



Development Charges Background Study

Municipality of Dutton Dunwich

January 31, 2024

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
A.M.P.	Asset management plan
CANSIM	Canadian Socio-Economic Information Management System (Statistics Canada)
C.B.C.	Community Benefits Charge
D.C.	Development charge
D.C.A.	Development Charges Act, 1997, as amended
F.I.R.	Financial Information Return
G.F.A.	Gross floor area
LPAT	Local Planning Appeal Tribunal
M.E.C.P.	Ministry of the Environment, Conservation and Parks
N.F.P.O.W.	No fixed place of work
O.L.T.	Ontario Land Tribunal
O.M.B.	Ontario Municipal Board
O.P.A.	Official Plan Amendment
O. Reg.	Ontario Regulation
P.O.A.	Provincial Offences Act
P.P.U.	Persons per unit
S.D.E.	Single detached equivalent
S.D.U.	Single detached unit
S.W.M.	Stormwater management
sq.ft.	square foot
sq.m	square metre



Executive Summary



Executive Summary

1. The report provided herein represents the Development Charges (D.C.) Background Study for the Municipality of Dutton Dunwich required by the *Development Charges Act, 1997*, as amended (D.C.A.). This report has been prepared in accordance with the methodology required under the D.C.A. The contents include the following:
 - Chapter 1 – Overview of the legislative requirements of the Act;
 - Chapter 2 – Summary of the residential and non-residential growth forecasts for the Municipality;
 - Chapter 3 – Approach to calculating the D.C.;
 - Chapter 4 – Review of historical service standards and identification of future capital requirements to service growth and related deductions and allocations;
 - Chapter 5 – Calculation of the D.C.s;
 - Chapter 6 – D.C. policy recommendations and rules; and
 - Chapter 7 – By-law implementation.

2. D.C.s provide for the recovery of growth-related capital expenditures from new development. The D.C.A. is the statutory basis to recover these charges. The methodology is detailed in Chapter 3; a simplified summary is provided below.
 - 1) Identify amount, type and location of growth.
 - 2) Identify servicing needs to accommodate growth.
 - 3) Identify capital costs to provide services to meet the needs.
 - 4) Deduct:
 - Grants, subsidies and other contributions;
 - Benefit to existing development;
 - Amounts in excess of 15-year historical service calculation;
 - D.C. reserve funds (where applicable);
 - 5) Net costs are then allocated between residential and non-residential benefit; and



- 6) Net costs divided by growth to provide the D.C.
3. The D.C. process needs to address a number of items that were established through the *Smart Growth for Our Communities Act, 2015* (Bill 73). These items have been incorporated throughout the report and in the draft by-law, as necessary. These items include:
 - a. Area-rating: Council must consider the use of area-specific charges.
 - b. Asset Management Plan for New Infrastructure: The D.C. background study must include an asset management plan (A.M.P.) that deals with all assets proposed to be funded, in whole or in part, by D.C.s. The A.M.P. must show that the assets are financially sustainable over their full lifecycle.
 - c. 60-day Circulation Period: The D.C. background study must be released to the public at least 60-days prior to passage of the D.C. by-law.
 - d. Timing of Collection of Development Charges: The D.C.A. now requires D.C.s to be collected at the time of the first building permit.
4. Further changes to the D.C.A. were introduced through several bills passed in the Ontario legislature: Bill 108, Bill 138, Bill 197, 213, 109 and Bill 23. The following provides a brief summary of the proposed changes and are further discussed in sections 1.4 and 1.5 of this report.

Bill 108: More Homes, More Choice: Ontario's Housing Supply Action Plan

In May 2019, the Province introduced Bill 108, More Homes, More Choice Act, 2019 which would make changes to the current D.C. legislation. The Bill was passed and given Royal Assent on June 6, 2019. While the legislation has been passed, much of the detailed changes were to be implemented by Regulation, however, these changes were not implemented (subject to Bill 197 discussed later). The following items are currently in effect:

- a. Effective January 1, 2020, rental housing and institutional developments shall pay D.C.s in six (6) equal annual payments commencing at first occupancy. Non-profit housing developments shall pay D.C.s in 21 equal annual payments. Interest may be charged on the instalments, and any



unpaid amounts inclusive of interest payable shall be added to the property tax roll and collected in the same manner as taxes.

- b. Effective January 1, 2020, the D.C. amount for all developments occurring within two years of a Site Plan or Zoning By-law Amendment planning approval (for applications made after January 1, 2020), shall be determined based on the D.C. by-law in effect on the day of Site Plan or Zoning By-law Amendment application.

Other key elements of the changes that were not proclaimed and were dealt with subsequently through Bill 197 are provided below:

- The D.C. would be refined to only allow for the following services to remain within the D.C.: water, wastewater, storm water, roads, fire, policing, ambulance, waste diversion, parks development, recreation, public libraries, long-term care, and public health.
- The mandatory 10% deduction would be removed for all services that remain eligible in the D.C.
- A new community benefits charge (C.B.C.) would be introduced to include formerly eligible D.C. services that are not included in the above listing, parkland dedication, and bonus zoning contributions.

Bill 138: Plan to Build Ontario Together Act, 2019

On November 6, 2019, the Province released Bill 138 which provided further amendments to the D.C.A. and Planning Act. This Bill received Royal Assent on December 10, 2019, and was proclaimed which resulted in sections related to the D.C.A. (schedule 10) becoming effective on January 1, 2020. With respect to the D.C.A., this Bill removed instalment payments for commercial and industrial developments that were originally identified in Bill 108.

Bill 197: COVID-19 Economic Recovery Act, 2020

In March 2020, Canada was impacted by the COVID-19 global pandemic. As a result, the economy was put into a state of emergency in an effort to slow the spread of the virus. In response, the Province tabled legislation on July 8, 2020 which amended a number of Acts, including the D.C.A. and the Planning Act. With Bill 197, many changes proposed in Bill 108 have now been revised. With



respect to the above noted changes from Bill 108, the following changes are provided in Bill 197:

- **Eligible Services:** The list of eligible services for the D.C. has now been expanded to include most services eligible under the D.C.A. prior to Bill 108.
- **Mandatory 10% Deduction:** The mandatory 10% deduction is removed (consistent with Bill 108). This applies to all D.C.-eligible services.
- **Community Benefits Charges:** a municipality may, by by-law, impose a C.B.C. to pay for the capital costs for formerly eligible D.C. services in addition to parkland dedication and bonus zoning contributions. At this time the Municipality has not identified their need for a C.B.C.

Bill 213: Better for People, Smarter for Business Act, 2020

On December 8, 2020, Bill 213 received Royal Assent. One of the changes of the Bill that took effect upon Royal Assent included amending the Ministry of Training, Colleges and Universities Act by introducing a new section that would exempt the payment of D.C.s for developments of land intended for use by a university that receives operating funds from the Government.

Bill 109: More Homes for Everyone Act, 2022

On April 14, 2022, Bill 109 received Royal Assent. One of the changes of the Bill and Ontario Regulation (O. Reg.) 438/22 that took effect upon Royal Assent included amending the D.C.A. and O. Reg. 82/98 related to the requirements for the information which is to be included in the annual Treasurer's statement on D.C. reserve funds and the requirement for publication of the statement.

Bill 23: More Homes Built Faster Act, 2022

On November 28, 2022, Bill 23 received Royal Assent. The Bill provides the following changes (further details provided in section 1.5 of this report):

- Additional Residential Unit Exemption;
- Removal of Housing as an Eligible D.C. Service;
- New Statutory Exemptions for Affordable Units, Attainable Units, Inclusionary Zoning Units, and Non-Profit Housing developments;



Note: Bill 134: *Affordable Homes and Good Jobs Act, 2023* which was released on September 28, 2023 and received Royal Assent on December 4, 2023 provides a new definition of “affordable” under the D.C.A.:

- Owned unit (lesser of): cost is less than 30% of the 60th percentile of income for households in the municipality or 90% of the average purchase price as defined in a new Bulletin.
- Rental unit (lesser of): rent is less than 30% of the 60th percentile of income for rental households or average market rent set out in a new Bulletin.

The exemptions for Affordable Units and Attainable Units are not currently in force. These exemptions will be in force upon proclamation and through the release of the Provincial bulletin. Should the Province release further information before the D.C. by-law is passed, the Municipality can amend the D.C. study accordingly.

- Historical Level of Service extended to 15-year period instead of the previous 10-year period;
- Capital Cost definition revised to remove studies and prescribe services for which land or an interest in land will be restricted (note: no services have been prescribed to date);
- Mandatory Phase-in of a D.C. passed after January 1, 2022, 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.
- D.C. By-laws now have a maximum life of 10 years after the date the by-law comes into force;
- D.C. for Rental Housing developments to receive a discount as follows:
 - Three or more bedrooms – 25% reduction;
 - Two bedrooms – 20% reduction; and
 - All other bedroom quantities – 15% reduction.
- 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%; and



- 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.
5. The growth forecast (Chapter 2) on which the Municipal-wide D.C. is based, projects the following population, housing, and non-residential floor area for the Municipal-wide 27-year (2024 to 2051) period.

Table ES-1
Summary of Growth Forecast by Planning Period

Measure	27-year 2024 to 2051
(Net) Population Increase	567
Residential Unit Increase	388
Non-Residential Gross Floor Area Increase (sq. ft.)	103,400

Source Watson & Associates Economists Ltd. Forecast 2024

6. The Municipality is undertaking a D.C. public process and anticipates passing a new by-law for eligible services. The mandatory public meeting has been set for March 13, 2024 with adoption of the by-law anticipated for April 10, 2024.
7. The Municipality does not currently impose a D.C. This report has undertaken a calculation of the charges based on future identified needs (presented in Schedule ES-3 for residential and non-residential development). Charges have been provided on a Municipal-wide basis for all services. The corresponding single detached unit charge is \$9,465. The non-residential charge is \$6.35 per sq.ft. of building area. These rates are submitted to Council for its consideration.
8. As per Bill 23, only 80% of the calculated charges may be imposed in the first year as per the mandatory phase-in. This results in a first year residential charge of \$7,572 per single detached unit and a non-residential charge of \$5.08 per sq.ft. of G.F.A.
9. The D.C.A. requires a summary be provided of the gross capital costs and the net costs to be recovered over the life of the by-law. This calculation is provided



by service and is presented in Table 5-3. A summary of these costs is provided below:

Table ES-2
Summary of Expenditures Anticipated Over the Life of the By-law

Summary of Expenditures Anticipated Over the Life of the By-law	Expenditure Amount
Total gross expenditures planned over the next ten years	5,753,997
Less: Benefit to existing development	1,502,211
Less: Post planning period benefit	1,761,000
Less: Ineligible re: Level of Service	0
Less: Grants, subsidies and other contributions	0
Net costs to be recovered from development charges	\$2,490,785

This suggests that for the non-D.C. cost over the 10-year D.C. by-law (benefit to existing development, and grants, subsidies and other contributions), \$1.50 million (or an annual amount of \$0.15 million) will need to be contributed from taxes and rates, or other sources. With respect to the post period benefit amount of \$1.76 million, it will be included in subsequent D.C. study updates to reflect the portion of capital that benefits growth in the post period D.C. forecasts.

Based on the above table, the Municipality plans to spend \$5.75 million over the next 10 years, of which \$2.49 million (43%) is recoverable from D.C.s. Of this net amount, \$2.08 million is recoverable from residential development and \$0.41 million from non-residential development. It is noted also that any exemptions or reductions in the charges would reduce this recovery further.

10. Considerations by Council – The background study represents the service needs arising from residential and non-residential growth over the forecast period.

The following services are calculated based on a Municipal-wide 27-year forecast:

- Services Related to a Highway;
 - Roads and Related;
 - Public Works (Facilities and Fleet);
- Fire Protection Services; and



- Parks and Recreation Services.

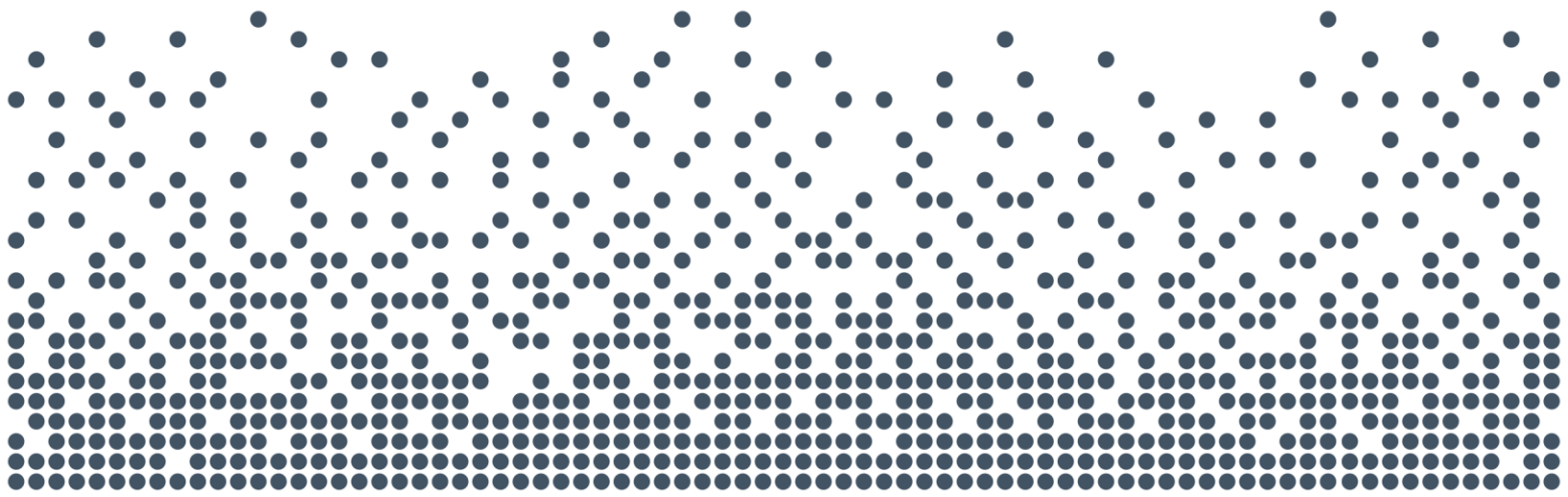
Council will consider the findings and recommendations provided in the report and, in conjunction with public input, approve such policies and rates it deems appropriate. These directions will refine the draft D.C. by-law which is appended in Appendix G. These decisions may include:

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



Table ES-3
Schedule of Development Charges

Services	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Studio and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Municipal Wide Services:						
Services Related to a Highway	5,318	4,162	3,316	1,951	1,951	4.31
Fire Protection Services	2,015	1,577	1,256	739	739	1.63
Parks and Recreation Services	2,132	1,668	1,329	782	782	0.41
Total Municipal Wide Services	9,465	7,407	5,901	3,472	3,472	6.35



Report



Chapter 1

Introduction



1. Introduction

1.1 Purpose of this Document

This background study has been prepared pursuant to the requirements of the *Development Charges Act, 1997*, as amended, (D.C.A.) (section 10) and, accordingly, recommends development charges (D.C.s) and policies for the Municipality of Dutton Dunwich.

The Municipality retained Watson & Associates Economists Ltd. (Watson), to undertake the D.C. study process throughout 2023 and early 2024. Watson worked with Municipal staff in preparing the D.C. analysis and policy recommendations.

This D.C. background study, containing the proposed D.C. by-law, will be distributed to members of the public in order to provide interested parties with sufficient background information on the legislation, the study's recommendations, and an outline of the basis for these recommendations.

This report has been prepared, in the first instance, to meet the statutory requirements applicable to the Municipality's D.C. background study, as summarized in Chapter 3. It also addresses the requirement for "rules" (contained in Chapter 6) and the proposed by-law to be made available as part of the approval process (included as Appendix G).

In addition, the report is designed to set out sufficient background on the legislation (Chapter 3), and the growth anticipated within the Municipality (Chapter 2), to make the exercise understandable to those who are involved.

Finally, it addresses post-adoption implementation requirements (Chapter 7) which are critical to the successful application of the new policy.

The chapters in the report are supported by Appendices containing the data required to explain and substantiate the calculation of the charge. A full discussion of the statutory requirements for the preparation of a background study and calculation of a D.C. is provided herein.



1.2 Summary of the Process

The public meeting required under section 12 of the D.C.A. has been scheduled for March 13, 2024. Its purpose is to present the study to the public and to solicit public input. The meeting is also being held to answer any questions regarding the study's purpose, methodology, and the proposed approach to the Municipality's D.C.s.

In accordance with the legislation, the background study and proposed D.C. by-law will be available for public review on January 31, 2024.

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

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

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

Figure 1-1
Schedule of Key D.C. Process Dates for the Municipality of Dutton Dunwich

Schedule of Study Milestone	Dates
1. Council Meeting	May 24, 2023
2. Data collection, staff review, D.C. calculations and policy work	August 2023 to January 2024
3. Public release of final D.C. Background Study and proposed by-law	January 31, 2024
4. Public meeting advertisement placed in newspaper(s)	No later than February 21, 2024
5. Public meeting of Council	March 13, 2024
6. Council considers adoption of background study and passage of by-law	April 10, 2024
7. Newspaper notice given of by-law passage	By 20 days after passage
8. Last day for by-law appeal	40 days after passage



Schedule of Study Milestone	Dates
9. Municipality makes pamphlet available (where by-law not appealed)	By 60 days after in force date

1.3 Changes to the D.C.A.: Bill 73 – Smart Growth for our Communities Act, 2015

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

1.3.1 Area Rating

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

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

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

1.3.2 Asset Management Plan for New Infrastructure

The legislation now requires that a D.C. background study must include an asset management plan (A.M.P.) (subsection 10 (2) (c.2)). The 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; however, they are silent with respect to how the asset management plan 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 may include both qualitative and quantitative measures such as examining the annual future lifecycle contributions needs (discussed further in Appendix F of this report).

1.3.3 60-Day Circulation of the D.C. Background Study

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

This D.C. study is being provided to the public on January 31, 2024 to ensure the new requirements for release of the study are met.

1.3.4 Timing of Collection of D.C.s

The D.C.A. has been refined by Bill 73 to require that D.C.s are collected at the time of the first building permit. There may be instances, however, where several building permits are to be issued and either the size of the development or the uses will not be definable at the time of the first building permit. In these instances, the Municipality may enter into a delayed payment agreement in order to capture the full development.

1.3.5 Other Changes

It is also noted that a number of other changes were made through Bill 73 and O. Reg. 428/15, including changes to the way in which transit D.C. service standards are calculated and the inclusion of waste diversion, however, these sections do not impact the Municipality's D.C.



1.4 Further Changes to the D.C.A.: Bill 108, 138, 197, 213 and 109

1.4.1 *Bill 108: More Homes, More Choice Act – An Act to Amend Various Statutes with Respect to Housing, Other Development, and Various Matters*

On May 2, 2019, the Province introduced Bill 108, which proposed changes to the D.C.A. The Bill was introduced as part of the Province's "More Homes, More Choice: Ontario's Housing Supply Action Plan." The Bill received Royal Assent on June 6, 2019.

While having received royal assent, many of the amendments to the D.C.A. would not come into effect until they are proclaimed by the Lieutenant Governor (many of these changes were revised through Bill 197). The following provisions were proclaimed:

- Effective January 1, 2020, rental housing and institutional developments will pay D.C.s in six equal annual payments commencing at occupancy. Non-profit housing developments will pay D.C.s in 21 equal annual payments (non-profit housing now exempt as per Bill 23). Interest may be charged on the instalments, and any unpaid amounts may be added to the property and collected as taxes.
- Effective January 1, 2020, the D.C. amount for all developments occurring within 2 years of a Site Plan or Zoning By-law Amendment planning approval (for application submitted after this section is proclaimed), shall be determined based on the D.C. in effect on the day of Site Plan or Zoning By-law Amendment application. If the development is not proceeding via these planning approvals, then the amount is determined the earlier of the date of issuance of a building permit.

On February 28, 2020, the Province released updated draft regulations related to the D.C.A. and the Planning Act. A summary of these changes to take effect upon proclamation by the Lieutenant Governor is provided below:

Changes to Eligible Services – Prior to Bill 108, the D.C.A. provided a list of ineligible services whereby municipalities could include growth related costs for any service that was not listed. With Bill 108, the changes to the D.C.A. would now specifically list the services that are eligible for inclusion in the by-law. Further, the initial list of eligible



services under Bill 108 was limited to "hard services", with the "soft services" being removed from the D.C.A. These services would be considered as part of a new community benefits charge (discussed below) imposed under the Planning Act. As noted in the next section this list of services has been amended through Bill 197.

Mandatory 10% deduction – The amending legislation would remove the mandatory 10% deduction for all services that remain eligible under the D.C.A.

Remaining Services to be Included in a New Community Benefits Charge (C.B.C.) Under the Planning Act – A municipality may, by by-law, impose a C.B.C. against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies. The C.B.C. was proposed to include formerly eligible D.C. services that are not included in the above listing, in addition to parkland dedication and bonus zoning contributions.

1.4.2 Bill 138: Plan to Build Ontario Together Act, 2019

On November 6, 2019, the Province release Bill 138 which provided further amendments to the D.C.A. and Planning Act. This Bill received Royal Assent on December 10, 2019 and was proclaimed which resulted in sections related to the D.C.A. (schedule 10) becoming effective on January 1, 2020. The amendments to the D.C.A. included removal of instalment payments for commercial and industrial developments that were originally included in Bill 108.

1.4.3 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 which provided amendments to a number of Acts, including the D.C.A. and Planning Act. This Bill also revised some of the proposed changes identified in Bill 108. Bill 197 was tabled on July 8, 2020, received Royal Assent on July 21, 2020, and was proclaimed on September 18, 2020. The following provides a summary of the changes:



1.4.3.1 D.C. Related Changes

List of D.C. Eligible Services

- As noted above, under Bill 108 some services were to be included under the D.C.A. and some would be included under the C.B.C. authority. Bill 197, however, revised this proposed change and has included all services (with some exceptions) under the D.C.A. These services are as follows:
 - Water supply services, including distribution and treatment services.
 - Wastewater services, including sewers and treatment services.
 - Storm water drainage and control services.
 - Services related to a highway.
 - Electrical power services.
 - Toronto-York subway extension.
 - Transit services.
 - Waste diversion services.
 - Policing services.
 - Fire protection services.
 - Ambulance services.
 - Library services.
 - Long-term Care services
 - Parks and Recreation services, but not the acquisition of land for parks.
 - Public Health services.
 - Childcare and early years services.
 - Housing services.
 - Provincial Offences Act services.
 - Services related to emergency preparedness.
 - Services related to airports, but only in the Regional Municipality of Waterloo.
 - Additional services as prescribed.



Classes of Services – D.C.

Pre-Bill 108/197 legislation (i.e. D.C.A., 1997) allowed for categories of services to be grouped together into a minimum of two categories (90% and 100% services).

The Act (as amended) repeals and replaces the above with the four following subsections.

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

As well, the removal of the 10% deduction for soft services under Bill 108 has been maintained.

Note: An initial consideration of “class” appears to mean any group of services.

10-Year Planning Horizon

The 10-year planning horizon has been removed for all services except transit.

1.4.3.2 C.B.C. Related Changes

C.B.C. Eligibility

- The C.B.C. is limited to lower-tier and single tier municipalities; upper-tier municipalities will not be allowed to impose this charge.



1.4.3.3 Combined D.C. and C.B.C. Impacts

D.C. vs. C.B.C. Capital Cost

- A C.B.C. may be imposed with respect to the services listed in s. 2 (4) of the D.C.A. (eligible services), “provided that the capital costs that are intended to be funded by the community benefits charge are not capital costs that are intended to be funded under a development charge by-law.”

1.4.4 Bill 213: Better for People, Smarter for Business Act, 2020

On December 8, 2020, Bill 213 received Royal Assent. One of the changes of the Bill that took effect upon Royal Assent included amending the Ministry of Training, Colleges and Universities Act by introducing a new section that would exempt the payment of D.C.s for developments of land intended for use by a university that receives operating funds from the Government. As a result, this mandatory exemption will be included in the D.C. by-law.

1.4.5 Bill 109: More Homes for Everyone Act, 2022

On April 14, 2022, Bill 109 received Royal Assent. One of the changes of the Bill and Ontario Regulation (O. Reg.) 438/22 that took effect upon Royal Assent included amending the D.C.A. and O. Reg. 82/98 related to the requirements for the information which is to be included in the annual Treasurer’s statement on D.C. reserve funds and the requirement for publication of the statement. The following additional information must be provided for each D.C. service being 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.



The changes to the D.C.A. has also been amended to now require that the annual Treasurer's statement be made available to the public on the website of the municipality or, if there is no such website, in the municipal office.

1.5 Changes to the D.C.A. – Bill 23: More Homes Built Faster Act, 2022

On November 28, 2022, Bill 23 received Royal Assent. This Bill amends a number of pieces of legislation including the Planning Act and D.C.A. It is noted that, as of the time of writing, the Province has announced (on December 13, 2023) potential changes to the phased-in requirements and the removal of studies as eligible costs. The details of these changes will be forthcoming in early 2024 and Watson will monitor and advise as to the nature of these changes. The following provides a summary of the changes to the D.C.A.:

1.5.1 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.



1.5.2 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.

1.5.3 New Statutory Exemption for Non-Profit Housing

Non-profit housing units are exempt from D.C.s as well as D.C. instalment payments due after November 28, 2022.

1.5.4 New Statutory Exemptions for Affordable Units, Attainable Units, and Affordable Inclusionary Zoning Units

Affordable units, attainable units, and inclusionary zoning units (affordable) are exempt from the payment of D.C.s, as follows:

- Inclusionary Zoning Units: Affordable housing units required under inclusionary zoning by-laws are exempt from a D.C.
- 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.

Further to the above, Bill 134: Affordable Homes and Good Jobs Act, 2023 which was released on September 28, 2023 and received Royal Assent on December 4, 2023 provides a new definition of “affordable” under the D.C.A.:

- Owned unit (lesser of): cost is less than 30% of the 60th percentile of income for households in the municipality or 90% of the average purchase price as defined in a new Bulletin; and



- Rental unit (lesser of): rent is less than 30% of the 60th percentile of income for rental households or average market rent set out in a new Bulletin.

Note: the above exemptions for affordable and attainable units are not currently in force. These exemptions will be in force upon proclamation and revisions to the regulations. The bulletin has yet to be published as at the time of writing this report.

1.5.5 Historical Level of Service extended to 15-year period instead of the historical 10-year period

Prior to Bill 23, 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.

1.5.6 Revised Definition of Capital Costs

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

1.5.7 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.

1.5.8 D.C. By-law Expiry

A D.C. by-law now expires 10 years after the day it comes into force (unless the by-law provides for an earlier expiry date). This extends the by-law's life from five (5) years, prior to Bill 23.



1.5.9 Instalment Payments

Non-profit housing development has been removed from the instalment payment section of the Act (subsection 26.1), as these units are now exempt from the payment of a D.C.

1.5.10 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.

1.5.11 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. 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.

1.5.12 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, wastewater, and services related to a highway. Other services may be prescribed by the regulation.



Chapter 2

Anticipated Development in the Municipality of Dutton Dunwich



2. Anticipated Development in the Municipality of Dutton Dunwich

2.1 Requirement of the Act

The growth forecast contained in this chapter (with supplemental tables in Appendix A) provides for the anticipated development for which the municipality will be required to provide services over a 2024-to-2051-time horizon.

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

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

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

- Draft Elgin County Official Plan, February 2023;
- Elgin County Official Plan 5 Year Review, Discussion Paper #5, Population, Housing and Employment Forecasts and Associated Land Needs Analysis, June, 2022, Hemson Consulting Ltd.;
- Municipality of Dutton Dunwich Official Plan, Adopted by the Municipality of Dutton Dunwich By-law #2021-14, February 10, 2021 (OPA #4) and Approved by the County of Elgin DD-OPA21-01, July 6, 2021;
- 2011, 2016 and 2021 population, household and employment Census data;
- Historical residential building permit data over the 2014 to November 2023 year-to-date period;
- Residential and non-residential supply opportunities as identified by Municipality of Dutton Dunwich Staff; and



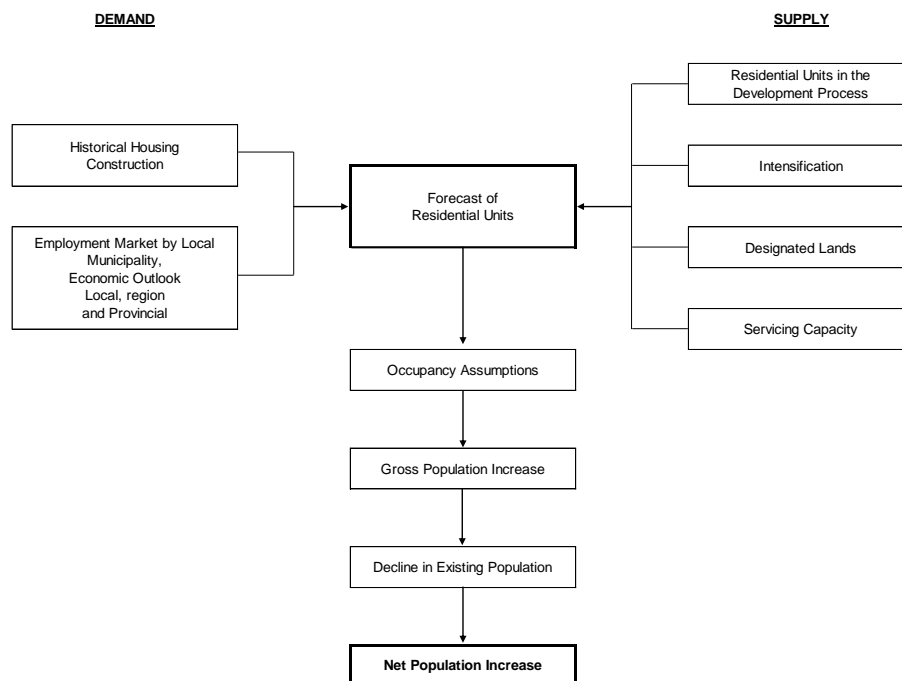
- Discussions with Municipal staff regarding anticipated residential and non-residential development in the Municipality of Dutton Dunwich.

2.3 Summary of Growth Forecast

A detailed analysis of the residential and non-residential growth forecasts is provided in Appendix A and the methodology employed is illustrated in Figure 2-1. The discussion provided herein summarizes the anticipated growth for the Municipality and describes the basis for the forecast. The results of the residential growth forecast analysis are summarized in Table 2-1 below, and Schedule 1 in Appendix A.

As identified in Table 2-1 and Appendix A – Schedule 1, population in the Municipality of Dutton Dunwich (excluding census undercount) is anticipated to reach approximately 4,970 by mid-2051, resulting in an increase of approximately 570 persons. ^[1]

Figure 2-1
Population and Household Forecast Model



^[1] The population figures used in the calculation of the 2024 D.C. exclude the net Census undercount, which is estimated at approximately 2.7%. Population figures presented herein have been rounded.



**Table 2-1
Municipality of Dutton Dunwich
Residential Growth Forecast Summary**

	Year	Population (Including Census Undercount) ^[1]	Excluding Census Undercount			Housing Units						Person Per Unit (P.P.U.): Total Population/ Total Households
			Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi-Detached	Multiple Dwellings ^[2]	Apartments ^[3]	Other	Total Households	Equivalent Institutional Households	
Historical	Mid 2011	3,980	3,876	141	3,735	1,339	10	58	5	1,412	128	2.745
	Mid 2016	3,970	3,866	136	3,730	1,395	15	60	5	1,475	124	2.621
	Mid 2021	4,260	4,152	72	4,080	1,455	75	50	10	1,590	65	2.611
Forecast	Early 2024	4,520	4,399	77	4,322	1,555	77	58	10	1,700	70	2.588
	Mid 2051	5,100	4,966	86	4,880	1,931	79	60	10	2,080	78	2.388
Incremental	Mid 2011 - Mid 2016	-10	-10	-5	-5	56	5	2	0	63	-4	
	Mid 2016 - Mid 2021	290	286	-64	350	60	60	-10	5	115	-59	
	Mid 2021 - Early 2024	260	247	5	242	100	2	8	0	110	5	
	Early 2024 - Mid 2051	580	567	9	558	376	2	2	0	380	8	

^[1] Population includes the Census undercount estimated at approximately 2.7% and has been rounded.

^[2] Includes townhouses and apartments in duplexes.

^[3] Includes studio, 1-bedroom, and 2-bedroom+ apartment units.

Notes:

Numbers may not add due to rounding.

Source: Derived from the County of Elgin Official Plan 5 Year Review, Discussion Paper #5, Population, Housing and Employment Forecasts and Associated Land Needs Analysis, June, 2022, Hemson Consulting Ltd., by Watson & Associates Economists Ltd.



Provided below is a summary of the key assumptions and findings regarding the Municipality of Dutton Dunwich D.C. growth forecast:

1. Unit Mix (Appendix A – Schedules 1 and 4)

- The housing unit mix for the Municipality was derived from a detailed review of historical development activity (as per Schedule 4), as well as active residential development applications and discussions with Municipality staff regarding anticipated development trends for the Municipality of Dutton Dunwich
- Based on the above indicators, the 2024 to 2051 household growth forecast for the Municipality is comprised of a unit mix of 99% low density units (single detached and semi-detached), under 1% medium density (multiples except apartments) and under 1% high density (studio, 1-bedroom and 2-bedroom apartments).

2. Planning Period

- Short- and longer-term time horizons are required for the D.C. process. The D.C.A. limits the planning horizon for transit services to a 10-year planning horizon. All other services can utilize a longer planning period if the municipality has identified the growth-related capital infrastructure needs associated with the longer-term growth planning period.

3. Population in New Units (Appendix A – Schedules 2 and 3)

- The number of housing units to be constructed by 2051 in the Municipality of Dutton Dunwich over the forecast period is presented in Table 2-1. Over the 2024 to 2051 forecast period, the Municipality is anticipated to average approximately 14 new housing units per year.
- Institutional population ^[1] is anticipated to increase by approximately 9 people between 2024 to 2051.
- Population in new units is derived from Schedules 2 and 3, which incorporate historical development activity, anticipated units (see unit mix

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



discussion) and average persons per unit (P.P.U.) by dwelling type for new units.

- Schedules 5a summarizes the average P.P.U. assumed for new housing units by age and type of dwelling based on Statistics Canada 2021 custom Census data for the Municipality of Dutton Dunwich. Due to data limitations medium and high density P.P.U. data was derived from Elgin County, which includes the Municipality of Dutton Dunwich and is outlined in Schedule 5b. The total calculated P.P.U. for all density types has been adjusted accordingly to account for the P.P.U. trends which have been recently experienced in both new and older units. Forecasted 25-year average P.P.U.s by dwelling type are as follows:
 - Low density: 2.999
 - Medium density: 2.347
 - High density: 1.536

4. Existing Units and Population Change (Appendix A – Schedule 2)

- Existing households for early-2024 are based on the 2021 Census households, plus estimated residential units constructed between mid-2021 to the beginning of the growth period, assuming a minimum six-month lag between construction and occupancy (see Schedule 2).
- The change in average occupancy levels for existing housing units is calculated in Schedules 2 and 3.^[1] The forecast population change in existing households over the 2024 to 2051 forecast period is forecast to decline by approximately 580.

5. Employment (Appendix A – Schedules 7a and 7b)

- The employment projections provided herein are largely based on the activity rate method, which is defined as the number of jobs in the Municipality divided by the number of residents. Key employment sectors include primary, industrial, commercial/population-related, institutional, and work at home, which are considered individually below.

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



- 2016 employment data ^{[1],[2]} (place of work) for the Municipality of Dutton Dunwich is outlined in Schedule 7a. The 2016 employment base is comprised of the following sectors:
 - 95 primary (8%)
 - 295 work at home employment (26%);
 - 103 industrial (9%);
 - 413 commercial/population-related (36%); and
 - 235 institutional (21%).
- The 2016 employment by usual place of work, including work at home, is 1,140. An additional 166 employees have been identified for the Municipality of Dutton Dunwich in 2016 that have no fixed place of work (N.F.P.O.W.).^[3]
- Total employment, including work at home and N.F.P.O.W. for the Municipality of Dutton Dunwich is anticipated to reach approximately 1,730 by mid-2051. This represents an employment increase of approximately 190 for the 2024 to 2051 forecast period.
- Schedule 7b, Appendix A, summarizes the employment forecast, excluding work at home employment and N.F.P.O.W. employment, which is the basis for the D.C. employment forecast. The impact on municipal services from work at home employees has already been included in the population forecast. The need for municipal services related to N.F.P.O.W. employees has largely been included in the employment forecast by usual place of work (i.e., employment and gross floor area generated from N.F.P.O.W. construction employment). Furthermore, since these employees have no fixed work address, they cannot be captured in the non-residential G.F.A. calculation. Accordingly, work at

^[1] 2016 employment is based on Statistics Canada 2016 Place of Work Employment dataset by Watson & Associates Economists Ltd.

^[2] Statistics Canada 2021 Census place of work employment data has been reviewed. The 2021 Census employment results have not been utilized due to a significant increase in work at home employment captured due to Census enumeration occurring during the provincial COVID-19 lockdown from April 1, 2021 to June 14, 2021.

^[3] No fixed place of work is defined by Statistics Canada as "persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc."



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

- Total employment for the Municipality of Dutton Dunwich (excluding work at home and N.F.P.O.W. employment) is anticipated to reach approximately 1,160 by mid-2051. This represents an employment increase of approximately 130 for the forecast period. ^[1]

6. Non-Residential Sq.ft. Estimates (G.F.A.), Appendix A – Schedule 7b)

- Square footage estimates were calculated in Schedule 7b based on the following employee density assumptions:
 - 3,000 sq.ft. per employee for primary;
 - 1,500 sq.ft. per employee for industrial;
 - 525 sq.ft. per employee for commercial/population-related; and
 - 684 sq.ft. per employee for institutional employment.
- The Municipal-wide incremental G.F.A. is anticipated to increase by 103,400 sq.ft. over the forecast period.
- In terms of percentage growth, the 2024 to 2051 incremental G.F.A. forecast by sector is broken down as follows:
 - primary – 12%
 - industrial – 37%;
 - commercial/population-related – 30%; and
 - institutional – 21%.

^[1] G.F.A. and employment associated within special care institutional dwellings treated as residential, resulting in an institutional employment difference between Schedules 7a and 7b. Total employment growth in Schedule 7b (excluding work at home and N.F.P.O.W. employment) has been downwardly adjusted to account for institutional employment associated with special care facilities. Total employment in Schedule 7b is anticipated to reach approximately 1,160 by mid-2051.



Chapter 3

The Approach to the Calculation of the Charge



3. The Approach to the Calculation of the Charge

3.1 Introduction

This chapter addresses the requirements of subsection 5 (1) of the D.C.A. with respect to the establishment of the need for service which underpins the D.C. calculation. These requirements are illustrated schematically in Figure 3-1.

3.2 Services Potentially Involved

Table 3-1 lists the full range of municipal services that are provided within the Municipality.

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

3.3 Increase in the Need for Service

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



Figure 3-1
The Process of Calculating a Development Charge under the Act that Must be Followed

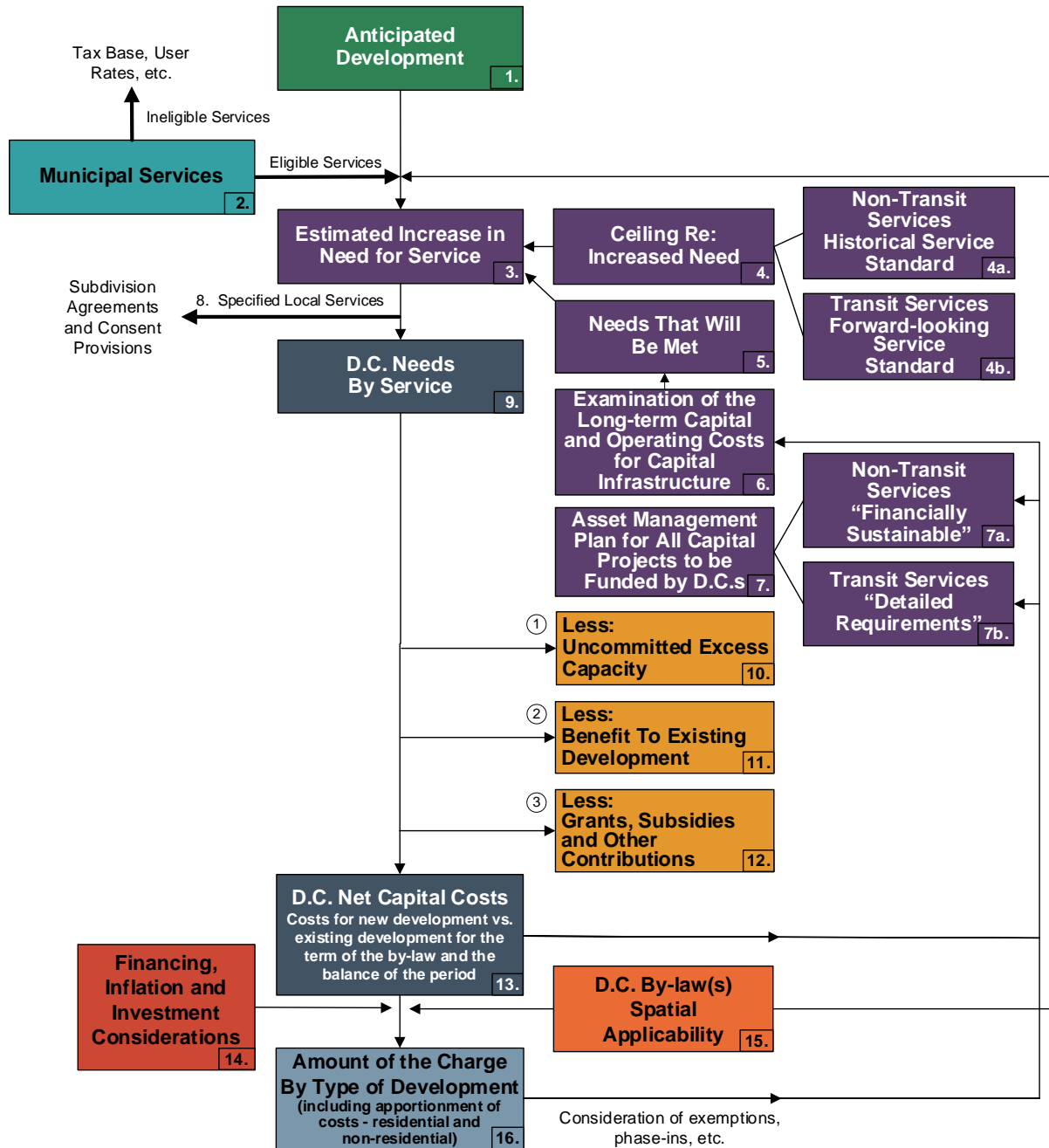




Table 3-1
Categories of Municipal Services to be Addressed as Part of the Calculation

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

Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
1. Services Related to a Highway	No	1.1 Arterial roads	100
	Yes	1.2 Collector roads	100
	Yes	1.3 Bridges, culverts and roundabouts	100
	No	1.4 Local municipal roads	0
	No	1.5 Traffic signals	100
	Yes	1.6 Sidewalks and streetlights	100
	No	1.7 Active transportation	100
2. Other Transportation Services	n/a	2.1 Transit vehicles ¹ & facilities	100
	n/a	2.2 Other transit infrastructure	100
	Ineligible	2.3 Municipal parking spaces - indoor	0
	Ineligible	2.4 Municipal parking spaces - outdoor	0
	Yes	2.5 Works yards	100
	Yes	2.6 Rolling stock ¹	100
	n/a	2.7 Ferries	100
	n/a	2.8 Airport (Waterloo Region only)	100
3. Stormwater Drainage and Control Services	No	3.1 Main channels and drainage trunks	100
	No	3.2 Channel connections	100
	No	3.3 Retention/detention ponds	100

¹with 7+ year life-time



Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
4. Fire Protection Services	Yes	4.1 Fire stations	100
	Yes	4.2 Fire pumpers, aerials and rescue vehicles ¹	100
	Yes	4.3 Small equipment and gear	100
5. Parks Services (i.e. Parks and Open Space)	Ineligible	5.1 Acquisition of land for parks, woodlots and E.S.A.s	0
	Yes	5.2 Development of area municipal parks	100
	n/a	5.3 Development of district parks	100
	Yes	5.4 Development of municipal-wide parks	100
	Yes	5.5 Development of special purpose parks	100
	Yes	5.6 Parks and trails rolling stock ¹ and yards	100
	Yes	5.7 Recreation Trails	100
6. Recreation Services	Yes	6.1 Arenas, indoor pools, fitness facilities, community centres, etc. (including land)	100
	Yes	6.2 Recreation vehicles and equipment ¹	100
7. Library Services	n/a	7.1 Public library space (incl. furniture and equipment)	100
	n/a	7.2 Library vehicles ¹	100
	n/a	7.3 Library materials	100
8. Emergency Preparedness Services	No	8.1 Facility space (incl. furniture and equipment)	100
	No	8.2 Vehicles ¹	100
	No	8.3 Equipment	100
9. Electrical Power Services	Ineligible	9.1 Electrical substations	0
	Ineligible	9.2 Electrical distribution system	0
	Ineligible	9.3 Electrical system rolling stock	0

¹with 7+ year life-time



Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
10. Provision of Cultural, Entertainment and Tourism Facilities and Convention Centres	Ineligible	10.1 Cultural space (e.g. art galleries, museums and theatres)	0
	Ineligible	10.2 Tourism facilities and convention centres	0
11. Wastewater Services	No	11.1 Treatment plants	100
	No	11.2 Sewage trunks	100
	n/a	11.3 Local systems	0
	Yes	11.4 Vehicles and equipment ¹	100
12. Water Supply Services	No	12.1 Treatment plants	100
	No	12.2 Distribution systems	100
	n/a	12.3 Local systems	0
	Yes	12.4 Vehicles and equipment ¹	100
13. Waste Management Services	Ineligible	13.1 Landfill collection, transfer vehicles and equipment	0
	Ineligible	13.2 Landfills and other disposal facilities	0
	n/a	13.3 Waste diversion facilities	100
	n/a	13.4 Waste diversion vehicles and equipment ¹	100
14. Policing Services	n/a	14.1 Policing detachments	100
	n/a	14.2 Policing rolling stock ¹	100
	n/a	14.3 Small equipment and gear	100
15. Long-term Care	n/a	15.1 Homes for the aged space	100
	n/a	15.2 Vehicles ¹	100
16. Child Care and Early Years	n/a	16.1 Child care space	100
	n/a	16.2 Vehicles ¹	100
17. Public Health	No	17.1 Health department space	100
	n/a	17.2 Health department vehicles ¹	100
18. Housing Services	Ineligible	18.1 Housing Services space	0
	Ineligible	18.2 Vehicles ¹	0

¹with 7+ year life-time



Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
19. Provincial Offences Act (P.O.A.)	n/a	19.1 P.O.A. including By-law Enforcement space	100
	n/a	19.2 P.O.A. including By-law Enforcement vehicles and equipment ¹	100
20. Social Services	Ineligible	20.1 Social service space	0
21. Ambulance Services	n/a	21.1 Ambulance station space	100
	n/a	21.2 Vehicles ¹	100
	n/a	21.3 Equipment and gear	100
22. Hospital Provision	Ineligible	22.1 Hospital capital contributions	0
23. Provision of Headquarters for the General Administration of Municipalities and Area Municipal Boards	Ineligible	23.1 Office space	0
	Ineligible	23.2 Office furniture	0
	Ineligible	23.3 Computer equipment	0
24. Other Services	Ineligible	24.1 Studies in connection with acquiring buildings, rolling stock, materials and equipment, and improving land and facilities, including the D.C. background study cost	0
	Yes	24.2 Interest on money borrowed to pay for growth-related capital	0-100

¹with a 7+ year life-time

3.4 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 Municipality's detailed Local Service Policy is provided in Appendix E.



3.5 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; and
- e) interest on money borrowed to pay for the above-referenced costs.

In order for an increase in need for service to be included in the D.C. calculation, Municipality 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 Municipality’s approved and proposed capital budgets and master servicing/needs studies.

3.6 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. There are no outstanding credit obligations to be included in the D.C. calculations.

3.7 Classes 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 service.

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 by-law provided herein do not include a class of service.

3.8 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 subsection 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 future forecast periods, which underlie the D.C. calculation herein.

The alternative would involve the Municipality 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 Municipality’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 that contributed them (rather than to future development, which will generate the need for additional facilities directly proportionate to future growth).

Since the Municipality does not currently have a D.C. by-law, no adjustments for reserve fund balances are required.

3.9 Deductions

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

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

The requirements behind each of these reductions are addressed below.

3.9.1 Reduction Required by Level of Service Ceiling

This is designed to ensure that the increase in need included in section 3.3 does “not include an increase that would result in the level of service [for the additional development increment] exceeding the average level of the service provided in the municipality over the 15-year period immediately preceding the preparation of the background study” (D.C.A., subsection 5 (1) 4). O. Reg. 82/98 (section 4) goes further to indicate that “both the quantity and quality of a service shall be taken into account in determining the level of service and the average level of service.”

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



With respect to transit services, the changes to the Act introduced in 2015 have provided for an alternative method for calculating the service standard ceiling. Transit services must now utilize a forward-looking service standard analysis, described later in this section.

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

3.9.2 Reduction for Uncommitted Excess Capacity

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

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

3.9.3 Reduction for Benefit to Existing Development

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

- the repair or unexpanded replacement of existing assets that are in need of repair;
- an increase in average service level of quantity or quality (compare water as an example);
- the elimination of a chronic servicing problem not created by growth; and
- providing services where none previously existed (generally considered for water or wastewater services).



This step involves a further reduction in the need, by the extent to which such an increase in service would benefit existing development. The level of service cap in section 3.9.1 is related but is not the identical requirement. Sanitary, storm, and water trunks are highly localized to growth areas and can be more readily allocated in this regard than other services such as services related to a highway, which do not have a fixed service area.

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

3.9.4 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).

3.10 Municipal-wide vs. Area Rating

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. Further discussion is provided in section 6.4.4 of this report.



3.11 Allocation of Development

This step involves relating the costs 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.

3.12 Asset Management

The legislation now requires that a D.C. background study must include an asset management plan (A.M.P.) (subsection 10 (2) c. 2). The 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 the asset management planning. This examination has been included in Appendix F.

3.13 Transit

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

- A. Transit no longer requires the statutory 10% mandatory deduction from the net capital cost (subsection 5.2 (i) of the D.C.A.).
- B. The background study requires the following in regard to transit costs (as per subsection 8 (2) of the regulations):
 1. The calculations that were used to prepare the estimate for the planned level of service for transit services, as mentioned in subsection 5.2 (3) of the Act.
 2. An identification of the portion of the total estimated capital cost relating to the transit services that would benefit,



- i. the anticipated development over the 10-year period immediately following the preparation of the background study, or
 - ii. the anticipated development after the 10-year period immediately following the preparation of the background study.
 3. An identification of the anticipated excess capacity that would exist at the end of the 10-year period immediately following the preparation of the background study.
 4. An assessment of ridership forecasts for all modes of transit services proposed to be funded by the D.C. over the 10-year period immediately following the preparation of the background study, categorized by development types, and whether the forecast ridership will be from existing or planned development.
 5. An assessment of the ridership capacity for all modes of transit services proposed to be funded by the development charge over the 10-year period immediately following the preparation of the background study.
- C. A new forward-looking service standard (as per subsection 6.1 (2) of the regulations) requires the following:
1. The service is a discrete service.
 2. No portion of the service that is intended to benefit anticipated development after the 10-year period immediately following the preparation of the background study may be included in the estimate.
 3. No portion of the service that is anticipated to exist as excess capacity at the end of the 10-year period immediately following the preparation of the background study may be included in the estimate.
- D. A very detailed asset management strategy and reporting requirements (subsection 6.1 (3) of the regulation) that includes lifecycle costs, action plans that will enable the assets to be sustainable, a summary of how to achieve the proposed level of service, discussion on procurement measures and risk are required.



The Municipality does not currently provide local transit services, and in the near future does not intend to consider the implementation of any local transit services. Therefore, the above calculation and reporting requirements are not required.

3.14 Mandatory Phase-in of a D.C.

For all D.C. by-laws passed after January 1, 2022, the charge must be phased-in relative to the maximum charge that could be imposed under the by-law. The phase-in for the first five (5) years that the by-law is in force, is 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 – 100% of the maximum charge.

As noted in section 1.5, as of the time of writing, the Province has announced (on December 13, 2023) potential changes to the phase-in requirements. The details of these changes will be forthcoming in early 2024 and Watson will monitor and advise as to the nature of these changes.



Chapter 4

D.C.-Eligible Cost Analysis by Service



4. D.C.-Eligible Cost Analysis by Service

4.1 Introduction

This chapter outlines the basis for calculating eligible costs for the D.C.s to be applied on a uniform basis. 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 3 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; 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 reflects Council’s current intention. Over time, however, Municipality projects and Council priorities change; accordingly, Council’s intentions may alter, and different capital projects (and timing) may be necessary to meet the need for services required by new growth.

4.2 Service Levels and 27-Year Capital Costs for Dutton Dunwich’s D.C. Calculation

This section evaluates the development-related capital requirements for services related to a highway – roads and related, public works (facilities and fleet), fire protection services, and parks and recreation services over a Municipal-wide 27-year planning period from 2024 to 2051.

4.2.1 Services Related to a Highway

Roads and Related

The Municipality of Dutton Dunwich currently owns and maintains:

- 186.32 km of gravel roads;



- 35.49 km of tar and chip roads;
- 11.43 km of pavement roads;
- two (2) bridges; and
- 26 culverts.

The level of service provided over the historical 15-year period translates to an average investment of \$71,789 per capita and a maximum D.C. eligible amount of approximately \$40.70 million for recovery over the forecast period.

The Municipality has identified future capital needs totalling approximately \$1.49 million. The capital projects include a traffic light, road urbanization, a turning lane, sidewalks, and streetlights. \$425,100 has been deducted from the calculations to reflect the share of the projects that benefit existing development. The resulting net growth-related amount included in the D.C. calculations is \$1,061,700.

These costs are shared between residential and non-residential development based on the population to employment ratio over the forecast period, resulting in 82% being allocated to residential development and 18% being allocated to non-residential development.



Table 4-1
Infrastructure Costs Included in the Development Charges Calculation
Services Related to a Highway – Roads and Related

Prj. No	Increased Service Needs Attributable to Anticipated Development 2024-2051	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 82%	Non-Residential Share 18%
1	Traffic Light Pioneer & Currie	2027	309,000	-		309,000	-		309,000	253,380	55,620
2	Pioneer Line East of Currie Urbanization	2025	710,000	-		710,000	389,500		320,500	262,810	57,690
3	401 West bound Left Hand Turn Lane	2025	237,000	-		237,000	35,600		201,400	165,148	36,252
4	Sidewalk on Currie Rd. from Annabella to Pioneer	2025	72,100	-		72,100	-		72,100	59,122	12,978
5	Streetlights on Currie Rd. from Annabella to Pioneer	2027	43,300	-		43,300	-		43,300	35,506	7,794
6	Sidewalks on Currie Rd. from Southern Settlement Boundary to Annie St.	2027	72,100	-		72,100	-		72,100	59,122	12,978
7	Streetlights on Currie Rd. from Southern Settlement Boundary to Annie St.	2027	43,300	-		43,300	-		43,300	35,506	7,794
	Total		1,486,800	-	-	1,486,800	425,100	-	1,061,700	870,594	191,106



Public Works (Facilities and Fleet)

The Municipality operates its Public Works division by utilizing two (2) facilities totalling 16,170 sq.ft. of facility space. The 15-year historical average level of service is approximately 4.06 sq.ft. per capita, or a level of investment of \$1,954 per capita. When applied to the growth anticipated over the forecast period, the Municipality would be eligible to include \$1,108,167 in D.C.s for public works facilities.

In addition to facility space, the Municipality operates a fleet of 24 vehicles and equipment, with a total value of approximately \$5.22 million. The 15-year historical average level of service is approximately 5.90 vehicles and equipment per 1,000 population, or a level of investment of \$1,295 per capita. This level of service provides the Municipality with a maximum D.C.-eligible amount of approximately \$0.73 million for recovery over the forecast period.

In total, the maximum D.C.-eligible amount for recovery over the 2024 to 2051 forecast period for public works (facilities and fleet) is approximately \$1.84 million.

Based on the projected growth over the 2024 to 2051 forecast period, the Municipality has identified future capital needs totalling approximately \$1.41 million for a ventrac sidewalk plow/mower, sander, and a provision for two additional bays of facility space. This amount has been included in the D.C. calculation for recovery.

These costs are shared between residential and non-residential development based on the population to employment ratio over the forecast period, resulting in 82% being allocated to residential development and 18% being allocated to non-residential development.



Table 4-2
Infrastructure Costs Included in the Development Charges Calculation
Services Related to a Highway – Public Works (Facilities and Fleet)

Prj. No	Increased Service Needs Attributable to Anticipated Development 2024-2051	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 82%	Non-Residential Share 18%
1	Ventrac Sidewalk Plow/Mower	2025	75,200	-		75,200	-		75,200	61,664	13,536
2	Sander	2026	309,000	-		309,000	-		309,000	253,380	55,620
3	Provision for Two Additional Bays	2024-2051	1,028,000	-		1,028,000	-		1,028,000	842,960	185,040
	Total		1,412,200	-	-	1,412,200	-	-	1,412,200	1,158,004	254,196



4.2.2 Fire Protection Services

The Municipality of Dutton Dunwich currently operates its fire protection services out of one (1) facility totalling 4,120 sq.ft. of facility space, providing for a per capita average level of service of 1.04 sq.ft. per capita or \$725 per capita. This level of service provides the Municipality with a maximum D.C. eligible amount for recovery over the forecast period of \$411,030.

The fire department has a current inventory of four (4) vehicles including two (2) pumpers, a tanker and a fire rescue truck. The inventory provided over the previous 15-year period results in a calculated average level of service of 1.00 vehicle per 1,000 population, and an average level of investment of \$706 per capita. This level of service provides for a D.C.-eligible amount of \$400,058 over the forecast period.

In addition to vehicles, the Municipality also provides 292 items of small equipment and gear for use in fire protection services, with a total value of approximately \$1.25 million. This results in a calculated average level of service for the historical 15-year period of \$243 per capita, providing for a D.C.-eligible amount over the forecast period of \$137,645 for small equipment and gear.

Based on the above, the maximum D.C.-eligible amount for recovery over the 2024 to 2051 forecast period for fire protection services is \$948,733.

To service new development, the Municipality has identified future capital needs totalling approximately \$8.60 million, including the need for an 8,500 sq.ft. firehall, ladder truck, and new bunker gear for five (5) additional volunteer firefighters. Of this amount, deductions of approximately \$2.91 million and \$4.75 million have been made for the amount that benefits the existing development, and for the share of the projects that benefit growth outside the forecast period, respectively. In total, the net growth-related amount of approximately \$0.94 million is included in the D.C. calculations.

These costs are shared between residential and non-residential development based on the population to employment ratio over the forecast period, resulting in 82% being allocated to residential development and 18% being allocated to non-residential development.



Table 4-3
Infrastructure Costs Included in the Development Charges Calculation
Fire Protection Services

Prj. No	Increased Service Needs Attributable to Anticipated Development 2024-2051	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 82%	Non- Residential Share 18%
1	Firehall - 8,500 sq.ft.	2024-2051	6,000,000	2,179,700		3,820,300	2,908,200		912,100	747,922	164,178
2	Ladder Truck	2024-2051	2,575,000	2,575,000		-	-		-	-	-
3	Bunker Gear	2024-2051	25,000	-		25,000	-		25,000	20,500	4,500
	Total		8,600,000	4,754,700	-	3,845,300	2,908,200	-	937,100	768,422	168,678



4.2.3 Parks and Recreation Services

The Municipality has 30.2 acres of parkland within its jurisdiction. The level of service provided over the historical 15-year period (2009 to 2023) equals an average of 7.40 acres of parkland per 1,000 population, or an investment of \$575 per capita. The Municipality also currently provides 28 parkland amenities including various types of sports fields and courts, playgrounds, a splashpad, pool, etc. Over the historical 15-year period the Municipality provided an average of 5.10 amenities per 1,000 population. In addition to parkland development and amenities, the Municipality maintains and operates a fleet of 6 vehicles and equipment, which has an estimated replacement value of \$168,500. This results in a calculated average level of service for the historical 15-year period of \$41 per capita, providing a D.C. eligible amount over the forecast period of \$23,411.

With respect to recreation facilities, the Municipality operates out of 19,600 sq.ft. of facility space. Based on the inventory of space over the historical 15-year period (2009 to 2023), the Municipality has provided an average of approximately 4.93 sq.ft. of space per capita or an investment of \$3,085 per capita. Over the forecast period the Municipality would be eligible to collect approximately \$1.75 million from D.C.s for recreation facility space.

In total, the Municipality is eligible to collect approximately \$2.56 million for parks and recreation services.

Based on the projected growth over the 2024 to 2051 forecast period, the Municipality has identified future capital needs totalling \$856,091. These capital needs include a provision for parkland development and amenities, a mower, and playground. This amount has been included in the D.C. calculation for recovery.

As the predominant users of parks and recreation tend to be residents of the Municipality, the forecast growth-related costs have been allocated 95% to residential development and 5% to non-residential development.



Table 4-4
Infrastructure Costs Included in the Development Charges Calculation
Parks and Recreation Services

Prj.No	Increased Service Needs Attributable to Anticipated Development 2024-2051	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 95%	Non- Residential Share 5%
1	Provision for Parkland Development and Amenities	2024-2051	742,791	-		742,791	-		742,791	705,651	37,140
2	Mower	2024-2051	10,300	-		10,300	-		10,300	9,785	515
3	Playground	2024-2051	103,000	-		103,000	-		103,000	97,850	5,150
	Total		856,091	-	-	856,091	-	-	856,091	813,286	42,805



Chapter 5

D.C. Calculation



5. D.C. Calculation

Table 5-1 calculates the proposed Municipal-wide D.C.s to be imposed for infrastructure services based upon a 27-year forecast period for all services.

The calculation for residential development is generated on a per capita basis and is based upon five forms of housing types (singles and semi-detached, multiples, apartments 2+ bedrooms, apartments studio and 1 bedroom, and special care/special dwelling units). The non-residential D.C. has been calculated on a 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 developed in Chapter 4 for all Municipal services, based on their proposed capital programs.

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible-D.C. cost calculations set out in Chapter 4 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 charge in Table 5-1.

With respect to non-residential development, the total costs in the uniform charge allocated to non-residential development (based on need for service) have been divided by the anticipated development over the planning period to calculate a cost per sq.ft. of G.F.A.

Table 5-2 summarizes the total D.C. that is applicable for Municipal-wide services and Table 5-3 summarizes the gross capital expenditures and sources of revenue for works to be undertaken during the life of the by-law.



Table 5-1
Municipality of Dutton Dunwich
Development Charge Calculation
Municipal-wide Services
27-Year (2024 to 2051)

SERVICE/CLASS	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
1. <u>Services Related to a Highway</u>				
1.1 Roads and Related	870,594	191,106	2,282	1.85
1.2 Public Works (Facilities and Fleet)	1,158,004	254,196	3,036	2.46
	2,028,598	445,302	5,318	4.31
2. <u>Fire Protection Services</u>				
2.1 Fire facilities, vehicles & equipment	768,422	168,678	2,015	1.63
	768,422	168,678	2,015	1.63
3. <u>Parks and Recreation Services</u>				
3.1 Park development, amenities, vehicles, equipment and recreation facilities	813,286	42,805	2,132	0.41
	813,286	42,805	2,132	0.41
TOTAL	3,610,306	656,785	9,465	6.35
D.C.-Eligible Capital Cost	3,610,306	656,785		
27-Year Gross Population/GFA Growth (sq.ft.)	1,144	103,400		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$3,155.86	\$6.35		
By Residential Unit Type				
	P.P.U.			
Single and Semi-Detached Dwelling	2.999	\$9,465		
Multiples	2.347	\$7,407		
Apartments - 2 Bedrooms +	1.870	\$5,901		
Apartments - Studio and 1 Bedroom	1.100	\$3,471		
Special Care/Special Dwelling Units	1.100	\$3,471		

Table 5-2
Municipality of Dutton Dunwich
Development Charge Calculation
Total All Services

	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
Municipality-wide Services 27-Year	3,610,306	656,785	9,465	6.35
TOTAL	3,610,306	656,785	9,465	6.35



Table 5-3
Municipality of Dutton Dunwich
Gross Expenditure and Sources of Revenue Summary for Costs to be Incurred over the
Life of the By-law

Service/Class	Total Gross Cost	Sources of Financing					
		Tax Base or Other Non-D.C. Source			Post D.C. Period	D.C. Reserve Fund	
		Other	Benefit to	Other Funding	Benefit	Residential	Non-Residential
1. Services Related to a Highway							
1.1 Roads and Related	1,486,800	0	425,100	0	0	870,594	191,106
1.2 Public Works (Facilities and Fleet)	764,941	0	0	0	0	627,251	137,689
2. Fire Protection Services							
2.1 Fire facilities, vehicles & equipment	3,185,185	0	1,077,111	0	1,761,000	284,601	62,473
3. Parks and Recreation Services							
3.1 Park development, amenities, vehicles, equipment and recreation facilities	317,071	0	0	0	0	301,217	15,854
Total Expenditures & Revenues	\$5,753,997	\$0	\$1,502,211	\$0	\$1,761,000	\$2,083,663	\$407,122



Chapter 6

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



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

6.1 Introduction

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

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

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

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

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

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

The rules provided are based on best practices across Ontario; with consideration for the changes to the D.C.A. resulting from Bills 108, 138, 109, 197, 213, and 23.



6.2 D.C. By-law Structure

It is recommended that:

- the Municipality uses a uniform Municipal-wide D.C. calculation for all Municipal-wide services; and
- one D.C. by-law be used for all services.

6.3 D.C. By-law Rules

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

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

6.3.1 Payment in any Particular Case

In accordance with the D.C.A., subsection 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.”



6.3.2 Determination of the Amount of the Charge

The following conventions be adopted:

- 1) Costs allocated to residential uses will be assigned to different types of residential units based on the average occupancy for each housing type constructed during the previous decade. Costs allocated to non-residential uses will be assigned based on the number of square feet of G.F.A. constructed for eligible uses (i.e., 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, e.g.
 - for parks and recreation services a 5% non-residential attribution has been made to recognize use by the non-residential sector; and
 - for services related to a highway – roads and related, public works (facilities and fleet), and fire protection services a 82% residential/18% non-residential attribution has been made based on a population vs. employment growth ratio over the 27-year (2024 to 2051) forecast period.

6.3.3 Application to Redevelopment of Land (Demolition and Conversion)

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

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

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



6.3.4 Exemptions (full or partial)

a) Statutory exemptions:

- industrial building additions of up to and including 50% of the existing G.F.A. (defined in O. Reg. 82/98, section 1) of the building; for industrial building additions that exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50% is subject to D.C.s (subsection 4 (3) of the D.C.A.);
- buildings or structures owned by and used for the purposes of any municipality, local board, or Board of Education (section 3);
- may add up to 2 apartments in an existing or new detached, semi-detached, or rowhouse (including in an ancillary structure);
- add one additional unit or 1% of existing units in an existing rental residential building;
- a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario;
- affordable units, attainable units, and affordable inclusionary zoning units (to be in force at a later date);
- non-profit housing; and
- discount for rental housing units based on bedroom size (i.e., three or more bedrooms – 25% reduction, two bedrooms – 20% reduction, and all others – 15% reduction).

b) Non-statutory exemptions for Council consideration:

- lands, buildings, or structures used or to be used for a place of worship or for the purposes of a cemetery or burial ground exempt from taxation under the Assessment Act, R.S.O. 1990; and
- the development of non-residential farm buildings constructed for bona fide farming uses.

6.3.5 Phasing in

As required by Bill 23, the calculated D.C. will be phased-in over a five-year period 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.

As noted in earlier sections, as of the time of writing, the Province has announced (on December 13, 2023) potential changes to the phase-in requirements. The details of these changes will be forthcoming in early 2024 and Watson will monitor and advise as to the nature of these changes.

6.3.6 Timing of Collection

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

Rental housing and institutional developments will pay D.C.s in 6 equal annual payments commencing at occupancy. Moreover, the D.C. amount for all developments occurring within two (2) years of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted after January 1, 2020), shall be determined based on the D.C. in effect on the day the applicable Site Plan or Zoning By-law Amendment application was submitted (as a complete application).

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

6.3.7 The Applicable Areas

The charges developed herein provide for varying charges within the Municipality, as follows:

- All Municipal-wide services – the full residential and non-residential charge will be imposed on all lands within the Municipality.

6.3.8 Indexing

Indexing of the D.C.s shall be implemented on a mandatory basis annually commencing on January 1, 2025, and each January 1st thereafter, in accordance with the Statistics



Canada Quarterly, Non-Residential Building Construction Price Index (Table 18-10-0276-02)¹ for the most recent year-over-year period.

6.4 Other D.C. By-law Provisions

It is recommended that:

6.4.1 Categories of Services for Reserve Fund and Credit Purposes

It is recommended that the Municipality create new reserve funds for: Services Related to a Highway, Fire Protection Services, and Parks and Recreation Services.

Appendix D outlines the reserve fund policies that the Municipality is required to follow as per the D.C.A.

6.4.2 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.

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

The minimum interest rate is the Bank of Canada rate on the day the by-law comes into force updated on the first business day of every January, April, July and October (as per section 11 of O. Reg. 82/98).

6.4.4 Area Rating

The D.C.A. required that Council must consider the use of area specific charges:

1. Section 2 (9) of the D.C.A. now requires a municipality to implement area-specific D.C.s for either specific services which are prescribed and/or for specific

¹ O. Reg. 82/98 referenced “The Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-007” as the index source. Since implementation, Statistics Canada has modified this index twice and the above-noted index is the most current. The draft by-law provided herein refers to O. Reg. 82/98 to ensure traceability should this index continue to be modified over time.



municipalities which are to be regulated (note that at this time, no municipalities or services are prescribed by the regulations).

2. Section 10 (2) c.1 of the D.C.A. requires that “the development charges background study shall include consideration of the use of more than one development charge by-law to reflect different needs for services in different areas.”

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

It is recommended that all Municipal services be recovered on a uniform, Municipal-wide basis as a result of the following:

1. All Municipal services, with the exception of water, wastewater and stormwater 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 and recreation facilities, etc.) 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).

For the reasons noted above, it is recommended that Council calculate the charges on a uniform Municipal-wide basis for all services.

6.5 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 services on a uniform Municipal-wide basis;”

“Approve the capital project listing set out in Chapter 4 of the D.C.s Background Study dated January 31, 2024, subject to further annual review during the capital budget process;”

“Approve the D.C.s Background Study dated January 31, 2024;”

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

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



Chapter 7

By-law Implementation



7. By-law Implementation

7.1 Public Consultation Process

7.1.1 Introduction

This chapter addresses the mandatory, formal public consultation process (section 7.1.2), as well as the optional, informal consultation process (section 7.1.3). The latter is designed to seek the co-operation and participation of those involved, in order to produce the most suitable policy. Section 7.2 addresses the anticipated impact of the D.C. on development from a generic viewpoint.

7.1.2 Public Meeting of Council

Section 12 of the D.C.A. indicates that before passing a D.C. by-law, Council must hold at least one public meeting, giving at least 20 clear days' notice thereof, in accordance with the Regulation. Council must also ensure that the proposed by-law and background report are made available to the public at least two weeks prior to the (first) meeting.

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

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

7.1.3 Other Consultation Activity

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



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

7.2 Anticipated Impact of the Charge on Development

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

On the other hand, D.C.s or other Municipality capital funding sources need to be obtained in order to help ensure that the necessary infrastructure and amenities are installed. The timely installation of such works is a key initiative in providing adequate service levels and in facilitating strong economic growth, investment, and wealth generation.



7.3 Implementation Requirements

7.3.1 Introduction

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

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

The sections that follow present an overview the requirements in each case.

7.3.2 Notice of Passage

In accordance with section 13 of the D.C.A., when a D.C. by-law is passed, the Municipality Clerk shall give written notice of the passing and of the last day for appealing the by-law (the day that is 40 days after the day it was passed). Such notice must be given no later than 20 days after the day the by-law is passed (i.e. as of the day of newspaper publication or the mailing of the notice).

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

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

7.3.3 By-law Pamphlet

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

- a description of the general purpose of the D.C.s;



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

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

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

7.3.4 Appeals

Sections 13 to 19 of the D.C.A. set out the requirements relative to making and processing a D.C. by-law appeal and OLT hearing in response to an appeal. Any person or organization may appeal a D.C. by-law to the OLT by filing a notice of appeal with the Municipality Clerk, setting out the objection to the by-law and the reasons supporting the objection. This must be done by the last day for appealing the by-law, which is 40 days after the by-law is passed.

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

7.3.5 Complaints

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

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

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



7.3.6 Credits

Sections 38 to 41 of the D.C.A. set out a number of credit requirements, which apply where a Municipality agrees to allow a person to perform work in the future that relates to a service in the D.C. by-law.

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

7.3.7 Front-Ending Agreements

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

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

7.3.8 Severance and Subdivision Agreement Conditions

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

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



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

In this regard, if the Municipality in question is a commenting agency, in order to comply with subsection 59 (4) of the D.C.A. it would need to provide to the approval authority, information regarding the applicable Municipality D.C.s related to the site.

If the Municipality is an approval authority for the purposes of section 51 of the *Planning Act*, it would be responsible to ensure that it collects information from all entities that can impose a D.C.

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



Appendices



Appendix A

Background Information on Residential and Non- Residential Growth Forecast



Schedule 1 Municipality of Dutton Dunwich Residential Growth Forecast Summary

	Year	Population (Including Census Undercount) ^[1]	Excluding Census Undercount			Housing Units						Person Per Unit (P.P.U.): Total Population/ Total Households
			Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi- Detached	Multiple Dwellings ^[2]	Apartments ^[3]	Other	Total Households	Equivalent Institutional Households	
Historical	Mid 2011	3,980	3,876	141	3,735	1,339	10	58	5	1,412	128	2.745
	Mid 2016	3,970	3,866	136	3,730	1,395	15	60	5	1,475	124	2.621
	Mid 2021	4,260	4,152	72	4,080	1,455	75	50	10	1,590	65	2.611
Forecast	Early 2024	4,520	4,399	77	4,322	1,555	77	58	10	1,700	70	2.588
	Mid 2051	5,100	4,966	86	4,880	1,931	79	60	10	2,080	78	2.388
Incremental	Mid 2011 - Mid 2016	-10	-10	-5	-5	56	5	2	0	63	-4	
	Mid 2016 - Mid 2021	290	286	-64	350	60	60	-10	5	115	-59	
	Mid 2021 - Early 2024	260	247	5	242	100	2	8	0	110	5	
	Early 2024 - Mid 2051	580	567	9	558	376	2	2	0	380	8	

^[1] Population includes the Census undercount estimated at approximately 2.7% and has been rounded.

^[2] Includes townhouses and apartments in duplexes.

^[3] Includes studio, 1-bedroom, and 2-bedroom+ apartment units.

Notes:

Numbers may not add due to rounding.

Source: Derived from the County of Elgin Official Plan 5 Year Review, Discussion Paper #5, Population, Housing and Employment Forecasts and Associated Land Needs Analysis, June, 2022, Hemson Consulting Ltd., by Watson & Associates Economists Ltd.



Schedule 2
Municipality of Dutton Dunwich
Current Year Growth Forecast
Mid 2021 to Early 2024

		Population
Mid 2021 Population		4,152
Occupants of New Housing Units, Mid 2021 to Early 2024	<i>Units (2)</i>	110
	<i>multiplied by P.P.U. (3)</i>	3.027
	<i>gross population increase</i>	333
		333
Occupants of New Equivalent Institutional Units, Mid 2021 to Early 2024	<i>Units</i>	5
	<i>multiplied by P.P.U. (3)</i>	1.100
	<i>gross population increase</i>	5
		5
Decline in Housing Unit Occupancy, Mid 2021 to Early 2024	<i>Units (4)</i>	1,590
	<i>multiplied by P.P.U. decline rate (5)</i>	-0.057
	<i>total decline in population</i>	-91
		-91
Population Estimate to Early 2024		4,399
<i>Net Population Increase, Mid 2021 to Early 2024</i>		<i>247</i>

- (1) 2021 population based on Statistics Canada Census unadjusted for Census undercount.
- (2) Estimated residential units constructed, Mid-2021 to the beginning of the growth period assuming a six-month lag between construction and occupancy.
- (3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit ¹ (P.P.U.)	% Distribution of Estimated Units ²	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	3.118	91%	2.834
<i>Multiples (6)</i>	2.974	2%	0.054
<i>Apartments (7)</i>	1.902	7%	0.138
Total		100%	3.027

¹ Based on 2021 Census custom database

² Based on Building permit/completion activity

- (4) 2021 households taken from Statistics Canada Census.
- (5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.
- (6) Includes townhouses and apartments in duplexes.
- (7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

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



Schedule 3
Municipality of Dutton Dunwich
Growth Forecast to 2051
Early-2024 to Mid-2051

		Population
Early 2024 Population		4,399
Occupants of New Housing Units, Early 2024 to Mid 2051	<i>Units (2)</i>	380
	<i>multiplied by P.P.U. (3)</i>	2,988
	<i>gross population increase</i>	1,135
Occupants of New Equivalent Institutional Units, Early 2024 to Mid 2051	<i>Units</i>	8
	<i>multiplied by P.P.U. (3)</i>	1,100
	<i>gross population increase</i>	9
Decline in Housing Unit Occupancy, Early 2024 to Mid 2051	<i>Units (4)</i>	1,700
	<i>multiplied by P.P.U. decline rate (5)</i>	-0.340
	<i>total decline in population</i>	-577
Population estimate to Mid 2051		4,966
<i>Net Population Increase, Early 2024 to Mid 2051</i>		<i>567</i>

- (1) Early 2024 Population based on:
2021 Population (4,152) + Mid 2021 to Early 2024 estimated housing units to beginning of forecast period $(110 \times 3.027 = 333) + (5 \times 1.1 = 5) + (1,590 \times -0.057 = -91) = 4,399$
- (2) Based upon forecast building permits/completions assuming a lag between construction and occupancy.
- (3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit ¹ (P.P.U.)	% Distribution of Estimated Units ²	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	2.999	99%	2.967
<i>Multiples (6)</i>	2.347	1%	0.012
<i>Apartments (7)</i>	1.536	1%	0.008
<i>one bedroom or less</i>	1.100		
<i>two bedrooms or more</i>	1.870		
Total		100%	2.988

¹ Persons per unit based on Statistics Canada Custom 2021 Census database.

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

- (4) Early 2024 households based upon 2021 Census (1,590 units) + Mid 2021 to Early 2024 unit estimate (110 units) = 1,700 units.
- (5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.
- (6) Includes townhouses and apartments in duplexes.
- (7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

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



Schedule 4
Municipality of Dutton Dunwich
Historical Residential Building Permits
Years 2014 to 2023

Year	Residential Building Permits			
	Singles & Semi Detached	Multiples ^[1]	Apartments ^[2]	Total
2014	16	0	0	16
2015	10	0	0	10
2016	15	0	2	17
2017	13	0	0	13
2018	10	0	0	10
Sub-total	64	0	2	66
Average (2014 - 2018)	13	0	0	13
% Breakdown	97.0%	0.0%	3.0%	100.0%
2019	22	0	0	22
2020	19	0	0	19
2021	42	0	1	43
2022	50	0	5	55
2023	0	0	0	0
Sub-total	133	0	6	139
Average (2019 - 2023)	27	0	1	28
% Breakdown	95.7%	0.0%	4.3%	100.0%
2014 - 2023				
Total	197	0	8	205
Average	20	0	1	21
% Breakdown	96.1%	0.0%	3.9%	100.0%

[1] Includes townhouses and apartments in duplexes.

[2] Includes studio, 1-bedroom, and 2-bedroom+ apartment units.

Source: Historical housing activity derived from Statistics Canada building permit data for the Municipality of Dutton Dunwich 2014-2023, with 2017 and 2023 estimated by Watson & Associates economists Ltd.



Schedule 5a
Municipality of Dutton Dunwich
Persons Per Unit by Age and Type of Dwelling
(2021 Census)

Age of Dwelling	Singles and Semi-Detached						25 Year Average	25 Year Average Adjusted ^[1]
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	-	-	2.833	-	3.118		
6-10	-	-	-	-	-	3.643		
11-15	-	-	-	-	-	-		
16-20	-	-	-	2.615	-	2.733		
20-25	-	-	-	-	-	2.933	3.107	2.999
25-35	-	-	-	3.000	-	2.625		
35+	-	-	2.065	2.600	3.545	2.545		
Total	0.545	-	2.231	2.716	4.789	2.694		

Age of Dwelling	All Density Types					
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total
1-5	-	-	-	3.333	-	3.278
6-10	-	-	-	-	-	3.467
11-15	-	-	-	-	-	2.278
16-20	-	-	-	2.615	-	2.733
20-25	-	-	-	-	-	2.750
25-35	-	-	-	2.692	-	2.412
35+	-	1.214	1.854	2.603	3.545	2.428
Total	0.727	1.200	1.889	2.728	4.789	2.545

[1] Adjusted based on historical trends.

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

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



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

Age of Dwelling	Multiples ^[1]						25 Year Average	25 Year Average Adjusted ^[3]
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	-	2.000	3.364	-	2.974		
6-10	-	-	-	-	-	-		
11-15	-	-	-	-	-	1.308		
16-20	-	-	-	-	-	2.667		
20-25	-	-	-	-	-	2.063	2.253	2.347
25-35	-	-	2.154	3.357	-	2.375		
35+	-	1.111	1.867	2.992	-	2.297		
Total	0.357	1.152	1.933	3.041	4.273	2.326		

Age of Dwelling	Apartments ^[2]						25 Year Average	25 Year Average Adjusted ^[3]
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	1.143	1.846	2.400	-	1.902		
6-10	-	1.000	-	-	-	1.200		
11-15	-	1.083	-	-	-	1.316		
16-20	-	-	-	-	-	-		
20-25	-	-	1.667	-	-	1.636	1.514	1.536
25-35	-	1.333	1.769	-	-	1.537		
35+	-	1.155	1.713	3.075	-	1.521		
Total	0.533	1.150	1.717	2.930	-	1.530		

Age of Dwelling	All Density Types					
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total
1-5	-	1.238	1.922	2.922	4.409	2.772
6-10	-	1.188	1.925	2.971	4.400	2.848
11-15	-	1.348	1.776	2.877	4.556	2.767
16-20	-	-	1.875	2.973	4.100	2.884
20-25	-	1.250	1.683	2.776	4.128	2.680
25-35	-	1.318	1.907	2.668	3.913	2.497
35+	1.917	1.220	1.822	2.670	4.079	2.395
Total	1.682	1.234	1.830	2.739	4.166	2.506

[1] Includes townhomes and apartments in duplexes.

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

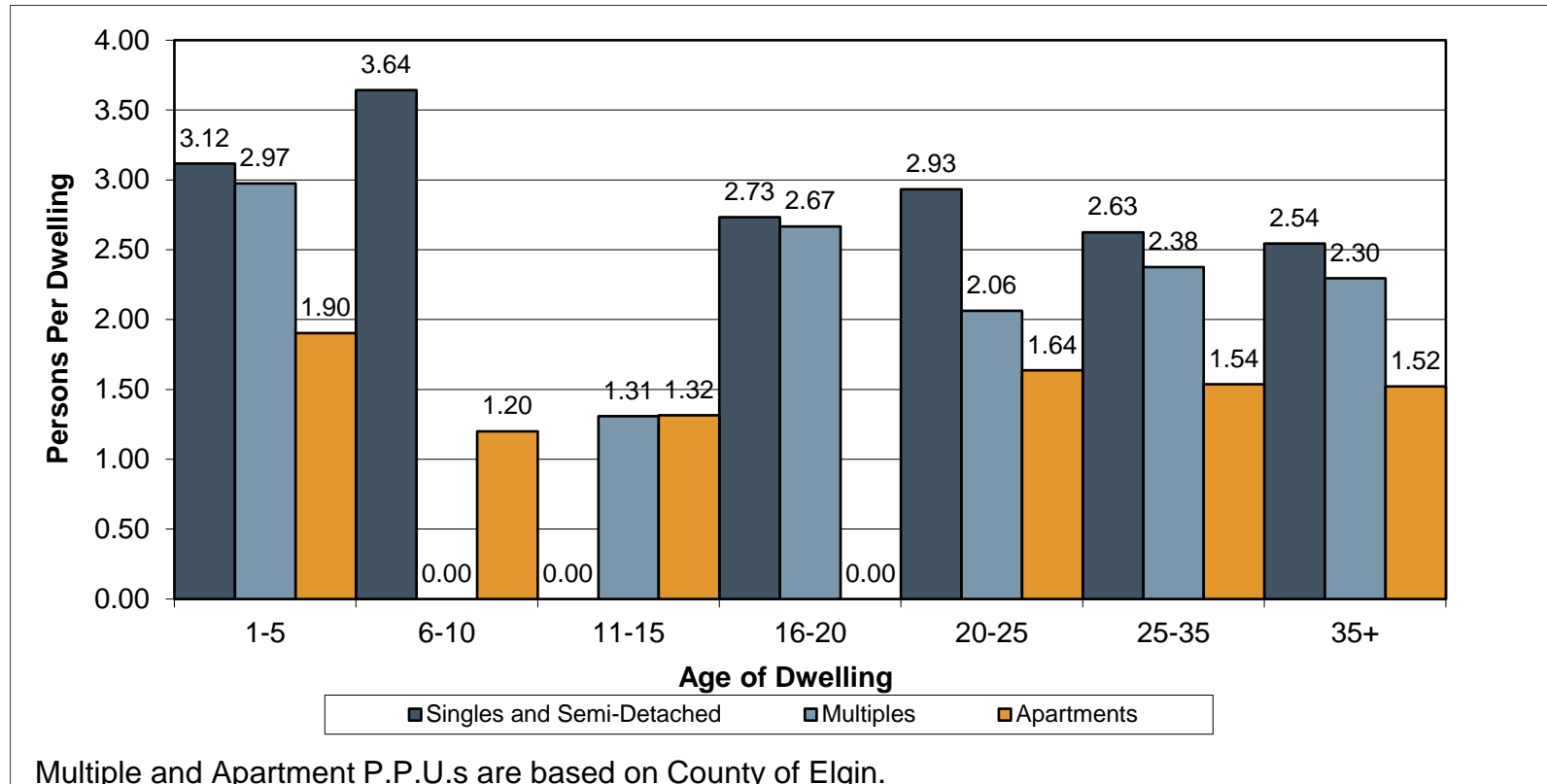
[3] Adjusted based on historical trends.

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

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



Schedule 6
Municipality of Dutton Dunwich
Person Per Unit Structural Type and Age of Dwelling
(2021 Census)





Schedule 7a Municipality of Dutton Dunwich Employment Forecast, 2024 to 2051

Period	Population	Activity Rate								Employment								Employment Total (Excluding Work at Home and N.F.P.O.W.)
		Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. ^[1]	Total Including N.F.P.O.W.	Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. ^[1]	Total Employment (Including N.F.P.O.W.)	
Mid 2011	3,876	0.008	0.048	0.041	0.085	0.039	0.221	0.044	0.264	30	185	160	330	150	855	169	1,024	670
Mid 2016	3,866	2.46%	7.63%	2.65%	10.67%	6.08%	29.49%	4.29%	33.78%	95	295	103	413	235	1,140	166	1,306	845
Early 2024	4,399	2.07%	7.96%	4.54%	10.54%	6.39%	31.48%	3.52%	35.01%	91	350	200	464	281	1,385	155	1,540	1,035
Mid 2051	4,966	0.019	0.080	0.045	0.105	0.064	0.313	0.035	0.349	95	395	225	523	317	1,555	175	1,730	1,160
Incremental Change																		
Mid 2011 - Mid 2016	-10	0.0168	0.0286	-0.0148	0.0216	0.0221	0.0743	-0.0007	0.0736	65	110	-58	83	85	285	-3	282	175
Mid 2016 - Early 2024	533	-0.0039	0.0033	0.0188	-0.0013	0.0031	0.0200	-0.0077	0.0123	-4	55	97	51	46	245	-11	234	190
Early 2024 - Mid 2051	567	-0.0016	0.0000	0.0000	0.0000	0.0000	-0.0016	0.0000	-0.0016	4	45	26	60	36	170	20	190	125
Annual Average																		
Mid 2006 - Mid 2011	0	0.00000	0.00000	-0.00026	-0.00026	0.00000	-0.00052	0.00453	0.00401	0	0	-1	-1	0	-2	18	16	-2
Mid 2011 - Mid 2016	-2	0.0034	0.0057	-0.0030	0.0043	0.0044	0.0149	-0.0001	0.0147	13	22	-12	17	17	57	-1	56	35
Mid 2016 - Early 2024	71	-0.0005	0.0004	0.0025	-0.0002	0.0004	0.0027	-0.0010	0.0016	-1	7	13	7	6	33	-1	31	25
Early 2024 - Mid 2051	21	-0.0001	0.0000	0.0000	0.0000	0.0000	-0.0001	0.0000	-0.0001	0	2	1	2	1	6	1	7	5

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

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

Source: Derived from the County of Elgin Official Plan 5 Year Review, Discussion Paper #5, Population, Housing and Employment Forecasts and Associated Land Needs Analysis, June, 2022, Hemson Consulting Ltd., by Watson & Associates Economists Ltd.



Schedule 7b
Municipality of Dutton Dunwich
Employment and Gross Floor Area (G.F.A.) Forecast, 2024 to 2051

Period	Population	Employment					Gross Floor Area in Square Feet (Estimated) ^[1]				
		Primary	Industrial	Commercial/ Population Related	Institutional ^[3]	Total	Primary - Non- Bona Fide Farming ^[2]	Industrial	Commercial/ Population Related	Institutional ^[3]	Total
Mid 2011	3,876	30	160	330	150	670					
Mid 2016	3,866	95	103	413	235	845					
Early 2024	4,399	91	200	464	281	1,035					
Mid 2051	4,966	95	225	523	313	1,156					
Incremental Change											
Mid 2011 - Mid 2016	-10	65	-58	83	85	175					
Mid 2016 - Early 2024	533	-4	97	51	46	190					
Early 2024 - Mid 2051	567	4	26	60	32	121	12,000	38,200	31,300	21,900	103,400
Annual Average											
Mid 2011 - Mid 2016	-2	13	-12	17	17	35					
Mid 2016 - Early 2024	71	-1	13	7	6	25					
Early 2024 - Mid 2051	21	0	1	2	1	4	436	1,389	1,138	796	3,760

^[1] Square Foot Per Employee Assumptions

Primary - Non-Bona Fide Farming	3,000
Industrial	1,500
Commercial/Population-Related	525
Institutional	684

^[2] Primary industry includes bona-fide, non bona-fide farming and cannabis growing operation related employment.

^[3] Forecast institutional employment and gross floor area has been adjusted downward to account for employment associated with special care units.

*Reflects Early-2024 to Mid-2051 forecast period.

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

Source: Watson & Associates Economists Ltd.



Appendix B

Level of Service



Appendix B: Level of Service

SUMMARY OF SERVICE STANDARDS AS PER DEVELOPMENT CHARGES ACT, 1997, AS AMENDED							
Service Category	Sub-Component	15 Year Average Service Standard					Maximum Ceiling LOS
		Cost (per capita)	Quantity (per capita)		Quality (per capita)		
Service Related to a Highway	Services Related to a Highway - Roads	\$67,581.27	0.0586	km of roadways	1,153,264	per km	38,318,580
	Services Related to a Highway - Bridges, Culverts & Structures	\$4,207.27	0.0070	Number of Bridges, Culverts & Structures	601,039	per item	2,385,522
	Public Works - Facilities	\$1,954.44	4.0645	sq.ft. of building area	481	per sq.ft.	1,108,167
	Public Works - Vehicles & Equipment	\$1,294.94	0.0059	No. of vehicles and equipment	219,481	per vehicle	734,231
Fire Protection	Fire Protection Services - Facilities	\$724.92	1.0356	sq.ft. of building area	700	per sq.ft.	411,030
	Fire Protection Services - Vehicles & Equipment	\$705.57	0.0010	No. of vehicles	705,570	per vehicle	400,058
	Fire Protection Services - Small Equipment and Gear	\$242.76	0.0636	No. of equipment and gear	3,817	per item	137,645
Parks & Recreation	Parkland Development	\$575.49	0.0074	Acres of Parkland	77,769	per acre	326,303
	Parkland Amenities	\$817.49	0.0051	No. of parkland amenities	160,292	per amenity	463,517
	Recreation Facilities	\$3,085.00	4.9267	sq.ft. of building area	626	per sq.ft.	1,749,195
	Parks & Recreation Vehicles and Equipment	\$41.29	0.0014	No. of vehicles and equipment	29,493	per vehicle	23,411



**Municipality of Dutton Dunwich
Service Standard Calculation Sheet**

Service: Services Related to a Highway - Roads
Unit Measure: km of roadways

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/km)
Gravel	186.32	186.32	186.32	186.32	186.32	186.32	186.32	186.32	186.32	186.32	186.32	186.32	186.32	186.32	186.32	\$1,050,000
Tar and Chip	35.49	35.49	35.49	35.49	35.49	35.49	35.49	35.49	35.49	35.49	35.49	35.49	35.49	35.49	35.49	\$1,300,000
Pavement	11.43	11.43	11.43	11.43	11.43	11.43	11.43	11.43	11.43	11.43	11.43	11.43	11.43	11.43	11.43	\$2,370,000
Total	233	233	233	233	233	233	233	233	233	233	233	233	233	233	233	

Population	3,888	3,865	3,876	3,868	3,863	3,876	3,880	3,866	3,924	3,973	4,015	4,087	4,152	4,250	4,381
Per Capita Standard	0.0600	0.0603	0.0602	0.0603	0.0604	0.0602	0.0601	0.0603	0.0594	0.0587	0.0581	0.0571	0.0562	0.0549	0.0532

15 Year Average	2009-2023
Quantity Standard	0.0586
Quality Standard	\$1,153,264
Service Standard	\$67,581

D.C. Amount (before deductions)	27 Year
Forecast Population	567
\$ per Capita	\$67,581
Eligible Amount	\$38,318,580



**Municipality of Dutton Dunwich
Service Standard Calculation Sheet**

Service: Services Related to a Highway - Bridges, Culverts & Structures
Unit Measure: Number of Bridges, Culverts & Structures

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/item)
Bridges																
Celtic Line Bridge	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$1,030,000
Homestead Bridge	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$1,030,000
Culverts																
C.Plate Steel - Pipe Arch	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	\$463,500
Cast in Place Rigid Frame	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	\$618,000
Cast in Place Concret Box	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	\$643,800
Precast Concrete Box	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$489,300
c.Plate Steel - Round Pipe	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$309,000
Round C.S.P.	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$257,500
Concret Barrel & C.S.P	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$772,500
Total	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	

Population	3,888	3,865	3,876	3,868	3,863	3,876	3,880	3,866	3,924	3,973	4,015	4,087	4,152	4,250	4,381
Per Capita Standard	0.0072	0.0072	0.0072	0.0072	0.0072	0.0072	0.0072	0.0072	0.0071	0.0070	0.0070	0.0069	0.0067	0.0066	0.0064

15 Year Average	2009-2023
Quantity Standard	0.0070
Quality Standard	\$601,039
Service Standard	\$4,207

D.C. Amount (before deductions)	27 Year
Forecast Population	567
\$ per Capita	\$4,207
Eligible Amount	\$2,385,522



**Municipality of Dutton Dunwich
Service Standard Calculation Sheet**

Class of Service: Public Works - Facilities
Unit Measure: sq.ft. of building area

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Bld'g Value (\$/sq.ft.)	Value/sq.ft. with land, site works, etc.
Works Garage	14,820	14,820	14,820	14,820	14,820	14,820	14,820	14,820	14,820	14,820	14,820	14,820	14,820	14,820	14,820	\$460	\$514
Sand Storage	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	\$100	\$117
Total	16,170	16,170	16,170	16,170	16,170	16,170	16,170	16,170	16,170	16,170	16,170	16,170	16,170	16,170	16,170		

Population	3,888	3,865	3,876	3,868	3,863	3,876	3,880	3,866	3,924	3,973	4,015	4,087	4,152	4,250	4,381
Per Capita Standard	4.1590	4.1837	4.1718	4.1805	4.1859	4.1718	4.1675	4.1826	4.1208	4.0700	4.0274	3.9564	3.8945	3.8047	3.6909

15 Year Average	2009-2023
Quantity Standard	4.0645
Quality Standard	\$481
Service Standard	\$1,954

D.C. Amount (before deductions)	27 Year
Forecast Population	567
\$ per Capita	\$1,954
Eligible Amount	\$1,108,167



**Municipality of Dutton Dunwich
Service Standard Calculation Sheet**

Class of Service: Public Works - Vehicles & Equipment
Unit Measure: No. of vehicles and equipment

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/Vehicle)
Water-Pickups	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$82,400
Wastewater - Pickups	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$82,400
Roads - Pickups 1/2 ton	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$82,400
Ford 550 with dump box	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$144,200
Ford F700	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$309,000
Plow Trucks	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	\$412,000
Case 850G Dozer	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$206,000
Road Graders	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$515,000
Vacuum exevator	-	-	-	-	-	-	1	1	1	1	1	1	1	1	1	\$154,500
Backhoe	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$139,100
Roadside Tractors	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$221,500
Ventrac 4500 Sidewalk Plow/Mower	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$75,200
Roadside Disc Mowers	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$25,800
Pickup 1 ton	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$97,900
John Deere 624k Loader	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$360,500
Total	23	23	23	23	23	23	24	24	24	24	24	24	24	24	24	

Population	3,888	3,865	3,876	3,868	3,863	3,876	3,880	3,866	3,924	3,973	4,015	4,087	4,152	4,250	4,381
Per Capita Standard	0.0059	0.0060	0.0059	0.0059	0.0060	0.0059	0.0062	0.0062	0.0061	0.0060	0.0060	0.0059	0.0058	0.0056	0.0055

15 Year Average	2009-2023
Quantity Standard	0.0059
Quality Standard	\$219,481
Service Standard	\$1,295

D.C. Amount (before deductions)	27 Year
Forecast Population	567
\$ per Capita	\$1,295
Eligible Amount	\$734,231



**Municipality of Dutton Dunwich
Service Standard Calculation Sheet**

Service: Fire Protection Services - Facilities
Unit Measure: sq.ft. of building area

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Bld'g Value (\$/sq.ft.)	Value/sq.ft. with land, site works, etc.
229 John St	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	\$620	\$700
Total	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120		

Population	3,888	3,865	3,876	3,868	3,863	3,876	3,880	3,866	3,924	3,973	4,015	4,087	4,152	4,250	4,381
Per Capita Standard	1.0597	1.0660	1.0630	1.0651	1.0665	1.0630	1.0619	1.0657	1.0499	1.0370	1.0262	1.0081	0.9923	0.9694	0.9404

15 Year Average	2009-2023
Quantity Standard	1.0356
Quality Standard	\$700
Service Standard	\$725

D.C. Amount (before deductions)	27 Year
Forecast Population	567
\$ per Capita	\$725
Eligible Amount	\$411,030



**Municipality of Dutton Dunwich
Service Standard Calculation Sheet**

Service: Fire Protection Services - Vehicles & Equipment
Unit Measure: No. of vehicles

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/Vehicle)
Pumper	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$927,000
Tanker	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$644,000
Fire Rescue Truck	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$309,000
Total	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	

Population	3,888	3,865	3,876	3,868	3,863	3,876	3,880	3,866	3,924	3,973	4,015	4,087	4,152	4,250	4,381
Per Capita Standard	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0009	0.0009

15 Year Average	2009-2023
Quantity Standard	0.0010
Quality Standard	\$705,570
Service Standard	\$706

D.C. Amount (before deductions)	27 Year
Forecast Population	567
\$ per Capita	\$706
Eligible Amount	\$400,058



**Municipality of Dutton Dunwich
Service Standard Calculation Sheet**

Service: Fire Protection Services - Small Equipment and Gear
Unit Measure: No. of equipment and gear

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/item)
Bunker Suits	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	\$3,100
Generator	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$30,900
Extrication Equipment-Hydraulic	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$61,800
Radios	12	12	12	12	12	26	26	26	26	26	26	26	26	26	26	\$1,600
Self Contained Breathing Apparatus	-	-	-	-	-	-	-	-	-	-	-	-	14	14	14	\$16,100
SCBA Bottles	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	\$1,500
SCBA Bottle Casacade System	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$68,000
Extrication Equipment-Battery	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	\$82,400
Battery Ventillation Fan	-	-	-	-	-	-	-	-	-	-	1	1	1	1	1	\$4,600
Hoses & Appliances (Grouped)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$30,900
Hand Tools (Grouped)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$30,900
Helmets	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	\$600
Bunker Gear/Firefighter Racking	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	\$15,500
Overhead Doors	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	\$82,400
Fire Department Shed	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$3,100
Thermal Imaging Camera	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	\$5,200
Pagers	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	\$700
Truck/Mobile Radios	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	\$2,100
Fire Boots	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	\$600
Fire Safety Boots	-	-	-	-	-	-	-	-	-	-	-	-	25	25	25	\$200
Portable Lighting	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	\$5,200
Fire Gloves	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	\$200
Nomax Balaclava	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	\$200



**Municipality of Dutton Dunwich
Service Standard Calculation Sheet**

Service: Fire Protection Services - Small Equipment and Gear
Unit Measure: No. of equipment and gear

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/item)
Medical Kit	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$3,600
Defiberator	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$2,600
Portable Generator	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$3,100
Portable Pump	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$8,800
Portable Electric Fan	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$5,200
Muliti-Gas Detector	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	\$6,200
HCN Gas Detector	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$6,200
Poratble Tanks	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$3,100
K12 Gas Saw	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$4,100
Electric Chain Saw	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$1,000
Total	236	236	236	236	236	250	250	250	250	250	251	251	291	292	292	

Population	3,888	3,865	3,876	3,868	3,863	3,876	3,880	3,866	3,924	3,973	4,015	4,087	4,152	4,250	4,381
Per Capita Standard	0.0607	0.0611	0.0609	0.0610	0.0611	0.0645	0.0644	0.0647	0.0637	0.0629	0.0625	0.0614	0.0701	0.0687	0.0667

15 Year Average	2009-2023
Quantity Standard	0.0636
Quality Standard	\$3,817
Service Standard	\$243

D.C. Amount (before deductions)	27 Year
Forecast Population	567
\$ per Capita	\$243
Eligible Amount	\$137,645



**Municipality of Dutton Dunwich
Service Standard Calculation Sheet**

Service: Parkland Development
Unit Measure: Acres of Parkland

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/Acre)
Centennial Park	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	\$36,100
Rest Stop - Talbot Line	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	\$36,100
Santos Parkland	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	\$25,800
Cowal Hall	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	\$10,300
Buttermilk Bog	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	\$25,800
29593 Talbot Line SD Hall	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	\$77,300
1 Scotland St.	18.0	18.0	18.0	18.0	18.0	18.0	18.0	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8	\$103,000
Total	28.4	28.4	28.4	28.4	28.4	28.4	28.4	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	

Population	3,888	3,865	3,876	3,868	3,863	3,876	3,880	3,866	3,924	3,973	4,015	4,087	4,152	4,250	4,381
Per Capita Standard	0.0073	0.0073	0.0073	0.0073	0.0073	0.0073	0.0073	0.0078	0.0077	0.0076	0.0075	0.0074	0.0073	0.0071	0.0069

15 Year Average	2009-2023
Quantity Standard	0.0074
Quality Standard	\$77,769
Service Standard	\$575

D.C. Amount (before deductions)	27 Year
Forecast Population	567
\$ per Capita	\$575
Eligible Amount	\$326,303



**Municipality of Dutton Dunwich
Service Standard Calculation Sheet**

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

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/item)
Playgrounds	3	3	3	3	3	3	3	3	3	3	4	4	4	4	4	\$103,000
Splashpad	-	-	-	-	-	-	-	-	-	-	1	1	1	1	1	\$257,500
Sports Court	-	-	-	-	-	-	-	-	-	-	-	1	1	1	1	\$206,000
Outdoor Fitness Equipment	-	-	-	-	-	-	-	1	1	1	1	2	2	5	5	\$5,200
Soccer Field	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$220,400
Ball Diamonds	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	\$309,000
Pool	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$1,009,400
Ball Diamond Fencing, Lighting, and Scoreboard	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$214,200
Picnic Shelter	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$41,200
Gazebo	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	\$20,600
Scoreboard	-	-	-	-	-	-	-	1	1	1	1	1	1	1	1	\$12,400
Flood Lighting Ball Diamond	-	-	-	-	-	-	-	-	-	1	1	1	1	1	1	\$20,600
Bleachers	3	3	3	3	3	3	3	3	4	4	4	4	4	4	4	\$18,000
Total	17	17	17	17	17	17	17	19	20	21	23	25	25	28	28	

Population	3,888	3,865	3,876	3,868	3,863	3,876	3,880	3,866	3,924	3,973	4,015	4,087	4,152	4,250	4,381
Per Capita Standard	0.0044	0.0044	0.0044	0.0044	0.0044	0.0044	0.0044	0.0049	0.0051	0.0053	0.0057	0.0061	0.0060	0.0066	0.0064

15 Year Average	2009-2023
Quantity Standard	0.0051
Quality Standard	\$160,292
Service Standard	\$817

D.C. Amount (before deductions)	27 Year
Forecast Population	567
\$ per Capita	\$817
Eligible Amount	\$463,517



**Municipality of Dutton Dunwich
Service Standard Calculation Sheet**

Service: Recreation Facilities
Unit Measure: sq.ft. of building area

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Bld'g Value (\$/sq.ft.)	Value/sq.ft. with land, site works, etc.
Community Centres - Dutton	9,390	9,390	9,390	9,390	9,390	9,390	9,390	9,390	9,390	9,390	9,390	9,390	9,390	9,390	9,390	\$620	\$691
South Dunwich	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982	\$620	\$691
Lions Den-Concession Booth	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	\$400	\$448
Pool House & change rooms	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	\$400	\$448
Pool Chemical Building	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	\$400	\$448
Scotland Park Washroom Building	256	256	256	256	256	256	256	256	256	256	256	256	256	256	256	\$400	\$448
Total	19,600	19,600	19,600	19,600	19,600	19,600	19,600	19,600	19,600	19,600	19,600	19,600	19,600	19,600	19,600		

Population	3,888	3,865	3,876	3,868	3,863	3,876	3,880	3,866	3,924	3,973	4,015	4,087	4,152	4,250	4,381
Per Capita Standard	5.0412	5.0712	5.0568	5.0672	5.0738	5.0568	5.0515	5.0698	4.9949	4.9333	4.8817	4.7957	4.7206	4.6118	4.4739

15 Year Average	2009-2023
Quantity Standard	4.9267
Quality Standard	\$626
Service Standard	\$3,085

D.C. Amount (before deductions)	27 Year
Forecast Population	567
\$ per Capita	\$3,085
Eligible Amount	\$1,749,195



**Municipality of Dutton Dunwich
Service Standard Calculation Sheet**

Service: Parks & Recreation Vehicles and Equipment
Unit Measure: No. of vehicles and equipment

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/Vehicle)
Floor Cleaner	-	-	-	-	-	-	-	1	1	1	1	1	1	1	1	\$8,800
Zero Turn Mowers	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$10,300
Pickup	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$82,400
Flower Watering Tractor	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$20,600
Utility Tractor	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$36,100
Total	5	5	5	5	5	5	5	6	6	6	6	6	6	6	6	

Population	3,888	3,865	3,876	3,868	3,863	3,876	3,880	3,866	3,924	3,973	4,015	4,087	4,152	4,250	4,381
Per Capita Standard	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0016	0.0015	0.0015	0.0015	0.0015	0.0014	0.0014	0.0014

15 Year Average	2009-2023
Quantity Standard	0.0014
Quality Standard	\$29,493
Service Standard	\$41

D.C. Amount (before deductions)	27 Year
Forecast Population	567
\$ per Capita	\$41
Eligible Amount	\$23,411



Appendix C

Long-Term Capital and Operating Cost Examination



Appendix C: Long-Term Capital and Operating Cost Examination

Municipality of Dutton Dunwich

Annual Capital and Operating Cost Impact

As a requirement of the *Development Charges Act, 1997*, as amended, under subsection 10 (2) (c), an analysis must be undertaken to assess the long-term capital and operating cost impacts for the capital infrastructure projects identified within the development charge. As part of this analysis, it was deemed necessary to isolate the incremental operating expenditures directly associated with these capital projects, factor in cost savings attributable to economies of scale or cost sharing where applicable and prorate the cost on a per unit basis (i.e., sq.ft. of building space, per vehicle, etc.). This was undertaken through a review of the Municipality's approved 2022 Financial Information Return (F.I.R.).

In addition to the operational impacts, over time the initial capital projects will require replacement. This replacement of capital is often referred to as lifecycle cost. By definition, lifecycle costs are all the costs which are incurred during the life of a physical asset, from the time its acquisition is first considered, to the time it is taken out of service for disposal or redeployment. The method selected for lifecycle costing is the sinking fund method which provides that money will be contributed annually and invested, so that those funds will grow over time to equal the amount required for future replacement. The following factors were utilized to calculate the annual replacement cost of the capital projects (annual contribution = factor X capital asset cost) and are based on an annual growth rate of 2% (net of inflation) over the average useful life of the asset:



Table C-1
Municipality of Dutton Dunwich
Lifecycle Cost Factors and Average Useful Lives

Asset	Lifecycle Cost Factors	
	Average Useful Life	Factor
Water and Wastewater Infrastructure	80	0.005160705
Facilities	50	0.01182321
Services Related to a Highway	50	0.01182321
Parkland Development	40	0.016555748
Vehicles	15	0.057825472
Small Equipment & Gear	10	0.091326528
Library Materials	10	0.091326528

Table C-2 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 Municipality 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
Municipality of Dutton Dunwich
Operating and Capital Expenditure Impacts for Future Capital Expenditures

SERVICE/CLASS OF SERVICE	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	1,061,700	62,030	189,197	251,227
1.2 Public Works (Facilities and Fleet)	1,412,200	84,832	200,951	285,783
2. Fire Protection Services				
2.1 Fire facilities, vehicles & equipment	5,691,800	225,055	65,940	290,995
3. Parks and Recreation Services				
3.1 Park development, amenities, vehicles, equipment and recreation facilities	856,091	35,568	81,388	116,956
Total	9,021,791	407,485	537,475	944,960



Appendix D

D.C. Reserve Fund Policy



Appendix D: D.C. Reserve Fund Policy

D.1 Legislative Requirements

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

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

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

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

- opening balance;
- closing balance;



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

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

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



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

Additionally, as per subsection 35(3) of the D.C.A.:

35(3) If a service is prescribed for the purposes of this subsection, beginning in the first calendar year that commences after the service is prescribed and in each calendar year thereafter, a municipality shall spend or allocate at least 60 per cent of the monies that are in a reserve fund for the prescribed service at the beginning of the year.

The services currently prescribed are water, wastewater, and services related to a highway. Therefore, as of 2023, a municipality shall spend or allocate at least 60 percent of the monies in the reserve fund at the beginning of the year. There are generally two (2) ways in which a municipality may approach this requirement:

- a) Include a schedule are part of the annual treasurer’s statement; or
- b) Incorporate the information into the annual budgeting process.

Based upon the above, Figure 1 and Attachments 1 and 2, set out the format for which annual reporting to Council should be provided. Attachment 3 provides for the schedule for allocating reserve fund balances to projects.

D.2 D.C. Reserve Fund Application

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

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

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



Figure D-1
Municipality of Dutton Dunwich
Annual Treasurer's Statement of Development Charge Reserve Funds

Description	Services to which the Development Charge Relates			Total
	Services Related to a Highway	Parks and Recreation Services	Fire Protection Services	
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
<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
Closing Balance, December 31, _____	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 permitted by the *Development Charges Act* or another Act.



Figure D-2a
Municipality of Dutton Dunwich
Attachment 1
Annual Treasurer's Statement of Development Charge Reserve Funds
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					
Services Related to a Highway											
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
Parks and Recreation Services											
Capital Cost D											
Capital Cost E											
Capital Cost F											
Sub-Total - Parks and Recreation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fire Protection Services											
Capital Cost G											
Capital Cost H											
Capital Cost I											
Sub-Total - Fire Protection Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



Figure D-2b
 Municipality of Dutton Dunwich
 Attachment 1
 Annual Treasurer's Statement of Development Charge Reserve Funds
 Amount Transferred to Capital (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
<u>Services Related to a Highway</u>									
Capital Cost J									
Capital Cost K									
Capital Cost L									
Sub-Total - Services Related to a Highway	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
<u>Parks and Recreation Services</u>									
Capital Cost M									
Capital Cost N									
Capital Cost O									
Sub-Total - Parks and Recreation Services	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
<u>Fire Protection Services</u>									
Capital Cost P									
Capital Cost Q									
Capital Cost R									
Sub-Total - Fire Protection Services	\$0	\$0	\$0	\$0	\$0		\$0	\$0	



Figure D-3
Municipality of Dutton Dunwich
Attachment 2
Annual Treasurer's Statement of Development Charge Reserve Funds
Statement of Credit Holder Transactions

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



Figure D-4
Municipality of Dutton Dunwich
Attachment 3
Annual Treasurer's Statement of Development Charge Reserve Funds
Statement of Reserve Fund Balance Allocations

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

Projects to Which Funds Will be Allocated

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



Appendix E

Local Service Policy



Appendix E: Local Service Policy

Policy Statement

This Policy sets out the Municipality's General Policy Guidelines on Development Charges (D.C.) and local service funding for Services Related to a Highway, Stormwater Management, Transit Bus Stops and Amenities, Parkland Development, and Underground Linear Services. The guidelines outline, in general terms, the size and nature of engineered infrastructure that is included in the study as a development charge project, versus infrastructure that is considered as a local service, to be emplaced separately by landowners, pursuant to a development agreement.

Purpose

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

Policy

A. Services Related to a Highway

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



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

1) Local and Collector Roads (including land)

- a) Collector Roads Internal to Development, inclusive of all land and associated infrastructure – direct developer responsibility under s.59 of the D.C.A. as a local service.
- b) Collector Roads External to Development, inclusive of all land and associated infrastructure – if needed to support a specific development or required to link with the area to which the plan relates, direct developer responsibility under s.59 of the D.C.A.; otherwise, included in D.C. calculation to the extent permitted under s.5(1) of the D.C.A. (dependent on local circumstances).
- c) All local roads are considered to be the developer's responsibility.

2) Arterial Roads

- a) New, widened, extended or upgraded arterial roads, inclusive of all associated infrastructure: Included as part of road costing funded through D.C.A., s.5(1).
- b) Land acquisition for arterial roads on existing rights-of-way to achieve a complete street: dedication under the Planning Act provisions (s. 41, 51 and s. 53) through development lands; in area with limited development: included in D.C.'s.
- c) Land acquisition for arterial roads on new rights-of-way to achieve a complete street: dedication, where possible, under the Planning Act provisions (s. 51 and s. 53) through development lands up to the ROW as specified by the Municipality.



- d) Land acquisition beyond normal dedication requirements to achieve transportation corridors as services related to highways including grade separation infrastructure for the movement of pedestrians, cyclists, public transit and/or railway vehicles: included in D.C.'s.

3) Traffic Control Systems, Signals and Intersection Improvements

- a) On new arterial roads and arterial road improvements unrelated to a specific development: included as part of road costing funded through D.C.'s.
- b) On non-arterial roads, or for any private site entrances or entrances to specific development: direct developer responsibility under s.59 of D.C.A. (as a local service).
- c) On arterial or collector road intersections with County roads: include in County D.C.'s or in certain circumstances, may be a direct developer responsibility
- d) Intersection improvements, new or modified signalization, signal timing & optimization plans, area traffic studies for highways attributed to growth and unrelated to a specific development: included in D.C. calculation as permitted under s.5(1) of the D.C.A.

4) Streetlights

- a) Streetlights on new arterial roads and arterial road improvements: considered part of the complete street and included as part of the road costing funded through D.C.'s or in exceptional circumstances, may be direct developer responsibility through local service provisions (s.59 of D.C.A.).
- b) Streetlights on non-arterial roads internal to development: considered part of the complete street and included as a direct developer responsibility under s. 59 of the D.C.A. (as a local service).
- c) Streetlights on non-arterial roads external to development, needed to support a specific development or required to link with the area to which the plan relates: considered part of the complete street and included as a direct developer responsibility under s. 59 of the D.C.A. (as a local service).

5) Transportation Related Pedestrian and Cycling Facilities

- a) Sidewalks, multi-use trails, cycle tracks, and bike lanes, inclusive of all required infrastructure, located within arterial roads, County roads and



- provincial highway corridors: considered part of the complete street and included in D.C.'s, or, in exceptional circumstances, may be direct developer responsibility through local service provisions (s.59 of D.C.A.).
- b) Sidewalks, multi-use trails, cycle tracks, and bike lanes, inclusive of all required infrastructure, located within or linking to non-arterial road corridors internal to development: considered part of the complete street and include in D.C.'s.
 - c) Other sidewalks, multi-use trails, cycle tracks, and bike lanes, inclusive of all required infrastructure, located within non-arterial road corridors external to development and needed to support a specific development or required to link with the area to which the plan relates: direct developer responsibility under s.59 of D.C.A. (as a local service).
 - d) Multi-use trails (not associated with a road), inclusive of all land and required infrastructure, that go beyond the function of a (parkland) recreational trail and form part of the Municipality's active transportation network for cycling and/or walking: included in D.C.'s

6) Noise Abatement Measures

- a) Noise abatement measures external and internal to development where it is related to, or a requirement of a specific development: direct developer responsibility under s.59 of D.C.A. (as a local service).
- b) Noise abatement measures on new arterial roads and arterial road improvements abutting an existing community and unrelated to a specific development: included as part of road costing funded through D.C.'s.

7) Transit Lanes and Lay-bys

- a) Transit lanes and lay-bys located within municipal arterial and county road corridors: considered part of the complete street and included in D.C.'s
- b) Transit lanes and lay-bys located within non-arterial road corridors internal to development: considered part of the complete street and direct developer responsibility under s. 59 of the D.C.A. (as a local service).
- c) Transit lanes and lay-bys located within non-arterial road corridors external to development and needed to support a specific development or required to link with the area to which the plan relates: direct developer responsibility under s. 59 of the D.C.A. (as a local service).



B. Stormwater Management

- a) Stormwater facilities for quality and/or quantity management, including downstream erosion works, inclusive of land and all associated infrastructure, such as landscaping and perimeter fencing: direct developer responsibility under s.59 of D.C.A. (as a local service).
- b) Over-sizing cost of stormwater facilities capacity, excluding land, to accommodate runoff from new, widened, extended or upgraded municipal arterial roads that are funded as a development charges project: included as part of road costing funded through D.C.'s.
- c) Erosion works, inclusive of all restoration requirements, related to a development application: direct developer responsibility under s. 59 of the D.C.A. (as a local service).
- d) Storm sewer systems and drainage works that are required for a specific development, either internal or external to the area to which the plan relates: direct developer responsibility under s. 59 of the D.C.A. (as a local service).
Note: for stormwater minimum pipe sizes, refer to Section D.

C. Parkland Development

1) Recreational Trails

- a) Recreational trails (Multi-use trails) that do not form part of the Municipality's active transportation network, and their associated infrastructure (landscaping, bridges, trail surface, etc.), is included in area municipal parkland D.C.'s.

2) Parkland

- a) Parkland Development for Community Parks, District Parks, Neighbourhood Parks, and Village Squares: direct developer responsibility to provide at base condition, as follows:
 - Clearing and grubbing. Tree removals as per the subdivision's tree preservation and removals plan.
 - Topsoil Stripping, screening, and stockpiling.
 - Rough grading (pre-grading) to allow for positive drainage of the Park, with minimum slopes of 2%. If necessary, this may include some minor drainage tile work and grading as per the overall subdivision grading



design complete with any required swales or catch basins. Runoff from the development property shall not drain into the park unless approved by the Manager, Environment Services, Public Works.

- Spreading of topsoil to 150mm depth (import topsoil if existing on-site is insufficient to reach required depth).
 - Seeding of site with Municipality-approved seed mix. Maintenance of seed until acceptance by Municipality.
 - Parks shall be free of any contaminated soil or subsoil.
 - Parks shall not be mined for fill.
 - Parks shall be conveyed free and clear of all encumbrances.
 - 100% of 1.5m chain link perimeter fencing to the Municipal standards to separate the development lands from the Municipal lands or lands to be dedicated to the Municipality, unless the perimeter fencing is on land that will be dedicated to the Municipality to fulfil the requirement of parkland dedication under the Planning Act, in which case the cost shall be shared 50/50.
 - When Park parcels cannot be developed in a timely manner, they shall be graded to ensure positive drainage and seeded to minimize erosion and dust. These shall be maintained by the developer until construction commences thereon.
 - The Park block shall not be used for topsoil or other construction material, equipment storage, or sales pavilions.
 - Required heritage features within the Park as set out within the Planning approval conditions.
- b) Program facilities, amenities, and furniture, within parkland: are included in D.C.'s.

3) Landscape Buffer Blocks, Features, Cul-de-sac Islands, Berms, Grade Transition Areas, Walkway Connections to Adjacent Roads, Open Space, etc.

- a) The cost of developing all landscape buffer blocks, landscape features, cul-de-sac islands, berms, grade transition areas, walkway connections to adjacent arterial roads, open space and other remnant pieces of land conveyed to the municipality shall be a direct developer responsibility as a local service. Such costs include but are not limited to:



- pre-grading, sodding or seeding, supply and installation of amended topsoil, (to the Municipality's required depth), landscape features, perimeter fencing and amenities and all planting.
- Perimeter fencing to the Municipal standard located on the public property side of the property line adjacent land uses (such as but limited to arterial roads) as directed by the Municipality.

4) Natural Heritage System (N.H.S.)

N.H.S. includes engineered and in situ stream corridors, natural buffers for woodlots, wetland remnants, etc. as well as subwatersheds within the boundaries of the Municipality.

Direct developer responsibility as a local service provision including but not limited to the following:

- a) Riparian planting and landscaping requirements (as required by the Municipality, Conservation Authority or other authorities having jurisdiction) as a result of creation of, or construction within in the N.H.S. and associated buffers.
- b) Perimeter fencing of the N.H.S. to the Municipal standard located on the public property side of the property line adjacent land uses (residential, industrial, commercial) as required by the Municipality.
- c) All works to be in conformance with the Municipality's "Restoration Framework" for stream corridors, natural buffers and subwatersheds areas as directed by the approved studies and reports related to the Secondary Plan that development occurs in.

5) Infrastructure Assets Constructed by Developers

- a) All infrastructure assets constructed by Developers must be designed in accordance with the guidelines provided by the Municipality.
- b) All infrastructure assets shall be conveyed in accordance with the guidelines provided by the Municipality.
- c) Any Parks and Open Space infrastructure assets approved to be built by the developer on behalf of the Municipality shall be in accordance with the guidelines provided by the Municipality..



D. Underground Services (Stormwater, Water and Sanitary Sewers)

Underground services (linear infrastructure for stormwater, water, and sanitary services) within the road allowance are not included in the cost of road infrastructure and are treated separately. The responsibility for such services as well as stormwater management ponds and pumping stations, which are undertaken as part of new developments or redevelopments, will be determined by the following principles:

The costs of the following items shall be direct developer responsibilities as a local service:

- a) providing all underground services internal to the development, including storm, water and sanitary services;
- b) providing service connections from existing underground services to the development;
- c) providing new underground services or upgrading existing underground services external to the development if the services are required to service the development, and if the pipe sizes do not exceed 300mm for water and sanitary services and 900 mm for stormwater services. If external services are required by two or more developments, the developer for the first development will be responsible for the cost of the external services and may enter into front-ending/cost-sharing agreements with other developers independent of the municipality;
- d) providing stormwater management ponds and other facilities required by the development including all associated features such as landscaping and fencing;
- e) water booster pumping stations, reservoir pumping stations and/or sanitary pumping stations serving individual developments;

The costs of the following items shall be paid through capital charges:

- a) Water treatment, storage facilities, transmission mains, re-chlorination/sampling stations and wells associated with municipal service areas;
- b) Wastewater treatment plants and transmission mains associated with municipal service areas;



- c) external underground services involving trunk infrastructure and pipe sizes exceeding 300mm for water and sanitary services and 900mm for stormwater services; and
- d) water, reservoir and/or sanitary pumping stations not required for the individual development.



Appendix F

Asset Management Plan



Appendix F: Asset Management Plan

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

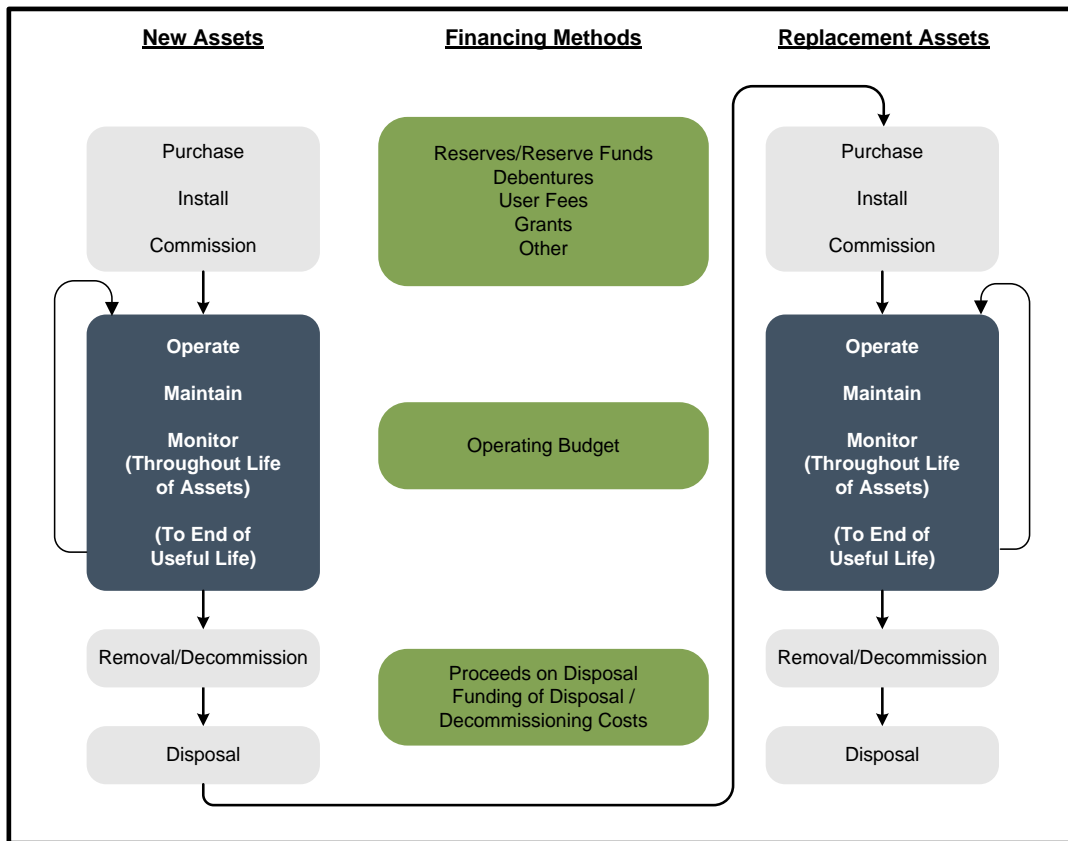
“The asset management plan shall,

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

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

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

It should be noted that with the recent passing of the *Infrastructure for Jobs and Prosperity Act* (I.J.P.A.) municipalities are now required to complete A.M.P.s, based on certain criteria, which are to be completed by 2022 for core municipal services and 2024 for all other services. The amendments to the D.C.A. do not require municipalities to complete these A.M.P.s (required under I.J.P.A.) for the D.C. background study, rather the D.C.A. requires that the D.C. background study include information to show the assets to be funded by the D.C. are sustainable over their full lifecycle.



In 2012, the Province developed Building Together: Guide for municipal asset management plans which outlines the key elements for an A.M.P., as follows:

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

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

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

Financing strategy: having a financial plan is critical for putting an A.M.P. into action. By having a strong financial plan, municipalities can also demonstrate that they have



made a concerted effort to integrate the A.M.P. with financial planning and municipal budgeting and are making full use of all available infrastructure financing tools.

Commensurate with the above, the Municipality is preparing an A.M.P. for its existing assets; however, it does not take into account future growth-related assets for all services included in the D.C. calculations. 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 2024 \$) 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 Municipality'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., taxation, rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 2024 D.C. capital works have been presented based on a sinking fund basis. The assets have been considered over their estimated useful lives.
3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are approximately \$1.19 million.
5. Consideration was given to the potential new taxation and user fee revenues which will be generated as a result of new growth. These revenues will be available to finance the expenditures above. The new operating revenues are \$493,700. This amount, totalled with the existing operating revenues of approximately \$11.08 million, provides annual revenues of approximately \$11.57 million by the end of the period.



6. In consideration of the above, the capital plan is deemed to be financially sustainable.

Municipality of Dutton Dunwich
Asset Management – Future Expenditures and Associated Revenues
2024\$

Asset Management - Future Expenditures and Associated Revenues	2051 (Total)
Expenditures (Annualized)	
Annual Debt Payment on Non-Growth Related Capital ¹	245,270
Annual Debt Payment on Post Period Capital ²	-
Lifecycle:	
Annual Lifecycle - Municipal-wide Services	\$407,485
Incremental Operating Costs (for D.C. Services)	\$537,475
Total Expenditures	\$1,190,230
Revenue (Annualized)	
Total Existing Revenue ³	\$11,080,749
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$493,700
Total Revenues	\$11,574,449

¹ Non-Growth Related component of Projects

² Interim Debt Financing for Post Period Benefit

³ As per Sch. 10 of FIR



Appendix G

Proposed D.C. By-law



Appendix G: Proposed D.C. By-law

The Corporation of the Municipality of Dutton Dunwich By-Law Number 2024-XX

A By-law to establish Development Charges for the Municipality of Dutton Dunwich

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

And whereas a Development Charges Background Study has been completed in accordance with the Act;

And whereas Council has before it a report entitled "Municipality of Dutton Dunwich Development Charges Background Study" prepared by Watson & Associates Economists Ltd. dated January 31, 2024;

And whereas Council approves the capital project listing set out in Chapter 4 of the D.C. Background Study dated January 31, 2024, subject to further annual review during the capital budget process;

And whereas the Council of the Corporation of the Municipality of Dutton Dunwich has given notice of and held a public meeting on the 13th day of March, 2024 in accordance with the Act and the regulations thereto and determined that no further public meeting is required;

And whereas 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;

Now therefore the Council of the Corporation of the Municipality of Dutton Dunwich hereby enacts as follows:



1.0 Definitions

1.1 In this by-law,

- 1) "Act" means the Development Charges Act, S.O. 1997, c. 27, as amended, or any successor thereto;
- 2) "Accessory use" means where used to describe a use, building, or structure, that the use, building or structure is naturally and normally incidental, subordinate in purpose of floor area or both, and exclusively devoted to a principal use, building or structure;
- 3) "Affordable residential unit" means a residential unit that meets the criteria set out in subsection 4.1(2) or 4.1(3) of the Act;
- 4) "Ancillary residential building" means a residential building that would be accessory to a detached dwelling, semi-detached dwelling, or row dwelling;
- 5) "Apartment unit" means any residential dwelling 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;
- 6) "Attainable residential unit" means a residential unit that meets the criteria set out in subsection 4.1(4) of the Act;
- 7) "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;
- 8) "Benefitting area" means an area defined by a map, plan or legal description in a front-ending agreement as an area that will receive a benefit from the construction of a service;
- 9) "Board of education" means a board defined in subsection 1(1) of the Education Act, or any successor thereto;
- 10) "Building Code Act" means the Building Code Act, R.S.O. 1990, c.B.-13, as amended, or any successor thereto;
- 11) "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;
 - i. to acquire land or an interest in land, including a leasehold interest;
 - ii. to improve land;



- iii. to acquire, lease, construct or improve buildings and structures;
- iv. to acquire, construct or improve facilities including:
 - a. furniture and equipment other than computer equipment;
 - b. materials acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act; and
 - c. rolling stock with an estimated useful life of seven years or more, and;
- v. interest on borrowing for those expenditures under clauses (i) to (iv) above that are growth-related;

12) "Commercial" means any non-residential development not defined under "institutional" or "industrial";

13) "Council" means the Council of the Municipality of Dutton Dunwich;

14) "Development" means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or usability thereof, and includes redevelopment;

15) "Development charge" means a charge imposed pursuant to this By-law;

16) "Dwelling room" means either:

- a) each bedroom used, designed, or intended for use by one or more persons living together in a lodging home, dormitories; or
- b) in the case of a special care/special dwelling unit/room, each individual room or suite of rooms used, designed, or intended for use by one or two persons with or without exclusive sanitary and/or culinary facilities;

17) "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;

18) "Existing industrial building" means an industrial building or buildings existing on site in the Municipality of Dutton Dunwich on the date of by-law passage or the first building constructed and occupied on a vacant site pursuant to site plan approval



under Section 41 of the Planning Act, R.S.O. c.P.13 subsequent to this by-law coming to effect for which full development charges were paid.

- 19) "Farm building" means that part of a bona fide farm operation encompassing barns, silos and other ancillary development to an agricultural use, but excluding a residential use;
- 20) "Grade" means the average level of finished ground adjoining a building or structure at all exterior walls;
- 21) "Gross floor area" means the total floor 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 other dwelling units or other portion of a building;

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 any of the following:

- a) A room or enclosed area within the building or structure above or below grade that is used exclusively for the accommodation of heating, cooling, ventilating, electrical, mechanical or telecommunications equipment that services the building;
 - b) Loading facilities above or below grade;
 - c) A part of the building or structure below grade that is used for the parking of motor vehicles or for storage or other accessory use;
- 22) "Industrial" means lands, buildings or structures used or designed or intended for or in conjunction with:
- i. the production, compounding, processing, packaging, crating, bottling, packing, or assembling of raw or semi-processed goods or materials in not less than seventy-five percent of the total gross floor area of the building or buildings on a site ("manufacturing") or warehousing related to the manufacturing use carried on in the building or buildings;
 - ii. research or development in connection with manufacturing in not less than seventy-five percent of the total gross floor area of the building or buildings on a site;



- iii. retail sales by a manufacturer, if the retail sales are at the site where the manufacturing is carried out, such retail sales are restricted to goods manufactured at the site, and the building or part of a building where such retail sales are carried out does not constitute greater than twenty-five percent of the total gross floor area of the building or buildings on the site; or
 - iv. Office or administrative purposes, if they are,
 - a. carried out with respect to manufacturing or warehousing; and
 - b. In or attached to the building or structure used for such manufacturing or warehousing;
- 23)"Institutional" means lands, buildings or structures used or designed or intended for use by an organized body, society or religious groups for promoting a public or non-profit purpose;
- 24) "Interest rate" means the annual rate of interest as set out in section 26.3 of the Act.
- 25)"Local board" has the same definition as defined in the Development Charges Act, S.O. 1997;
- 26)"Local services" means those services, facilities or things which are under the jurisdiction of the municipality and are related to a plan of subdivision or within the area to which the plan relates in respect of the lands under Sections 51 or 53 of the Planning Act R.S.O. 1990, as amended or any successor thereto;
- 27)"Mezzanine" means an intermediate floor assembly between the floor and ceiling of any room or storey and includes an interior balcony;
- 28)"Municipality" means The Corporation of the Municipality of Dutton Dunwich;
- 29)"Non-profit housing development" means Development of a building or structure that meets the criteria set out in section 4.2 of the Act.
- 30)"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 and includes all commercial, industrial and institutional uses;
- 31)"Other multiple" means all residential units other than a single detached dwelling, semi-detached dwelling, apartment dwelling or a special care/special dwelling unit, including;



- 32)"Owner" means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed;
- 33)"Place of Worship" means that part of a building or structure that is exempt from taxation as a place of worship under the Assessment Act, as amended or any successor thereto;
- 34)"Redevelopment" means the construction, erection or placing of one or more buildings on land where all or part of a building on such land has been previously demolished, or changing the use of all or part of a building from a residential purpose to a non-residential purpose or from a non-residential purpose to a residential purpose, or changing all or part of a building from one form of residential development to another form of residential development or from one form of non-residential development to another form of non-residential development;
- 35)"Regulation" means any regulation made pursuant to the Act;
- 36)"Rental housing" means development of a building or structure with four (4) or more residential units all of which are intended for use as rented residential premises;
- 37)"Residential use" means lands, buildings or structures of any kind whatsoever used, designed or intended to be used as living accommodations for one or more individuals;
- 38)"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 no other parts, attached or another dwelling unit where the residential units are not connected by an interior corridor;
- 39)"Services" (or "service") means those services set out in Schedule "A" to this By-law;
- 40)"Servicing agreement" means an agreement between a landowner and the municipality relative to the provision of municipal services to specified lands within the municipality;
- 41)"Single detached dwelling unit" means a residential building consisting of one dwelling unit and not attached to another structure and includes mobile homes;
- 42)"Special care/special dwelling" means a residence
- a) containing two or more dwelling rooms, which rooms have common entrance from street level;
 - b) where the occupants have the right to use in common with other occupants, halls, stairs, yards, common room and accessory buildings; and



- c) that is designed to accommodate persons with specific needs, including but not limited to, independent permanent living arrangements; and where support services, such as meal preparation, grocery shopping, laundry, housing, nursing, respite care and attending services are provided at various levels; and includes but is not limited to retirement homes or lodges, group homes, dormitories, and hospices;

2.0 DESIGNATION OF SERVICES

2.1 The categories of services for which development charges are imposed under this by-law are as follows:

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

2.2 Components of the services designated in Subsection 2.1 are described in Schedule "A".

3.0 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 Subsection 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 Municipality.

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

- a) the Municipality of Dutton Dunwich or a "local board" thereof;
- b) a "board of education" as defined in Section 1(1) of the Education Act, R.S.O. 1990;
- c) County of Elgin or a "local board" thereof;
- d) Land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education is exempt from development charges imposed under the



Development Charges Act, 1997 if the development in respect of which development charges would otherwise be payable is intended to be occupied and used by the university.

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 an amendment to a zoning by-law under Section 34 of the Planning Act, R.S.O. 1990;

(ii) the approval of a minor variance under Section 45 of the Planning Act, R.S.O. 1990;

(iii) a conveyance of land to which a by-law passed under Subsection 50(7) of the Planning Act, R.S.O. 1990, 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; or

(vii) the issuing of a permit under the Building Code Act S. 0. 1990, 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) the creation of additional dwelling units equal to the greater of one or 1% of the existing dwelling units in an existing residential rental building containing four or more dwelling units or prescribed ancillary structure to the existing residential building;

3.6 Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to the creation of any of the following in existing houses:

- a) 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.
- b) 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.
- c) One residential unit in a building or structure ancillary to an existing detached house, semi-detached house or rowhouse on a parcel of urban residential 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.

3.7 Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to the creation of any of the following in new residential buildings:

- a) 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
- b) 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

- c) One residential unit in a building or structure ancillary to a new detached house, semi-detached house or rowhouse on a parcel of urban residential 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

3.8 Exemption for Industrial Development:

3.8.1 Notwithstanding any other provision of this by-law, there shall be an exemption from the payment of development charges for one or more enlargements of an existing industrial building on its site, whether attached or separate from the existing industrial building, up to a maximum of fifty percent of the gross floor area before the first enlargement for which an exemption from the payment of development charges was granted pursuant to the Development Charges Act or this subsection. Development charges shall be imposed in accordance with this by-law with respect to the amount of the floor area of an enlargement that results in the gross floor area of the industrial building being increase by greater than fifty percent of the gross floor area of the existing industrial building.

3.8.2 If the gross floor area of an existing industrial building is enlarged by greater than 50 percent, the amount of the development charge payable in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:

- 1) determine the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement;
- 2) divide the amount determined under subsection 1) by the amount of the enlargement.

3.9 Other Exemptions/Reductions

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

- lands, buildings or structures used or to be used for a place of worship or for the purposes of a cemetery or burial ground exempt from taxation under the Assessment Act, R.S.O. 1990;



- the development of non-residential farm buildings constructed for bona fide farming uses;
- Non-profit Housing Development;
- Affordable Residential Units required pursuant to section 34 and 16(4) of the Planning Act (Inclusionary Zoning);
- Notwithstanding subsections 3.2 and 3.4, as of the date on which section 4.1 of the Act is proclaimed into force, the following shall be exempt from Development Charges:
 - (i) Affordable Residential Units; and
 - (ii) Attainable Residential Units

3.9.1 **Discounts for Rental Housing (for profit)**

The D.C. payable for rental housing developments, where the residential units are intended to be used as a rented residential premises will be reduced based on the number of bedrooms in each unit as follows:

- Three (3) or more bedrooms – 25% reduction;
- Two (2) bedrooms – 20% reduction; and
- Fewer than two (2) bedrooms – 15% reduction.

Amount of Charges

Residential

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

Non-Residential Uses

3.11 The development charges described in Schedule 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 calculated with respect to each of the services according to the gross floor area of the non-residential use.



Mandatory Phase-in

3.12 The amount of the development charges described in Schedule B to this by-law shall be reduced in accordance with the Act.

Reduction of Development Charges Where Redevelopment

3.13 Despite any other provision 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) In the case of a residential building or structure, or in the case of a mixed- use building or structure, the residential uses in the mixed- use building or structure, an amount calculated by multiplying the applicable development charge under Subsection 3.10 and of this by-law by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.
- b) In the case of a non-residential building or structure or, in the case of mixed-use building or structure, the non-residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charges under subsection 3.11 by the gross floor area that has been or will be demolished or converted to another principal use; provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

Time of Payment of Development Charges

3.14 Development charges imposed under this section are payable upon issuance of the first building permit with respect to each dwelling unit, building or structure.

3.15 Notwithstanding subsection 3.14 development charges for rental housing and institutional developments are due and payable in 6 equal annual payments commencing with the first instalment payable on the earlier of the date the first occupancy permit is granted or the date of first occupancy, and each subsequent instalment, including interest calculated in accordance with section 26.3 of the Act.

3.16 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, and the approval of the



application occurred within two years of building permit issuance, the development charges under subsections 3.11 and 3.12 shall be calculated on the rates set out in Schedule "B" on the date of the planning application, including interest in accordance with section 26.3 of the Act. Where both planning applications apply, development charges under subsections 3.10 and 3.11 shall be calculated on the rates, including interest in accordance with section 26.3 of the Act, payable on the anniversary date each year thereafter, set out in Schedule "B" on the date of the later planning application, including interest.

- 3.17 Despite sections 3.14 to 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.

4.0 PAYMENT BY SERVICES

- 4.1 Despite the payments required under Subsections 3.10 and 3.11, Council may, by agreement, give a credit towards a development charge in exchange for work that relates to a service for which a development charge is imposed under this by-law.

5.0 INDEXING

- 5.1 Development charges imposed pursuant to this by-law shall be adjusted annually, without amendment to this by-law, commencing on January 1, 2025 and each January 1 annually thereafter, in accordance with the Statistics Canada Quarterly Construction Price Statistics.

6.0 SCHEDULES

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

Schedule "A" - Components of Services Designated in Subsection 2.1

Schedule "B" - Residential and Non-Residential Development Charges

7.0 DATE BY-LAW IN FORCE

- 7.1 This by-law shall come into force upon passage.

8.0 DATE BY-LAW EXPIRES

- 8.1 This by-law will expire as of 10 years from the date of passage, unless it is repealed at an earlier date.

**READ A FIRST AND SECOND TIME THIS 10th DAY OF April, 2024.
READ A THIRD TIME AND FINALLY PASSED THIS 10th DAY OF April, 2024.
THE CORPORATION OF THE MUNICIPALITY OF DUTTON DUNWICH.**



Mike Hentz, Mayor

Tara Kretschmer, Clerk



SCHEDULE "A"

TO BY-LAW NO. 2024-XX

DESIGNATED MUNICIPAL SERVICES UNDER THIS BY-LAW

Services Related to a Highway

Roads

Bridges and Culverts

Facilities

Vehicles and Equipment

Fire Protection Services

Fire Stations

Fire Vehicles

Small Equipment and Gear

Parks and Recreation Services

Parkland Development

Parks Amenities

Park Vehicles and Equipment

Recreation Facilities



SCHEDULE "B"
TO BY-LAW 2024-XX
SCHEDULE OF DEVELOPMENT CHARGES

Services	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Studio and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Municipal Wide Services:						
Services Related to a Highway	5,318	4,162	3,316	1,951	1,951	4.31
Fire Protection Services	2,015	1,577	1,256	739	739	1.63
Parks and Recreation Services	2,132	1,668	1,329	782	782	0.41
Total Municipal Wide Services	9,465	7,407	5,901	3,472	3,472	6.35