Related to a Highway				
1.1 Roads and Related	715,384	43,317	108,144	151,462
2. Fire Protection Services				
2.1 Fire facilities, vehicles & equipment	1,984,152	14,398	14,201	28,599
3. Parks and Recreation Services				
3.1 Park development, amenities, trails, recreation facilities, vehicles, and equipment	1,282,367	10,440	11,041	21,481
4. Library Services				
4.1 Library facilities, materials and vehicles	163,720	5,094	-	5,094
5. Growth-Related Studies				
5.1 Growth-Related Studies	130,787	-	-	-
Total	\$4,276,410	\$73,249	\$133,387	\$206,635



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

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

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

² See Attachment 1 for details

³ See Attachment 2 for details

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



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					
<u>Services Related to a Highway</u>											
Capital Cost A											
Capital Cost B											
Capital Cost C											
Sub-Total - Services Related to Highways	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Fire Protection Services</u>											
Capital Cost D											
Capital Cost E											
Capital Cost F											
Sub-Total - Fire Protection Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Parks and Recreation Services</u>											
Capital Cost G											
Capital Cost H											
Capital Cost I											
Sub-Total - Parks and Recreation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Library Services</u>											
Capital Cost J											
Capital Cost K											
Capital Cost L											
Sub-Total - Library Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Growth-Related Studies</u>											
Capital Cost M											
Capital Cost N											
Capital Cost O											
Sub-Total - Growth-Related Studies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



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
Services Related to a Highway									
Capital Related Cost A									
Capital Related Cost B									
Capital Related Cost C									
Sub-Total - Services Related to a Highway	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
Fire Protection Services									
Capital Related Cost D									
Capital Related Cost E									
Capital Related Cost F									
Sub-Total - Fire Protection Services	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
Parks and Recreation Services									
Capital Related Cost G									
Capital Related Cost H									
Capital Related Cost I									
Sub-Total - Parks and Recreation Services	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
Library Services									
Capital Related Cost J									
Capital Related Cost K									
Capital Related Cost L									
Sub-Total - Library Services	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
Growth-Related Studies									
Capital Related Cost M									
Capital Related Cost N									
Capital Related Cost O									
Sub-Total - Growth-Related Studies	\$0	\$0	\$0	\$0	\$0		\$0	\$0	



Appendix D-6
Description of the Service (or Class of Service) for which each
Development Charge Reserve Fund was Established

Services/Class of Services	Description
Services Related to a Highway	The fund is used for growth-related projects for roads, bridges, structures, and other related road infrastructure including public works related facilities, vehicles, and equipment
Fire Protection Services	The fund is used for growth-related projects supporting fire protection services, including facilities, vehicles, equipment, and gear
Parks and Recreation Services	The fund is used for growth-related projects related to parkland development, parkland amenities, recreation facilities, and parks & recreation vehicles and equipment
Library Services	The fund is used for growth-related projects including library facilities, furniture, shelving, collection materials, vehicles, and other related library infrastructure
Growth Studies	The fund is used for growth-related studies as the pertain to D.C. eligible services



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 \$410,985.
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)
Expenditures (Annualized)	
Annual Debt Payment on Non-Growth Related Capital ¹	\$201,710
Annual Lifecycle	\$75,889
Incremental Operating Costs (for D.C. Services)	\$133,387
Total Expenditures	\$410,985
Revenue (Annualized)	
Total Existing Revenue ²	\$4,612,896
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$230,650
Total Revenues	\$4,843,546

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

² As per Sch. 10 of FIR



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 an Addendum Report, dated July 16, 2024, to the Study, was released to embrace refinements identified through the public process and changes to the Act that were enacted after the release of the Study;

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 Act;



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
 - e) to undertake studies in connection with any of the matters referred to in clauses (a) to (d);



- f) to undertake the development charge background study under Section 10 of the Act; and
- g) interest on money borrowed to pay for costs in (a) to (d); required for provision of services designated in this by-law within or outside the municipality;
- (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; anda 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. O. 1998.

2) Designation of Services

2.1 The category of services and class of services 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;
- d) Library Services; and
- e) Growth-related studies (class of services).

2.2 The components of the services and class of 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 Exemption for Industrial Development:

3.6.1 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;

3.6.2 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:

3.6.2.1 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.

3.6.2.2 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

3.6.2.3 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

3.6.2.4 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.

3.7 Other Exemptions

3.7.1 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.

3.7.2 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."

3.7.3 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.



- 3.7.4 Notwithstanding the provisions of this development charges shall not be imposed on Non-profit Housing.
- 3.7.5 Notwithstanding the provisions of this development charges shall not be imposed on Affordable residential units.
- 3.7.6 Notwithstanding the provisions of this development charges shall not be imposed on Attainable residential units.
- 3.7.7 Notwithstanding the provisions of this development charges shall not be imposed on inclusionary zoning units.

Amount of Charges

Residential Uses

- 3.8 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

- 3.9 The development charges described in Schedules “B” to this by-law shall be imposed on non-residential uses of lands, buildings, or structures, and, in the case of a mixed-use building or structure, on the non-residential uses in the mixed-use building or structure, 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

- 3.10 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

3.11 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

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

- a) Three or more bedrooms - 25% reduction;
- b) Two bedrooms - 20% reduction; and



- c) All other bedroom quantities - 15% reduction.

Time of payment of Development Charges

- 3.13 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.
- 3.14 Except as otherwise provided in this By-law, a building permit shall not be issued until the development charge has been paid in full.
- 3.15 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.
- 3.16 Where the development of land results from the approval of a Site Plan or Zoning By-law Amendment received and approved between January 1, 2020, and June 5, 2024, and the approval of the application occurred within 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.
- 3.17 Notwithstanding subsection 3.15 through 3.18, where the development of land results from the approval of a Site Plan or Zoning By-law Amendment received on or after January 1, 2020, where the approval of the application occurred on or after June 6, 2024, and the approval of the application occurred within 18 months of building permit issuance, the Development Charges under subsections 3.10, 3.11, and 3.12 shall be calculated based on the rates set out in Schedule "B" on the date of the planning application, including interest at the prescribed rate. Where both planning applications apply, development charges under subsections 3.10, 3.11, and 3.12 shall be calculated on the rates set out in Schedule "B", on the date of the latter planning application, including interest, including interest at the prescribed rate.



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

3.19 Despite section 3.16, 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” – Designated Township Services and Class of Services Under this By-law

Schedule “B” – Schedule of Development Charges for all Services and Class of 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 on July 18, 2024.

10) Date By-law Expires

10.1 This By-law will expire 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 18th DAY OF JULY, 2024.

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

Mayor

Clerk



SCHEDULE "A" TO BY-LAW
DESIGNATED TOWNSHIP SERVICES AND CLASS OF 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

Township-Wide Class of Services

1. Growth-Related Studies



**SCHEDULE "B" TO BY-LAW
SCHEDULE OF DEVELOPMENT CHARGES FOR ALL SERVICES AND CLASS OF SERVICES**

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Wind Turbines	(per sq.ft. of Gross Floor Area)
Township-Wide Services						
Services Related to a Highway	6,693	5,842	4,381	2,178	6,693	2.17
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
Total Township-Wide Services	\$16,487	\$14,391	\$10,791	\$5,365	\$9,738	\$4.01
Township-Wide Class of Services						
Growth-Related Studies	1,047	914	685	341	-	0.27
Total Township-Wide Class of Services	\$1,047	\$914	\$685	\$341	\$0	\$0.27
Grand Total Township-Wide Services & Class of Services	\$17,534	\$15,305	\$11,476	\$5,706	\$9,738	\$4.28