



Addendum to 2024 Development Charges Background Study

Township of East Garafraxa

For Public Circulation and Comment

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Table of Contents

	Page
1. Background.....	1
2. Discussion	2
2.1 Refinements to Allocation for Parks and Recreation Services, Library Services, and Growth-Related Studies	2
2.2 Differentiated Charge for Single and Semi-Detached Residential Units.....	5
2.3 Phasing in Non-Residential D.C.s.....	6
2.3.1 Allocation Scenario 1	7
2.3.2 Allocation Scenario 2	9
3. Changes to the D.C.B.S.....	11
4. Process for Adoption of the D.C. By-law.....	13
Appendix A Amended Pages	A-1



1. Background

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

- June 27, 2024 – Release D.C.B.S. and draft by-law;
- July 16, 2024 – Release amended D.C.B.S.;
- July 23, 2024 – Public Meeting of Council;
- August 27, 2024 – Council Meeting for Current By-law Extension;
- September 24, 2024 – Council Meeting for Addendum Option Consideration;
- October 22, 2024 – Anticipated passage of the D.C. by-law; and
- October 22, 2024 – Anticipated date of by-law enactment.

The purpose of this addendum to the June 27, 2024 D.C.B.S., as amended on July 16, 2024 (June 27, 2024 D.C.B.S.), is to revise the allocation of costs to residential and non-residential development, to provide options for alternative charge structures and transition options for the implementation of the new charge, and to make minor housekeeping revisions.

For Parks and Recreation services, Library services, and Growth-Related Studies, the allocation of D.C. recoverable costs to residential and non-residential development has been revised. Furthermore, at the Public Meeting held on July 23, 2024, Council requested amendments to the June 27, 2024 D.C.B.S. to include options for differentiated charges for single and semi-detached residential units, and to provide options to phase-in the D.C.s for non-residential developments. This addendum provides options for the calculated D.C.s for single and semi-detached residential units, differentiated by the number of bedrooms. Additionally, the addendum also provides two options for phasing in the non-residential D.C.s: over five years and over ten years. The changes detailed in subsequent sections of this report will form part of the D.C.B.S. for Council's consideration and approval before adoption of the D.C. by-law.



2. Discussion

This section of the addendum report provides a detailed explanation of the refinements noted above.

2.1 Refinements to Allocation for Parks and Recreation Services, Library Services, and Growth-Related Studies

The June 27, 2024, D.C.B.S. noted that costs for Parks and Recreation and Library services had been allocated 95% to residential developments and 5% to non-residential development. Further review of the detailed costs as presented in Tables 5-2 and 5-3 of the D.C.B.S. show the costs were inadvertently allocated 79% to residential development and 21% to non-residential development. This resulted in understated charges for residential development and overstated charges for non-residential developments.

Updating the allocation of costs for Parks and Recreation and Library services also impacts the allocation of costs for the studies within the class of service for Growth-Related Studies that fully or partially relate to Parks and Recreation and Library services. Table 1 below presents the revised allocation of D.C.-recoverable costs between residential and non-residential development for the impacted services.

Table 1
Township of East Garafraxa
Residential/Non-Residential Share of D.C.-Recoverable Costs

Service/Class of Service	Total Development Charges Recoverable Costs	Residential Share	Non-Residential Share
Parks and Recreation	\$439,211	\$417,251	\$21,961
Library	\$107,920	\$102,524	\$5,396
Growth-Related Studies	\$559,810	\$461,316	\$98,494



Based on the changes outlined above, the amended schedule of charges is provided in Table 2 below.

Table 2
Township of East Garafraxa
Amended Schedule of Development Charges

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)	Wind Turbines
Township-Wide Services:						
Services Related to a Highway	21,490	15,811	11,857	5,894	8.30	21,490
Fire Protection Services	1,091	803	602	299	0.42	1,091
Parks and Recreation Services	3,275	2,410	1,807	898	0.25	-
Library Services	805	592	444	221	0.06	-
Township-Wide Class of Services:						
Growth-Related Studies	3,621	2,664	1,998	993	1.14	3,621
Total Township-Wide Services/Class of Services	\$30,282	\$22,280	\$16,708	\$8,305	\$10.17	\$26,202

By comparison to the charges presented in the June 27, 2024, D.C.B.S., the amended total D.C.s for a single/semi-detached residential unit increased by \$837 (from \$29,445 to \$30,282). The D.C.s for non-residential developments decreased by \$1.21 per square foot of gross floor area (from \$11.38 to \$10.17) and the charges for wind turbines increased by \$150 (from \$26,052 to \$26,202).

Table 3 presents a comparison of the revised charges to current charges and the charges in the June 27, 2024 D.C.B.S. for single/semi-detached residential units.



Table 3
Township of East Garafraxa
Comparison of Current, Calculated, and Amended D.C.s – Single/Semi-detached Dwelling

Services/Class of Services	Current	Calculated as per June 27, 2024 D.C.B.S.	Calculated as per Addendum Report
Township-Wide Services:			
Services Related to a Highway	12,776	21,490	21,490
Fire Protection Services	506	1,091	1,091
Parks and Recreation Services	1,792	2,724	3,275
Library Services	311	669	805
Township-Wide Class of Services:			
Growth-Related Studies	862	3,471	3,621
Total Township-Wide Services/Classes	\$16,246	\$29,445	\$30,282

Table 4 presents the D.C.s for non-residential developments (excluding wind turbines) on a per square foot of non-residential gross floor area basis. The table includes the current D.C.s as well as the charges that were provided in the June 27, 2024 D.C.B.S. and the amended calculated charges per this addendum. The amended calculated charges for non-residential developments, excluding wind turbines, total \$10.17 per square foot compared to \$11.38 in the June 27, 2024 D.C.B.S. This is due to the reduction in the charges for Parks and Recreation and Library services and Growth-Related Studies.



Table 4
Township of East Garafraxa
Comparison of Current, Calculated, and Amended D.C.s per Square Foot of Non-residential Gross Floor Area

Services/Class of Services	Current	Calculated as per June 27, 2024 D.C.B.S.	Calculated as per Addendum Report
Township-Wide Services/Classes:			
Services Related to a Highway	3.87	8.30	8.30
Fire Protection Services	0.16	0.42	0.42
Parks and Recreation Services	0.54	1.05	0.25
Library Services	0.10	0.26	0.06
Township-Wide Class of Services:			
Growth-Related Studies	0.26	1.35	1.14
Total Township-Wide Services/Classes	\$4.92	\$11.38	\$10.17

2.2 Differentiated Charge for Single and Semi-Detached Residential Units

Residential D.C.s are calculated on a per capita basis which is then multiplied by the average occupancy of the various unit types to calculate the charge per dwelling unit. The June 27, 2024 D.C.B.S. provided a uniform/blended charge for all single and semi-detached dwelling units. This uniform/blended charge, which is now referred to as Low Density Option 1, was calculated based on the blended occupancy rate for new single and semi-detached units constructed during the previous 15-year period.

In response to Council's request at the July 23, 2024 Public Meeting, two alternative rate structures that differentiate charges by the number of bedrooms, based on their underlying average occupancy level, have been prepared. Low Density Option 2 differentiates charges for units with three or less bedrooms, four bedrooms, and five or more bedrooms. Low Density Option 3 differentiates charges for units with four or less bedrooms and those for units with five or more bedrooms. The calculated D.C.s under the three options are presented in Table 5. Note that these rates also embrace the revisions noted in Section 2.1 above.



Table 5
Township of East Garafraxa
Options for Imposing D.C.s on Single and Semi-Detached Dwelling Units

Services/Class of Services	Low Density Option 1	Low Density Option 2			Low Density Option 3	
	Single/Semi-Detached Dwelling (Blended)	Single/Semi-Detached Dwelling - 3 Bedrooms or Less	Single/Semi-Detached Dwelling - 4 Bedrooms	Single/Semi-Detached Dwelling - 5+ Bedrooms	Single/Semi-Detached Dwelling - 4 Bedrooms or Less	Single/Semi-Detached Dwelling - 5+ Bedrooms
Township-Wide Services:						
Services Related to a Highway	21,490	15,232	22,465	25,192	18,704	25,192
Fire Protection Services	1,091	773	1,141	1,279	950	1,279
Parks and Recreation Services	3,275	2,321	3,424	3,839	2,850	3,839
Library Services	805	571	842	944	701	944
Township-Wide Class of Services:						
Growth-Related Studies	3,621	2,567	3,785	4,245	3,152	4,245
Total Township-Wide Services/Class of Services	\$30,282	\$21,464	\$31,657	\$35,499	\$26,357	\$35,499

As shown in Table 5, under Low Density Option 2, the D.C.s for a single or semi-detached dwelling unit would be \$21,464 for units with three or less bedrooms, \$31,657 for those with four bedrooms, and \$35,499 for units with five or more bedrooms. Similarly, the charges under Low Density Option 3 would be \$26,357 for units with four bedrooms or less and \$35,499 for those with five or more bedrooms. These amounts are in contrast to the amended \$30,282 blended/uniform charge (Low Density Option 1) presented above in Section 2.1.

Schedule B to the draft by-law currently reflects the three options of charges for single/semi-detached residential dwelling units. This schedule will need to be updated to reflect the rate structure option for selected by Council prior to by-law adoption.

2.3 Phasing in Non-Residential D.C.s

Due to the increase in calculated D.C.s presented at the July 23, 2024, Public Meeting, Council requested options to phase in the increase related to non-residential development to support economic development in the Township. The calculated charge is the maximum that can be imposed per square foot of non-residential gross floor area. The D.C.A. allows municipalities to impose less than the maximum D.C.s. however, any D.C. revenue forgone due to the reduction (including as a result of a phase-in) must be funded from non-D.C. sources, typically property taxes. It is noted that the phase-in



options are based on the revised non-residential D.C. rates as presented in Section 2.1 herein.

For Council's consideration, a five- and ten-year phase-in option has been prepared. Phasing in the charges over five years translates to a net annual increase of approximately \$1.05 per square foot (2024\$) over the existing D.C. rate for the first five years of the ten-year by-law term. The ten-year phase-in translates to a net annual increase of approximately \$0.53 per square foot over the existing rates for the term of the by-law. The D.C. rates presented in the phase-in analysis are denominated in 2024\$ and would be subject to the by-law's indexing provisions.

For both of the phase-in options, two scenarios have been developed to illustrate how the phase-in could be implemented by service/class of services. The following sections present the D.C.s for 2024 to 2033 across the two scenarios for both the five-year and ten-year phase-in periods.

If Council elects to phase-in the charges, Schedule B to the draft by-law would need to be updated to reflect the phase-in option and allocation scenario adopted by Council. It is also important to note that non-D.C. funding (e.g., property taxes) will need to be used to make up for the revenue loss resulting from the phase-in, as required by the D.C.A.

2.3.1 Allocation Scenario 1

In this allocation scenario, the calculated rates for all services/class of services would be phased-in proportionately. This means the Township will collect a portion of D.C.s for each service to assist in funding the capital program, until all rates are phased-in at 100% of the calculated rate.

Tables 6 and 7 below present the schedule of charges for 2024 to 2033 under the five-year and ten-year phase-in options.



Table 6
Township of East Garafraxa
Allocation Scenario 1 – Five-year Phase-in (2024\$)

Services/Class of Services	Current	Calculated D.C.	5-Year Phase-in Period					Calculated Charge in Effect				
			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Township-Wide Services/Classes:												
Services Related to a Highway	3.87	8.30	4.87	5.73	6.59	7.45	8.30	8.30	8.30	8.30	8.30	8.30
Fire Protection Services	0.16	0.42	0.25	0.29	0.33	0.38	0.42	0.42	0.42	0.42	0.42	0.42
Parks and Recreation Services	0.54	0.25	0.15	0.17	0.20	0.22	0.25	0.25	0.25	0.25	0.25	0.25
Library Services	0.10	0.06	0.04	0.04	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.06
Township-Wide Class of Services:												
Growth-Related Studies	0.26	1.14	0.67	0.79	0.90	1.02	1.14	1.14	1.14	1.14	1.14	1.14
Total Township-Wide Services/Classes	\$4.92	\$10.17	\$5.97	\$7.02	\$8.07	\$9.12	\$10.17	\$10.17	\$10.17	\$10.17	\$10.17	\$10.17
Increase (\$)		\$5.25	\$1.05	\$1.05	\$1.05	\$1.05	\$1.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

*Numbers may not add due to rounding

Table 7
Township of East Garafraxa
Allocation Scenario 1 – Ten-year Phase-in (2024\$)

Services/Class of Services	Current	Calculated D.C.	10-Year Phase-in Period									
			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Township-Wide Services/Classes:												
Services Related to a Highway	3.87	8.30	4.44	4.87	5.30	5.73	6.16	6.59	7.02	7.45	7.88	8.30
Fire Protection Services	0.16	0.42	0.22	0.25	0.27	0.29	0.31	0.33	0.35	0.38	0.40	0.42
Parks and Recreation Services	0.54	0.25	0.13	0.15	0.16	0.17	0.19	0.20	0.21	0.22	0.24	0.25
Library Services	0.10	0.06	0.03	0.04	0.04	0.04	0.04	0.05	0.05	0.05	0.06	0.06
Township-Wide Class of Services:												
Growth-Related Studies	0.26	1.14	0.61	0.67	0.73	0.79	0.85	0.90	0.96	1.02	1.08	1.14
Total Township-Wide Services/Classes	\$4.92	\$10.17	\$5.45	\$5.97	\$6.50	\$7.02	\$7.55	\$8.07	\$8.60	\$9.12	\$9.65	\$10.17
Increase (\$)		\$5.25	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53

*Numbers may not add due to rounding



2.3.2 Allocation Scenario 2

In Allocation Scenario 2, the Township would direct the phased-in amount to specific services/class of services until the full calculated charges are realized. For example, the Township could direct the phased-in amount to Services Related to a Highway only until 100% of that calculated charge is collected then phase-in the charges for Fire Protection, Growth-related Studies, Parks and Recreation, and Library services as shown in Table 8 (five-year phase-in) and Table 8 (ten-year phase-in) below. This allocation scenario provides an example whereby, D.C. collections are prioritized for Services Related to a Highway followed by Fire Protection and Growth-related Studies, and then finally the other services, however, Council should provide direction on the priority order of services to be recovered.



Table 8
Township of East Garafraxa
Scenario 2 –Five-year Phase-in (2024\$)

Services/Class of Services	Current	Calculated D.C.	5-Year Phase-in Period					Calculated Charge in Effect				
			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Township-Wide Services/Classes:												
Services Related to a Highway	3.87	8.30	5.97	7.02	8.07	8.30	8.30	8.30	8.30	8.30	8.30	8.30
Fire Protection Services	0.16	0.42	-	-	-	0.42	0.42	0.42	0.42	0.42	0.42	0.42
Parks and Recreation Services	0.54	0.25	-	-	-	-	0.25	0.25	0.25	0.25	0.25	0.25
Library Services	0.10	0.06	-	-	-	-	0.06	0.06	0.06	0.06	0.06	0.06
Township-Wide Class of Services:												
Growth-Related Studies	0.26	1.14	-	-	-	0.40	1.14	1.14	1.14	1.14	1.14	1.14
Total Township-Wide Services/Classes	\$4.92	\$10.17	\$5.97	\$7.02	\$8.07	\$9.12	\$10.17	\$10.17	\$10.17	\$10.17	\$10.17	\$10.17
Increase (\$)			\$1.05	\$1.05	\$1.05	\$1.05	\$1.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

*Numbers may not add due to rounding

Table 9
Township of East Garafraxa
Scenario 3 – Ten-year Phase-in (2024\$)

Services/Class of Services	Current	Calculated D.C.	10-Year Phase-in Period									
			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Township-Wide Services/Classes:												
Services Related to a Highway	3.87	8.30	5.45	5.97	6.50	7.02	7.55	8.07	8.30	8.30	8.30	8.30
Fire Protection Services	0.16	0.42	-	-	-	-	-	-	0.30	0.42	0.42	0.42
Parks and Recreation Services	0.54	0.25	-	-	-	-	-	-	-	-	-	0.25
Library Services	0.10	0.06	-	-	-	-	-	-	-	-	-	0.06
Township-Wide Class of Services:												
Growth-Related Studies	0.26	1.14	-	-	-	-	-	-	-	0.41	0.94	1.14
Total Township-Wide Services/Classes	\$4.92	\$10.17	\$5.45	\$5.97	\$6.50	\$7.02	\$7.55	\$8.07	\$8.60	\$9.13	\$9.66	\$10.17
Increase (\$)			\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.51

*Numbers may not add due to rounding



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

Based on the foregoing, the following revisions are made to the June 27, 2024, D.C.B.S., as amended.

Accordingly, the amended pages are appended to this report.

Page Reference	Description of Revisions
Table of Contents	Updated to reflect the changes summarized below.
Executive Summary (pages iii to ix)	Updated to reflect the revised charges, rate structure options for single/semi-detached residential dwelling units, and addition of Appendix H to provide phase-in options.
1-3	Updated text and Figure 1-1 related to the D.C. process, including the release date of this addendum, and legislative changes.
2-1	Updated the expiration date for D.C. By-law 32-2019.
3-6	Updated occupancy rates for single/semi-detached residential dwelling units by number of bedrooms.
5-4 to 5-6	Updated text to reflect the allocation of costs to residential and non-residential development for Parks and Recreation, Library, and Growth-Related Studies
5-8 to 5-10	Updated Tables 5-3 to 5-6 to reflect the allocation of costs to residential and non-residential development for Parks and Recreation, Library, and Growth-Related Studies
6-1 to 6-4	Chapter 6 updated to include the refinements described in Chapter 5 and to calculate differentiated charges for single/semi-detached residential dwelling units. Updates to page numbering.
Page 7-3	Updated data period for historical occupancy rates.
Page 7-9	Updated to reflect this addendum to the D.C. Background Study



Page Reference	Description of Revisions
F-4 to F-5	Updated text and Table F-1 to reflect the revised annual debt payment on post period capital.
G-20 to G-23	Updated by-law passage date and Schedule B in draft by-law to reflect the revised schedule of charges.
Appendix H	Added Appendix H which outlines the options for imposing D.C.s on single/semi-detached residential dwelling units and phasing in the D.C.s for non-residential developments (excluding wind turbines).



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

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

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

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



Appendix A

Amended Pages



Appendix A: Amended Pages

Table of Contents

	Page
Executive Summary	i
1. Introduction.....	1-1
1.1 Purpose of this Document.....	1-1
1.2 Summary of the Process.....	1-2
1.3 Changes to the <i>Development Charges Act, 1997</i>	1-3
1.3.1 Bill 108: More Homes, More Choice Act, 2019	1-4
1.3.2 Bill 138: Plan to Build Ontario Together Act, 2019	1-4
1.3.3 Bill 197: COVID-19 Economic Recovery Act, 2020	1-5
1.3.4 Bill 213: Better for People, Smarter for Business Act, 2020	1-6
1.3.5 Bill 109: More Homes for Everyone Act, 2022	1-7
1.3.6 Bill 23: More Homes Built Faster Act, 2022.....	1-7
1.3.7 Bill 97: Helping Homebuyers, Protecting Tenants Act, 2023... ..	1-10
1.3.8 Bill 134: Affordable Homes and Good Jobs Act, 2023	1-10
1.3.9 Bill 185: Cutting Red Tape to Build More Homes Act, 2024....	1-14
2. Township of East Garafraxa’s Current Development Charge Policy	2-1
2.1 Schedule of Charges	2-1
2.2 Services Covered	2-1
2.3 Timing of Development Charge Calculation and Payment	2-1
2.4 Approvals for Development.....	2-2
2.5 Indexing	2-2
2.6 Redevelopment Allowance	2-2
2.7 Exemptions	2-2
2.8 Current Development Charges	2-3
3. Anticipated Development in the Township of East Garafraxa.....	3-1
3.1 Requirement of the Act	3-1
3.2 Basis of Population, Household and Non-Residential Gross Floor Area Forecast	3-1
3.3 Summary of Growth Forecast	3-2



Table of Contents (Cont'd)

	Page
4. The Approach to the Calculation of the Charge	4-1
4.1 Introduction	4-1
4.2 Services Potentially Involved	4-1
4.3 Increase in the Need for Service.....	4-1
4.4 Local Service Policy.....	4-5
4.5 Capital Forecast.....	4-6
4.6 Treatment of Credits	4-6
4.7 Class of Services	4-7
4.8 Existing Reserve Funds	4-7
4.9 Deductions.....	4-8
4.9.1 Reduction Require by Historical Level of Service Ceiling	4-9
4.9.2 Reduction for Uncommitted Excess Capacity	4-9
4.9.3 Reduction for Benefit to Existing Development	4-10
4.9.4 Reduction for Anticipated Grants, Subsidies, and Other Contributions.....	4-11
4.10 Township-Wide vs. Area-Specific	4-11
4.11 Allocation by Type of Development	4-11
4.12 Asset Management.....	4-12
5. Development Charge Eligible Cost Analysis by Service and Class of Services	5-1
5.1 Introduction	5-1
5.2 Service Levels and 10-Year Capital Costs for Township-wide Development Charge Services and Class of Services Calculation	5-1
5.2.1 Services Related to a Highway	5-1
5.2.2 Fire Protection Services.....	5-2
5.2.3 Parks and Recreation Services.....	5-3
5.2.4 Library Services	5-4
5.2.5 Growth-Related Studies (Class of Services).....	5-5
6. Development Charge Calculation	6-1
7. Development Charge Policy Recommendations and By-law Rules	7-1
7.1 Introduction	7-1
7.2 Development Charge By-law Structure.....	7-2
7.3 Development Charge By-law Rules	7-2
7.3.1 Payment in any Particular Case.....	7-2
7.3.2 Determination of the Amount of the Charge.....	7-2
7.3.3 Application to Redevelopment of Land (Demolition and Conversion).....	7-3
7.3.4 Exemptions	7-4
7.3.5 Timing of Collection	7-5



Table of Contents (Cont'd)

	Page
7.3.6 Indexing	7-6
7.3.7 Development Charge Spatial Applicability	7-6
7.4 Other Development Charge By-law Provisions	7-7
7.4.1 Categories of Services for Reserve Fund and Credit Purposes	7-7
7.4.2 Categories for Class of Services for Reserve Fund and Credit Purposes	7-8
7.4.3 By-law In-force Date	7-8
7.4.4 Minimum Interest Rate Paid on Refunds and Charged for Inter-Reserve Fund Borrowing	7-8
7.5 Other Recommendations	7-9
8. By-law Implementation	8-1
8.1 Public Consultation Process	8-1
8.1.1 Introduction	8-1
8.1.2 Public Meeting of Council.....	8-1
8.1.3 Other Consultation Activity	8-1
8.1.4 Anticipated Impact of the Charge on Development.....	8-2
8.2 Implementation Requirements	8-3
8.2.1 Introduction	8-3
8.2.2 Notice of Passage.....	8-3
8.2.3 By-law Pamphlet	8-3
8.2.4 Appeals.....	8-4
8.2.5 Complaints	8-4
8.2.6 Credits	8-5
8.2.7 Front-Ending Agreements.....	8-5
8.2.8 Severance and Subdivision Agreement Conditions	8-5
Appendix A Background Information on Residential and Non-Residential Growth Forecast	A-1
Appendix B Level of Service	B-1
Appendix C Long-Term Capital and Operating Cost Examination	C-1
Appendix D Development Charge Reserve Fund Policy	D-1
Appendix E Local Service Policy	E-1
Appendix F Asset Management Plan.....	F-1
Appendix G Proposed Development Charge By-law	G-1
Appendix H Low-Density Residential Charge Structure and Non- Residential Charge Phase-in Options.....	H-1



- Maximum interest rate for installments and the determination of D.C.s for eligible site plan and zoning by-law amendment applications set at the average prime rate plus 1%;
- Statutory D.C. exemptions for additional residential units (up to a third dwelling unit), affordable units, attainable units, affordable inclusionary zoning units, non-profit housing, and universities receiving ongoing funding from the Province;
- Mandatory D.C. discount for rental housing, based on the number of bedrooms within a dwelling unit;
- Term of a D.C. by-law extended from 5 years to 10 years;
- Requirement for municipalities to spend or allocate at least 60% of their D.C. reserve fund at the beginning of the year for water, wastewater, and services related to a highway;
- Requirements related to the annual D.C. reserve fund Treasurer's statement;
- Provision to allow minor amendments to D.C. by-laws concerning by-law expiry dates; and
- D.C. public notice requirements.

(d) The growth forecast (provided in Chapter 3), summarized in Table ES-1, on which the D.C. is based, projects the following population, housing, and non-residential employment and associated gross floor area (G.F.A.) for the 10-year (mid-2024 to mid-2033) forecast period.

Table ES-1
Township of East Garafraxa
Summary of Anticipated Township-Wide D.C. Residential and
Non-Residential Development

Measure	10 Year Mid-2024 to Mid-2033
(Net) Population Increase	374
(Gross) Population Increase in New Households*	511
Residential Unit Increase	130
Non-Residential Employment Increase	100
Non-Residential Gross Floor Area Increase (sq.ft.)	87,600



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

In total, gross capital costs of approximately \$52 million are forecasted for the 10-year by-law term. These capital costs have been identified through discussion with staff. A portion of these capital costs, approximately \$1.91 million, relate to the needs of growth beyond the forecast period. These costs are not included in the D.C. calculation, however, will be considered in future D.C. studies. Other deductions that include the proportionate shares from other municipalities include approximately \$27.47 million, and a cost of approximately \$17.85 million has been deducted for the benefit to the existing community.

The resultant net D.C.-recoverable costs included in the calculations for capital works anticipated over the 10-year forecast period totals \$4,748,504 of which \$3,857,925 is attributed to the forecast residential development and \$890,579 allocated to the forecast non-residential development.

Table ES-2
Township of East Garafraxa
Summary of Costs Anticipated During the Term of the By-law

Description	Value (2024\$)
Total gross expenditures planned over the next 10 years	\$51,944,200
Less: benefit to existing development	\$17,814,796
Less: post planning period benefit	\$1,912,600
Less: deductions related to contributions from other municipalities	\$27,468,300
Net costs to be recovered from D.C.s. over the term of the by-law	\$4,748,504



(f) At present, the Township imposes D.C.s on residential developments in accordance with By-Law 32-2019. The Township is undertaking a D.C. public process and anticipates passing a new D.C. by-law for the services identified in the D.C. Background Study. The statutory mandatory public meeting has been set for July 23, 2024, with adoption of the D.C. by-law anticipated for October 22, 2024.

This report provides the calculations of the residential and non-residential charges to recover the capital costs of the anticipated increase in need for services arising from the forecast development (summarized in Schedule ES-3). The following services are calculated based on a Township-wide 10-year forecast period:

- Services Related to a Highway;
- Fire Protection Services;
- Parks and Recreation Services;
- Library Services; and
- Growth-related Studies (class of service).

(g) D.C.s for single/semi-detached dwelling units within the Township have been calculated on a uniform basis (blended rate) as well as categorized by the number of bedrooms. Three different options for imposing the charge for single/semi-detached dwelling units have been developed for consideration by Council. Council will decide the charging parameter at the time of by-law passage. The calculated charges and charging structures are:

- Option 1:
 - Single/Semi-detached Dwelling – uniform/blended: \$30,282
- Option 2:
 - Single/Semi-detached Dwelling – 3 or less bedrooms \$21,464
 - Single/Semi-detached Dwelling – 4 bedrooms \$31,657
 - Single/Semi-detached Dwelling – 5 or more bedrooms \$35,499
- Option 3
 - Single/Semi-detached Dwelling – 4 or less bedrooms \$26,357
 - Single/Semi-detached Dwelling – 5 or more bedrooms \$35,499



- (h) The calculated non-residential charge for developments is \$10.17 per sq.ft. of G.F.A. and the calculated D.C. for a wind turbine is \$26,202.
- (i) Table ES-3 provides the calculated D.C.s for residential developments by service and class of services. The table presents the charges for single/semi-detached dwelling units under the three options. The rate structure options that Council will be considering are discussed in detail in Appendix H. The by-law will reflect the rate structure option adopted by Council.
- (j) Table ES-3 also provides the calculated D.C.s for non-residential developments by service and class of services. Options to phase-in the charges over five or ten years are discussed in Appendix H.



Table ES-3
Township of East Garafraxa
Calculated Schedule of Development Charges

Services/Class of Services	RESIDENTIAL									NON-RESIDENTIAL	
	Low Density Option 1	Low Density Option 2			Low Density Option 3		Other Multiples	Apartments		(per sq.ft. of Gross Floor Area)	Wind Turbines
	Single/Semi-Detached Dwelling (Blended)	Single/Semi-Detached Dwelling - 3 Bedrooms or Less	Single/Semi-Detached Dwelling - 4 Bedrooms	Single/Semi-Detached Dwelling - 5+ Bedrooms	Single/Semi-Detached Dwelling - 4 Bedrooms or Less	Single/Semi-Detached Dwelling - 5+ Bedrooms		Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom		
Township-Wide Services:											
Services Related to a Highway	21,490	15,232	22,465	25,192	18,704	25,192	15,811	11,857	5,894	8.30	21,490
Fire Protection Services	1,091	773	1,141	1,279	950	1,279	803	602	299	0.42	1,091
Parks and Recreation Services	3,275	2,321	3,424	3,839	2,850	3,839	2,410	1,807	898	0.25	-
Library Services	805	571	842	944	701	944	592	444	221	0.06	-
Township-Wide Class of Services:											
Growth-Related Studies	3,621	2,567	3,785	4,245	3,152	4,245	2,664	1,998	993	1.14	3,621
Total Township-Wide Services/Class of Services	\$30,282	\$21,464	\$31,657	\$35,499	\$26,357	\$35,499	\$22,280	\$16,708	\$8,305	\$10.17	\$26,202



(k) Tables ES-4 and ES-5 provide a comparison of the D.C.s currently imposed in the Township and the calculated charges herein. These comparisons are provided for a single detached residential dwelling unit (based on the uniform/blended charge) and non-residential development on a per sq.ft. of G.F.A., respectively.

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

Services/Class of Services	Current	Calculated
Township-Wide Services:		
Services Related to a Highway	12,776	21,490
Fire Protection Services	506	1,091
Parks and Recreation Services	1,792	3,275
Library Services	311	805
Township-Wide Class of Services:		
Growth-Related Studies	862	3,621
Total Township-Wide Services/Classes	\$16,246	\$30,282

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

Services/Class of Services	Current	Calculated
Township-Wide Services/Classes:		
Services Related to a Highway	3.87	8.30
Fire Protection Services	0.16	0.42
Parks and Recreation Services	0.54	0.25
Library Services	0.10	0.06
Township-Wide Class of Services:		
Growth-Related Studies	0.26	1.14
Total Township-Wide Services/Classes	\$4.92	\$10.17

(l) Chapter 7 herein, provides the D.C. by-law policy recommendations and rules that govern the imposition of the charges. Council will consider the findings and



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

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

Options to phase-in the charge for non-residential developments (excluding wind turbines) are provided in Appendix H. The D.C.A. does not allow for D.C. revenue foregone as a result of an exemption or reduction in the charge to be made up through higher D.C.s on other development. As such, any decision to provide further exemptions or reductions should consider alternative funding sources to address the foregone revenue.



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

Process Steps	Dates
Data collection, growth forecast development, staff review, engineering work, D.C. calculations and policy work	Early to mid-2024
Public release of final D.C. Background study and proposed by-law	June 27, 2024
Public meeting notice provided as per the D.C.A.	By 21 days prior to the Public Meeting
Public release of D.C. Background Study amended to correct the public meeting date	July 16, 2024
Public meeting of Council	July 23, 2024
Council meeting to extend current by-law	August 27, 2024
Public release of addendum to D.C. Background Study	September 6, 2024
Additional Council meeting	September 24, 2024
Council considers adoption of background study and passage of by-law	October 22, 2024
Notice given of by-law passage	By 20 days after passage
Last day for by-law appeal	40 days after passage
Township makes pamphlet available (where by-law not appealed)	By 60 days after in force date

1.3 Changes to the *Development Charges Act, 1997*

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

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



2. Township of East Garafraxa's Current Development Charge Policy

2.1 Schedule of Charges

On August 20, 2019, the Township passed By-law 32-2019 under the D.C.A. to impose D.C.s for residential and non-residential uses. The D.C. by-law is set to expire on August 31, 2024.

2.2 Services Covered

The following services are covered under By-law 32-2019:

- Transportation Services;
- Fire services;
- Parks and recreation services;
- Library services; and
- Administration studies.

The by-law imposes D.C.s for all services on a Township-wide basis and no area-specific D.C.s are in place.

The by-law charges specific services based on the categorization of Transportation Services, Fire Services, and administration studies to wind turbines.

2.3 Timing of Development Charge Calculation and Payment

D.C.s are calculated and payable in full at the time the first building permit is issued in relation to a building or structure on land to which a D.C. applied. Building permits are not issued until the D.C.s are paid in full for lands to which a building permit is required. Township Council may, under agreement, give a credit towards a D.C. in exchange for work that related to a service to which a D.C. relates to under By-law 32-2019.



medium and high density P.P.U. data was derived from the County of Dufferin, which includes the Township of East Garafraxa 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. Forecast 15-year average P.P.U.s by dwelling type are as follows:

- Low density: 4.011
 - 3 bedrooms or less 2.843
 - 4 bedrooms 4.193
 - 4 bedrooms or less 3.491
 - 5 or more bedrooms 4.702
- Medium density: 2.951
- High density: 2.065
- Existing Units and Population Change (Appendix A - Schedules 2 and 3):
 - Existing households for mid-2024 are based on the 2021 Census households, plus estimated residential units constructed between mid-2021 to the beginning of the growth period, assuming a minimum six-month lag between construction and occupancy (see Schedule 2).
 - The change in average occupancy levels for existing housing units is calculated in Schedules 2 through 3.¹ The forecast population change in existing households over the mid-2024 to mid-2034 forecast period is forecast to decline by approximately 140.
- Employment (Appendix A – Schedules 7a and 7b):
 - The employment projections provided herein are largely based on the activity rate method, which is defined as the number of jobs in the Township divided by the number of residents. Key employment sectors include primary, industrial, commercial/population-related, institutional, and work at home, which are considered individually below.

¹ 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.



related to the proportion of capital costs attributable to the Township of Grand Valley and Town of Amaranth of approximately \$3 million, has been made. As a result, \$439,211 has been included in the calculation of the charge.

As the predominant users of parks and recreation services tend to be residents of the Township, the forecast D.C.-recoverable costs have been allocated 95% to future residential development and 5% to future non-residential development. Therefore, \$417,251, and \$21,961 has been allocated to residential and non-residential developments, respectively.

5.2.4 Library Services

Similar to fire protection services, the Township shares library services with the Township of Grand Valley and Town of Amaranth out of the facility located in Grand Valley. The Township's current proportionate share of capital costs is approximately 11%. As a result, this provides 484 sq.ft. of library space is attributable to the Township. Similarly, the library collection materials are also shared and as a result, the Township provides for 2,500 collection items, including books, periodicals, database subscriptions, etc. for use to its residents. Based on the level of investment, the average level of service provided has been \$289 per capita. In total, the maximum D.C.-eligible amount for library services over the 10-year forecast period is \$108,056.

Table 5-4 provides the capital program for library services for the 10-year forecast period. Capital projects related to provisional items including additional space at the Grand Valley's library along with the additional collection materials have been included. The gross capital cost of the projects is \$18.2 million. Deductions related to growth in the post 10-year period of \$1.2 million and the costs that benefit the existing development of \$731,000 have been made. Further, a deduction for approximately \$16.14 million has been made related to the contributions from the Township of Grand Valley and Town of Amaranth to recognize their contributions to the library services expansion requirements. Finally, a deduction of \$14,980 has been made to recognize the existing D.C. reserve fund balance. As a result, the total D.C.-recoverable cost included in the calculation of the charge is \$107,920.

Similar to parks and recreation services, the forecast D.C.-recoverable costs have been allocated 95% to residential development and 5% to non-residential development.



Therefore, approximately \$102,524, and \$5,396 have been allocated to future residential and non-residential development types, respectively.

5.2.5 Growth-Related Studies (Class of Services)

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

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

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

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

The following provides a list of the studies that have been identified for the 10-year forecast period:

- Development Charge Studies;
- Official Plans;
- Zoning By-laws;
- Asset Management Plans;
- Roads Needs Study;
- OSIM Bridges Reports;
- Bridge Inspection Study;



- Grand Valley Fire Master Plan (Township share);
- Public Works Facility Feasibility Study; and
- Parks, Recreation, and Culture Master Plan.

The list of growth-related studies, as provided in Table 5-5, has an estimated gross capital cost of approximately \$1.59 million. Deductions related to non-D.C. eligible services of \$87,500 and the benefit to existing development of \$858,390 have been made. Further, a deduction related to the existing D.C. reserve fund of \$28,390, has been made. Therefore, the net D.C. recoverable cost of \$559,810 has been included for calculation purposes. Table 5-5 provides the summary of the class of services for growth-related studies.

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

- Services Related to a Highway – 83%;
- Fire Protection Services – 4%;
- Parks and Recreation Services – 10%; and
- Library Services – 3%.

The allocation of the net growth-related costs between residential and non-residential development is based on the residential and non-residential allocations for each service area and are presented in Table 5-6 (i.e. 82% residential and 18% non-residential).



Table 5-3
Township of East Garafraxa
Infrastructure Costs Included in the Development Charge Calculation
For Parks and Recreation Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development 2024 to 2033	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 95%	Non-Residential Share 5%
1	Addition to Community Centre (4,000 sq.ft.) located in Grand Valley (East Garafraxa's Share)	2024-2034	3,492,000	-	2,997,300	494,700	-	-	494,700	469,965	24,735
2	Reserve Adjustment			-	-	-	55,489	-	(55,489)	(52,714)	(2,774)
	Total		\$3,492,000	\$0	\$2,997,300	\$494,700	\$55,489	\$0	\$439,211	\$417,251	\$21,961

Table 5-4
Township of East Garafraxa
Infrastructure Costs Included in the Development Charge Calculation
For Library Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development 2024 to 2033	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 Additional Space at Grand Valley Library (East Garafraxa's Share)	18,152,800	1,192,700	16,136,500	823,600	731,100	-	92,500	87,875	4,625
2	Provision for Additional Collection Materials	30,400	-	-	30,400	-	-	30,400	28,880	1,520
3	Reserve Fund Adjustment	-	-	-	-	14,980	-	(14,980)	(14,231)	(749)
	Total	\$18,183,200	\$1,192,700	\$16,136,500	\$854,000	\$746,080	\$0	\$107,920	\$102,524	\$5,396



Table 5-5
Township of East Garafraxa
Infrastructure Costs Included in the Development Charge Calculation
For Growth-Related Studies Class of Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2024 to 2033											
1	D.C. Background Study	2024	All Services	30,000	-	-	30,000	-	-	30,000	24,327	5,673
2	D.C. Background Study	2033	All Services	30,000	-	-	30,000	-	-	30,000	24,327	5,673
3	Official Plan	2033	All Services	200,000	-	20,000	180,000	90,000	-	90,000	72,981	17,019
4	Official Plan	2033	All Services	200,000	-	20,000	180,000	90,000	-	90,000	72,981	17,019
5	Zoning By-Law	2026	All Services	200,000	-	20,000	180,000	90,000	-	90,000	72,981	17,019
6	Zoning By-Law	2031	All Services	200,000	-	20,000	180,000	90,000	-	90,000	72,981	17,019
7	Asset Management Plan	2024-2034	Water Services	120,000	-	-	120,000	106,300	-	13,700	10,823	2,877
8	Asset Management Plan	2024-2034	Parks and Recreation Services	120,000	-	-	120,000	106,300	-	13,700	13,015	685
9	Asset Management Plan	2024-2034	Stormwater Services	120,000	-	-	120,000	106,300	-	13,700	10,823	2,877
10	Roads Needs Study	2030	Services Related to a Highway	60,000	-	-	60,000	30,000	-	30,000	23,700	6,300
11	OSIM Bridges Report	2025	Services Related to a Highway	15,000	-	-	15,000	13,300	-	1,700	1,343	357
12	OSIM Bridges Report	2027	Services Related to a Highway	15,000	-	-	15,000	13,300	-	1,700	1,343	357
13	OSIM Bridges Report	2029	Services Related to a Highway	15,000	-	-	15,000	13,300	-	1,700	1,343	357
14	OSIM Bridges Report	2031	Services Related to a Highway	15,000	-	-	15,000	13,300	-	1,700	1,343	357
15	OSIM Bridges Report	2033	Services Related to a Highway	15,000	-	-	15,000	13,300	-	1,700	1,343	357
16	Grand Valley Fire Master Plan (Township share)	2024	Fire Protection Services	700	-	-	700	200	-	500	395	105
17	Public Works Facility Feasibility Study	2027	Services Related to a Highway	75,000	-	-	75,000	37,500	-	37,500	29,625	7,875
18	Parks, Recreation, and Culture Master Plan	2025-2026	Parks and Recreation Services	75,000	-	7,500	67,500	16,900	-	50,600	48,070	2,530
19	Reserve Fund Adjustment		All Services	-	-	-	-	28,390	-	(28,390)	(22,428)	(5,962)
	Total			\$1,505,700	\$0	\$87,500	\$1,418,200	\$858,390	\$0	\$559,810	\$461,316	\$98,494



Table 5-6
Infrastructure Costs Covered in the D.C. Calculation – Growth-Related Studies –
Residential/Non-Residential Shares

Services	Total	Residential Share	Non-Residential Share
Services Related to a Highway	402,902	319,046	83,856
Fire Protection Services	17,268	13,674	3,593
Parks and Recreation Services	103,259	98,151	5,108
Library Services	10,313	9,801	511
Water Services	13,034	10,321	2,713
Stormwater Services	13,034	10,321	2,713
Total	\$559,810	\$461,316	\$98,494
Growth Studies Class of Services Residential/Non-Residential %		82%	18%



6. Development Charge Calculation

Tables 6-1 calculate the proposed D.C.s to be imposed on development for all Township-wide services over the 10-year forecast period. The D.C. eligible costs for each service were determined in Chapter 5 for all Township-wide services, based on their associated capital programs.

The calculation for residential development is generated on a per capita basis and is based upon eight (8) forms of housing types:

- Single/Semi-detached Dwelling – uniform/blended;
- Single/Semi-detached Dwelling – 3 or less bedrooms;
- Single/Semi-detached Dwelling – 4 bedrooms;
- Single/Semi-detached Dwelling – 5 or more bedrooms;
- Single/Semi-detached Dwelling – 4 or less bedrooms;
- Other Multiples;
- Apartments - 2 or more bedrooms;
- Apartments - Bachelor and 1 Bedroom.

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The residential D.C. recoverable capital cost calculations set out in Chapter 5 are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units (Appendix A, Schedule 7) to calculate the charges in Table 6-1. Wind Turbines are deemed to be equivalent to a residential single detached unit as it relates to Services Related to a Highway, Fire Protection Services, and Growth-Related Studies only.

The non-residential D.C. has been calculated on a uniform per sq.ft. of G.F.A. basis for all types of non-residential development (industrial, commercial, and institutional).

Table 6-2 provides the schedule of calculated charges for all services by type of development. The schedule includes three options for imposing the D.C.s for single/semi-detached residential dwelling units:

- Low Density Option 1 imposes a uniform charge regardless of the number of bedrooms based on the blended occupancy rate.



- Low Density Option 2 differentiates charges for units with three or less bedrooms, four bedrooms, and five or more bedrooms.
- Low Density Option 3 differentiates charges for units with four or less bedrooms and those for units with five or more bedrooms.

Additional discussion on these rate structure options is provided in Appendix H. Council will consider the preferred rate structure as part of the by-law adoption process.

Table 6-3 summarizes the gross capital expenditures and sources of revenue for works to be undertaken during the 10-year life of the by-law.

Table 6-1
Township of East Garafraxa
Township-Wide D.C. Calculation for the 10-year Forecast Period

SERVICES/CLASS OF SERVICES	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U. (Blended)	per sq.ft.
	\$	\$	\$	\$
1 <u>Services Related to a Highway</u>				
1.1 Roads and Related, Bridges and Culverts	2,737,785	727,766	21,490	8.30
2 <u>Fire Protection Services</u>				
2.1 Fire facilities, vehicles & equipment	139,051	36,963	1,091	0.42
3 <u>Parks and Recreation Services</u>				
3.1 Facilities, vehicles and equipment	417,251	21,961	3,275	0.25
4 <u>Library Services</u>				
4.1 Library facilities and collection materials	102,524	5,396	805	0.06
5 Growth-Related Studies	461,316	98,494	3,621	1.14
TOTAL	\$3,857,925	\$890,579	\$30,282	\$10.17
D.C.-Eligible Capital Cost	\$3,857,925	\$890,579		
Buildout Gross Population/GFA Growth (sq.ft.)	511	87,600		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$7,549.76	\$10.17		
By Residential Unit Type				
	P.P.U.			
Single/Semi-Detached Dwelling (Blended)	4.011	\$30,282		
Single/Semi-Detached Dwelling - 3 Bedrooms or Less	2.843	\$21,464		
Single/Semi- Detached Dwelling - 4 Bedrooms	4.193	\$31,656		
Single/Semi- Detached Dwelling - 5+ Bedrooms	4.702	\$35,499		
Single/Semi-Detached Dwelling - 4 Bedrooms or Less	3.491	\$26,356		
Other Multiples	2.951	\$22,279		
Apartments - 2 Bedrooms +	2.213	\$16,708		
Apartments - Bachelor and 1 Bedroom	1.100	\$8,305		



Table 6-2
Township of East Garafraxa
Calculated Schedule of Development Charges by Service and Class of Services

Services/Class of Services	Low Density Option 1	Low Density Option 2			Low Density Option 3		Other Multiples	Apartments		(per sq.ft. of Gross Floor Area)	Wind Turbines
	Single/Semi-Detached Dwelling (Blended)	Single/Semi-Detached Dwelling - 3 Bedrooms or Less	Single/Semi-Detached Dwelling - 4 Bedrooms	Single/Semi-Detached Dwelling - 5+ Bedrooms	Single/Semi-Detached Dwelling - 4 Bedrooms or Less	Single/Semi-Detached Dwelling - 5+ Bedrooms		Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom		
Township-Wide Services:											
Services Related to a Highway	21,490	15,232	22,465	25,192	18,704	25,192	15,811	11,857	5,894	8.30	21,490
Fire Protection Services	1,091	773	1,141	1,279	950	1,279	803	602	299	0.42	1,091
Parks and Recreation Services	3,275	2,321	3,424	3,839	2,850	3,839	2,410	1,807	898	0.25	-
Library Services	805	571	842	944	701	944	592	444	221	0.06	-
Township-Wide Class of Services:											
Growth-Related Studies	3,621	2,567	3,785	4,245	3,152	4,245	2,664	1,998	993	1.14	3,621
Total Township-Wide Services/Class of Services	\$30,282	\$21,464	\$31,657	\$35,499	\$26,357	\$35,499	\$22,280	\$16,708	\$8,305	\$10.17	\$26,202



Table 6-3
Township of East Garafraxa
Gross Expenditure and Sources of Revenue Summary for Costs
to be Incurred over the 10-Year Life of the By-law for all Services/Class of Services

Services/Class of Services	Total Gross Cost	Sources of Financing					
		Tax Base or Other Non-D.C. Source			Post D.C. Period Benefit	D.C. Reserve Fund	
		Other Deductions	Benefit to Existing	Other Funding		Residential	Non-Residential
1 Services Related to a Highway 1.1 Roads and Related, Bridges and Culverts	19,155,500	0	15,689,950	0	0	2,737,785	727,766
2 Fire Protection Services 2.1 Fire facilities, vehicles & equipment	9,607,800	8,247,000	464,887	0	719,900	139,051	36,963
3 Parks and Recreation Services 3.1 Facilities, vehicles and equipment	3,492,000	2,997,300	55,489	0	0	417,251	21,961
4 Library Services 4.1 Library facilities and collection materials	18,183,200	16,136,500	746,080	0	1,192,700	102,524	5,396
5 Growth-Related Studies	1,505,700	87,500	858,390	0	0	461,316	98,494
Total Expenditures & Revenues	\$51,944,200	\$27,468,300	\$17,814,796	\$0	\$1,912,600	\$3,857,925	\$890,579



constructed during the previous 15-year period. 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., primary, industrial, commercial, and institutional).

2. Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each municipal circumstance, as follows:
 - For services related to a highway and fire protection services, a 79% residential and 21% non-residential attribution has been made, to recognize the incremental residential population and non-residential employment uses projected over the Township-wide 10-year forecast period for both services.
 - Parks and recreation and library services attributions for residential and non-residential splits have been determined based on an allocation of 95% to residential development and 5% to non-residential development as the predominant users of parks and recreation and library services tend to be residents of the Township.
 - For the growth-related studies class of services, the costs related to library services and parks and recreation services, have been allocated 95% to residential development and 5% to non-residential development, similar to the capital costs for these services. All other studies have been allocated based on the incremental population and employment uses projected over the forecast periods similar to the specific services (i.e., 79% to residential and 21% to non-residential).

7.3.3 Application to Redevelopment of Land (Demolition and Conversion)

Where, as a result of the redevelopment of land, a building or structure existing on the same land within three years prior to the date of payment of D.C.s 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 D.C.s otherwise payable with respect to such redevelopment shall be reduced by the following amounts:



7.5 Other Recommendations

It is recommended that Council:

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

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

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

“Approve the capital project listing set out in Chapter 5 of the D.C. Background Study dated June 27, 2024, subject to further annual review during the capital budget process;”

“Approve the D.C. Background Study dated June 27, 2024, as amended;”

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

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



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 Township prepared an A.M.P. in 2022 for its existing core infrastructure assets; however, it did not take into account future growth-related assets. As a result, the asset management requirement for the D.C. must be undertaken in the absence of this information.

In recognition to the schematic above, the following table (presented in 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 Township's A.M.P., the present infrastructure gap and associated funding plan have not been considered at this time. Hence the following does not represent a fiscal impact assessment (including future tax/rate increases) but provides insight into the potential affordability of the new assets:

1. The non-D.C.-recoverable portion of the projects that will require financing from municipal financial resources (i.e., rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 2024 D.C. capital works have been presented based on a straight-line basis. The assets have been considered over their estimated useful lives.
3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are approximately \$3.73 million.
5. Consideration was given to the potential new tax and user fee revenue which will be generated as a result of new growth. These revenues will be available to assist in financing the expenditures above. The new operating revenues are \$470,599. This additional revenue would increase the existing revenues from \$4.71 million to \$5.18 million.
6. In consideration of the above, the capital plan is deemed to be financially sustainable.



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

Expenditures & Revenues	2033 (Total)
Expenditures (Annualized)	
Annual Debt Payment on Non-Growth Related Capital ¹	3,218,017
Annual Debt Payment on Post Period Capital ²	-
Annual Lifecycle - Township-wide Services	\$159,479
Incremental Operating Costs (for D.C. Services)	\$349,772
Total Expenditures	\$3,727,268
Revenue (Annualized)	
Total Existing Revenue ³	\$4,709,453
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$470,599
Total Revenues	\$5,180,052

¹ Non-Growth Related component of Projects

² Interim Debt Financing for Post Period Benefit

³ As per Sch. 10 of FIR



6. Schedules

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

Schedule “A” – Designated Township Services and Class of Services
Under This By-law (as per section 2.1)

Schedule “B” – Schedule of Residential and Non-Residential
Development Charges

7. Conflicts

7.1 Where the Township and an owner or former owner have entered into an agreement with respect to land within the area to which this By-law applies, and a conflict exists between the provisions of this By-law and such agreement, the provisions of the agreement shall prevail to the extent that there is a conflict.

7.2 Notwithstanding section 7.1, where a development which is the subject of an agreement to which section 7.1 applies, is subsequently the subject of one or more of the actions described in subsection 3.4 (a), an additional development charge in respect of the development permitted by the action shall be calculated, payable and collected in accordance with the provisions of this By-law if the development has the effect of increasing the need for services, unless such agreement provides otherwise.

8. Severability

8.1 If, for any reason, any provision of this By-law is held to be invalid, it is hereby declared to be the intention of Council that all the remainder of this By-law shall continue in full force and effect until repealed, re-enacted, amended or modified.



9. By-law to be Repealed

9.1 That By-law 32-2019 and By-law 34-2024, and all previous By-laws passed under the Act or its predecessor with respect to Development Charges are hereby repealed.

10. Date By-law In Force

9.1 This By-law shall come into effect on August 31, 2024

11. Date By-law Expires

10.1. This By-law will expire at on August 31, 2034 unless it is repealed by Council at an earlier date.

PASSED THIS 22nd DAY OF OCTOBER, 2024

Mayor

Clerk



**SCHEDULE “B” TO BY-LAW
SCHEDULE OF RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES**

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL	
	Single/Semi-Detached Dwelling (Blended)	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)	Wind Turbines
Township-Wide Services:						
Services Related to a Highway	21,490	15,811	11,857	5,894	8.30	21,490
Fire Protection Services	1,091	803	602	299	0.42	1,091
Parks and Recreation Services	3,275	2,410	1,807	898	0.25	-
Library Services	805	592	444	221	0.06	-
Township-Wide Class of Services:						
Growth-Related Studies	3,621	2,664	1,998	993	1.14	3,621
Total Township-Wide Services/Class of Services	\$30,282	\$22,280	\$16,708	\$8,305	\$10.17	\$26,202



Appendix H

Low-Density Residential Charge Structure and Non- Residential Charge Phase-in Options



Appendix H: Low-Density Residential Charge Structure and Non-Residential Charge Phase-in Options

At the Public Meeting held on July 23, 2024, Council requested amendments to the June 27, 2024 D.C.B.S. to include options for differentiated charges for single and semi-detached residential units, and to provide options to phase-in the development charges (D.C.s) for non-residential developments. This appendix provides options for the calculated D.C.s for single and semi-detached residential units, differentiated by the number of bedrooms. Additionally, the addendum also provides two options for phasing in the non-residential D.C.s: over five years and over ten years.

H-1 Rate Structure Options for Low-Density Residential Dwelling Units

The *Development Charges Act, 1997*, as amended (D.C.A.) permits municipalities to define the types of development for which they elect to impose D.C.s on. Subsection 5 (6) 2 states that where a type of development is identified, the rules must not provide for it to pay D.C.s that exceed the capital costs that arise from the increase in the need for services attributable to that type of development. This means, in effect, that the increase in the need for service should be distinguishable by type of development, based on average occupancy, land density of development, trip generation, or other relevant service demand indicators.

As mentioned in Chapter 6 of this report, residential D.C.s are calculated on a per capita basis which is then multiplied by the average occupancy of the various unit types to calculate the charge per dwelling unit. As shown in Table 6-1, the calculated D.C.s total \$7,479.80 per capita. Table H-1 presents the conversion of the per capita D.C.s to the per unit charges, differentiated by number of bedrooms, based on their underlying average occupancy data.



Table H-1
Calculated Development Charges for Single/Semi-Detached Residential Dwelling Units

Description	Persons per Unit	Total Calculated Development Charges
3 or less bedrooms	2.843	\$21,464
4 bedrooms	4.193	\$31,656
5 or more bedrooms	4.702	\$35,499
4 or less bedrooms	3.491	\$26,356
Uniform/blended	4.011	\$30,282

In response to Council’s request at the July 23, 2024 Public Meeting, three potential rate structures for low density developments that can be implemented by the Town have been prepared: The first option, Low Density Option 1, would impose the same charge on all units, based on the blended/average occupancy level for single/semi-detached residential dwelling units. The other two rate structures differentiate charges by the number of bedrooms, based on their underlying average occupancy level. Low Density Option 2 differentiates charges for units with three or less bedrooms, four bedrooms, and five or more bedrooms. Low Density Option 3 differentiates charges for units with four or less bedrooms and those for units with five or more bedrooms. The D.C.s under the three options are presented in Table H-2.

Table H-2
Calculated Development Charges for Single/Semi-Detached Residential Dwelling Units

Services/Class of Services	Low Density Option 1	Low Density Option 2			Low Density Option 3	
	Single/Semi-Detached Dwelling (Blended)	Single/Semi-Detached Dwelling - 3 Bedrooms or Less	Single/Semi-Detached Dwelling - 4 Bedrooms	Single/Semi-Detached Dwelling - 5+ Bedrooms	Single/Semi-Detached Dwelling - 4 Bedrooms or Less	Single/Semi-Detached Dwelling - 5+ Bedrooms
Township-Wide Services:						
Services Related to a Highway	21,490	15,232	22,465	25,192	18,704	25,192
Fire Protection Services	1,091	773	1,141	1,279	950	1,279
Parks and Recreation Services	3,275	2,321	3,424	3,839	2,850	3,839
Library Services	805	571	842	944	701	944
Township-Wide Class of Services:						
Growth-Related Studies	3,621	2,567	3,785	4,245	3,152	4,245
Total Township-Wide Services/Class of Services	\$30,282	\$21,464	\$31,657	\$35,499	\$26,357	\$35,499



Schedule B of the draft D.C. by-law in Appendix G currently provides the three rate structure options for single/semi-detached residential dwelling units that Council will be considering. This schedule will need to be updated to reflect the rate structure option selected by Council prior to by-law adoption.

H-2 Non-Residential Charge Phase-in Options

Due to the increase in calculated D.C.s presented at the July 23, 2024, Public Meeting, Council requested options to phase in the increase related to non-residential development to support economic development in the Township. The calculated charge is the maximum that can be imposed per square foot of non-residential gross floor area. The D.C.A. allows municipalities to impose less than the maximum D.C.s. however, any D.C. revenue forgone due to the reduction (including as a result of a phase-in) must be funded from non-D.C. sources, typically property taxes.

For Council's consideration, a five- and ten-year phase-in option has been prepared. Phasing in the charges over five years translates to a net annual increase of approximately \$1.05 per square foot (2024\$) over the existing D.C. rate for the first five years of the ten-year by-law term. The ten-year phase-in translates to a net annual increase of approximately \$0.53 per square foot over the existing rates for the term of the by-law. The D.C. rates presented in the phase-in analysis are denominated in 2024\$ and would be subject to the by-law's indexing provisions.

For both of the phase-in options, two scenarios have been developed to illustrate how the phase-in could be implemented by service/class of services. The following sections present the D.C.s for 2024 to 2033 across the two scenarios for both the five-year and ten-year phase-in periods.

If Council elects to phase-in the charges, Schedule B to the draft by-law would need to be updated to reflect the phase-in option and allocation scenario adopted by Council. It is also important to note that non-D.C. funding (e.g., property taxes) will need to be used to make up for the revenue loss resulting from the phase-in, as required by the D.C.A.



H-2.1 Allocation Scenario 1

In this allocation scenario, the calculated rates for all services/class of services would be phased-in proportionately. This means the Township will collect a portion of D.C.s for each service to assist in funding the capital program, until all rates are phased-in at 100% of the calculated rate.

Tables H-3 and H-4 below present the schedule of charges for 2024 to 2033 under the five-year and ten-year phase-in options.

Table H-3
Township of East Garafraxa
Allocation Scenario 1 – Five-year Phase-in (2024\$)

Services/Class of Services	Current	Calculated D.C.	5-Year Phase-in Period					Calculated Charge in Effect				
			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Township-Wide Services/Classes:												
Services Related to a Highway	3.87	8.30	4.87	5.73	6.59	7.45	8.30	8.30	8.30	8.30	8.30	8.30
Fire Protection Services	0.16	0.42	0.25	0.29	0.33	0.38	0.42	0.42	0.42	0.42	0.42	0.42
Parks and Recreation Services	0.54	0.25	0.15	0.17	0.20	0.22	0.25	0.25	0.25	0.25	0.25	0.25
Library Services	0.10	0.06	0.04	0.04	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.06
Township-Wide Class of Services:												
Growth-Related Studies	0.26	1.14	0.67	0.79	0.90	1.02	1.14	1.14	1.14	1.14	1.14	1.14
Total Township-Wide Services/Classes	\$4.92	\$10.17	\$5.97	\$7.02	\$8.07	\$9.12	\$10.17	\$10.17	\$10.17	\$10.17	\$10.17	\$10.17
Increase (\$)		\$5.25	\$1.05	\$1.05	\$1.05	\$1.05	\$1.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

*Numbers may not add due to rounding

Table H-4
Township of East Garafraxa
Allocation Scenario 1 – Ten-year Phase-in (2024\$)

Services/Class of Services	Current	Calculated D.C.	10-Year Phase-in Period									
			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Township-Wide Services/Classes:												
Services Related to a Highway	3.87	8.30	4.44	4.87	5.30	5.73	6.16	6.59	7.02	7.45	7.88	8.30
Fire Protection Services	0.16	0.42	0.22	0.25	0.27	0.29	0.31	0.33	0.35	0.38	0.40	0.42
Parks and Recreation Services	0.54	0.25	0.13	0.15	0.16	0.17	0.19	0.20	0.21	0.22	0.24	0.25
Library Services	0.10	0.06	0.03	0.04	0.04	0.04	0.04	0.05	0.05	0.05	0.06	0.06
Township-Wide Class of Services:												
Growth-Related Studies	0.26	1.14	0.61	0.67	0.73	0.79	0.85	0.90	0.96	1.02	1.08	1.14
Total Township-Wide Services/Classes	\$4.92	\$10.17	\$5.45	\$5.97	\$6.50	\$7.02	\$7.55	\$8.07	\$8.60	\$9.12	\$9.65	\$10.17
Increase (\$)		\$5.25	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53

*Numbers may not add due to rounding

H-2.2 Allocation Scenario 2

In Allocation Scenario 2, the Township would direct the phased-in amount to specific services/class of services until the full calculated charges are realized. For example, the Township could direct the phased-in amount to Services Related to a Highway only until 100% of that calculated charge is collected then phase-in the charges for Fire Protection, Growth-related Studies, Parks and Recreation, and Library services as shown in Table H-5 (five-year phase-in) and Table H-6 (ten-year phase-in) below. This



allocation scenario provides an example whereby, D.C. collections are prioritized for Services Related to a Highway followed by Fire Protection and Growth-related Studies, and then finally the other services, however, Council should provide direction on the priority order of services to be recovered.

Table H-5
Township of East Garafraxa
Scenario 2 –Five-year Phase-in (2024\$)

Services/Class of Services	Current	Calculated D.C.	5-Year Phase-in Period					Calculated Charge in Effect				
			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Township-Wide Services/Classes:												
Services Related to a Highway	3.87	8.30	5.97	7.02	8.07	8.30	8.30	8.30	8.30	8.30	8.30	8.30
Fire Protection Services	0.16	0.42	-	-	-	0.42	0.42	0.42	0.42	0.42	0.42	0.42
Parks and Recreation Services	0.54	0.25	-	-	-	-	0.25	0.25	0.25	0.25	0.25	0.25
Library Services	0.10	0.06	-	-	-	-	0.06	0.06	0.06	0.06	0.06	0.06
Township-Wide Class of Services:												
Growth-Related Studies	0.26	1.14	-	-	-	0.40	1.14	1.14	1.14	1.14	1.14	1.14
Total Township-Wide Services/Classes	\$4.92	\$10.17	\$5.97	\$7.02	\$8.07	\$9.12	\$10.17	\$10.17	\$10.17	\$10.17	\$10.17	\$10.17
Increase (\$)			\$1.05	\$1.05	\$1.05	\$1.05	\$1.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

*Numbers may not add due to rounding

Table H-6
Township of East Garafraxa
Scenario 3 – Ten-year Phase-in (2024\$)

Services/Class of Services	Current	Calculated D.C.	10-Year Phase-in Period									
			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Township-Wide Services/Classes:												
Services Related to a Highway	3.87	8.30	5.45	5.97	6.50	7.02	7.55	8.07	8.30	8.30	8.30	8.30
Fire Protection Services	0.16	0.42	-	-	-	-	-	-	0.30	0.42	0.42	0.42
Parks and Recreation Services	0.54	0.25	-	-	-	-	-	-	-	-	-	0.25
Library Services	0.10	0.06	-	-	-	-	-	-	-	-	-	0.06
Township-Wide Class of Services:												
Growth-Related Studies	0.26	1.14	-	-	-	-	-	-	-	0.41	0.94	1.14
Total Township-Wide Services/Classes	\$4.92	\$10.17	\$5.45	\$5.97	\$6.50	\$7.02	\$7.55	\$8.07	\$8.60	\$9.13	\$9.66	\$10.17
Increase (\$)			\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$0.51

*Numbers may not add due to rounding