

**FINAL REPORT**

**DEVELOPMENT CHARGES STUDY**  
**For The**  
**TOWNSHIP OF OTONABEE-SOUTH MONAGHAN**

**October, 2010**

**Submitted by:**

**Morehouse Associates**  
**A division of 1322365 Ontario Inc.**

**DEVELOPMENT CHARGES STUDY**  
**For the**  
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# **Development Charges Study for the Township of Otonabee-South Monaghan**

October 4, 2010

## **EXECUTIVE SUMMARY**

The Township currently does not have a Development Charges By-law in place. Development charges are fees imposed on new development in a municipality to recover the capital cost of the additional municipal infrastructure necessary to continue to provide existing levels of municipal services.

The recommendations in this report are based on the philosophy that new growth should not create a financial burden on existing residents of the community, but the existing residents should not enjoy a financial benefit at the expense of new residents.

This approach is in accordance with the Development Charges Act, 1997, and its regulations. The Act sets out several specifications, including the following highlights:

- Charges must be based on a level of service at or below the average level actually provided over the last ten years;
- Some services such as waste management, municipal headquarters, computer equipment and tourism or cultural facilities are not permitted;
- Industrial expansions (up to 50% of the operation) are exempt;
- Excess capacity in existing facilities are not chargeable, but must be used to reduce the need for capital infrastructure for growth;
- Services not listed in the Act (transportation, sewer, water, electricity, fire, police) must be discounted by 10%.

The analysis was carried out with input from various municipal staff and officials as well as relevant studies for Peterborough County and the Township of Otonabee-South Monaghan.

The Background Study makes the following recommendations, where services included in the development charge fees have a specific allocation for receipts as follows:

| <b>Proportionate Share</b>          | <b>Residential</b> | <b>Commercial</b> | <b>Industrial</b> |
|-------------------------------------|--------------------|-------------------|-------------------|
| General Gov't                       | 2.1%               | 2.3%              | 2.3%              |
| Fire Protection                     | 10.4%              | 11.4%             | 11.4%             |
| Public Works                        | 74.5%              | 86.3%             | 86.3%             |
| Recreation                          | 7.3%               | 0.0%              | 0.0%              |
| Library Services                    | 5.7%               | 0.0%              | 0.0%              |
| <b>Total Municipal-wide Service</b> | <b>100.0%</b>      | <b>100.0%</b>     | <b>100.0%</b>     |

Based on the calculations determined in this Study, it is recommended to Township Council that the development charge rates be set as follows:

**Recommended Residential Development Charge per Unit**

| <b>Municipal-Wide</b>   | <b>Rate</b> |
|-------------------------|-------------|
| Singles and Doubles     | \$4,082     |
| Multiple Unit Buildings | \$3,053     |

**Recommended Non-residential Development Charges – Per Ft<sup>2</sup> of building space**

| <b>Sector</b> | <b>Total</b> |
|---------------|--------------|
| Commercial    | \$2.26       |
| Industrial    | \$2.98       |

The projects and related information used to calculate the development charge rates are listed on the Input Table and Table 2, Appendix A. Growth forecasts are set out on Table 4, Appendix A. If certain category rates are removed, these are not absorbed by other categories included in the development charge. It is Council's decision to adopt the development charges at or below the recommended rates presented in this Study

## **1.0 INTRODUCTION**

The Township of Otonabee-South Monaghan retained Morehouse Associates to undertake a new development charges study and development charges by-law for the Township in order to recover growth-related net capital costs of eligible services. The Township currently does not have a Development Charges By-law in place.

The Township is located south and east of Peterborough and borders Rice Lake on the south. Its location makes it attractive because of the beautiful surroundings, proximity to Peterborough and expansive farmland intertwined with historical villages. For these reasons, the Township has experienced growth during the past several years, and is expected to continue into the future.

As with most Ontario communities, financial resources available to respond to the pressures of growth and greater service demands are limited. To offset the cost of growth, the Township plans to adopt and collect development charges.

## **2.0 BACKGROUND**

The Province of Ontario adopted a new Development Charges Act on December 8, 1997 and subsequent Regulations to the Act, which both came into force and effect on March 1, 1998. A development charge is a fee charged to pay for increased capital costs required because of an increased need for services arising from development. The Development Charges Act requires municipalities to undertake a supporting Background Study in order to pass a by-law to collect development charges. If implemented, the Development Charges By-law is in effect for not more than five years.

Development charges can be collected for each new dwelling unit, new commercial building/structure or addition or new industrial building/structure or industrial additions greater than 50% of the existing gross floor area (g.f.a.). The development charge policy recommended in this report is based on the philosophy that new growth should not create a financial burden on existing residents of the community, but the existing residents should not enjoy a financial benefit at the expense of new residents. This approach is guided by provisions in the Development Charges Act, 1997, and its regulations.

The purpose of the Study is to determine a fair and equitable development charges rate structure that may be collected in order to recover the growth-related net capital costs of eligible services. The Study aims to establish the level of services provided historically in the Township and to identify additional capacity required to maintain those services based on the projected growth forecasts.

The recommendations put forward in this Study are in accordance with the requirements of the Development Charges Act, 1997 and Ontario Regulation 82/98.

### **3.0 LEGAL REQUIREMENTS**

The methodology for the study conforms to the Development Charges Act, 1997 and Regulations (identified in this report as 'the Act') and sets out the framework for municipal development charges. Recommendations put forth for adoption by the Township will ensure that the Township's development charge practices will comply with all relevant legislation.

#### **Study Requirements**

The development charges study must review the following features of the Act as summarized below:

#### **Based on Section 5 of the Development Charges Act, 1997:**

1. Amount, type and location of development estimated.
2. Estimate for each service, the increase in need attributable to the development.
3. Council must adopt the projects providing the increase in need as though it were a capital budget element. (Official Plan., Capital Budget or other similar expression of intent)
4. Increase in need must be no more than the average level of service for the last 10 years (immediately preceding). Both quantity and quality of service must be taken into account. Excluded areas must be included (identified) in the by-law. A level of service specified in the Act can be used.
5. Existing excess capacity must be used to reduce the need, but cannot be charged unless Council, at the time the capacity was created (or before) expressed a clear intent that the capacity would be paid for by development charges (or similar).
6. Increase in need must be reduced by the extent to which the increase in service would benefit existing development.
7. Capital costs estimated must be reduced by anticipated grants. Capital costs are defined in Section 5(3) [excludes computer equipment and short-life vehicles (life shorter than 7 years)].
8. Costs of services not listed in Section 5(5) of the Act must be reduced by 10%.
9. Rules to determining if a development charge is payable or not. If so, how much.

- For Example:
- availability of service,
  - demolition & rebuild,
  - exclusions (e.g. Lots of record),
    - timing,
    - expansions,
    - exemptions (full or partial),
    - phasing in,
    - Indexing.

10. Full or partial exemptions are permitted.

Based on Section 10 of the Development Charges Act, 1997

1. Requirements under Section 5(1) (above) with calculations.
2. Long-term capital and operating costs for infrastructure used in calculating development charge.
3. For each service, study must identify:
  - total estimated related capital cost,
  - allocation of total related costs to new & existing development,
  - total of the estimated related capital costs to be incurred during the term of the by-law to be passed,
  - allocation of related costs incurred during the by-law period to new and existing development,
  - Estimated and actual value of credits being carried forward for each service.

Other Considerations

Other considerations for the current study include:

- 5 (4) only capital component of lease costs is eligible.
- 5 (5) Services not subject to a ten percent discount are:
  - sewer & water treatment and collection/distribution,
  - storm water services,
  - electricity,
  - transportation,
  - police,
  - Fire protection.

The development charge must be less than or equal to the capital cost on a service-by-service basis and on a development type basis (but not necessarily on a development-by-development basis).

Reductions in development charges for one type of development cannot be financed by higher development charges to another type of development.

### By-law Requirements

In addition to requirements for the background study, the Act also sets out features that must be contained in the development charges by-law. These features are described briefly below:

#### Based on Section 6 of the Development Charges Act, 1997

1. A definition of capital cost [5(3), (4), (5)];
2. The geographic area(s) where the development charge by-law applies;
3. A definition of the service categories (can be as few as two);
4. The rules developed to determine development charge liability;
5. A statement with respect to exemptions, phasing-in and indexing;
6. A statement of how the rules apply to redevelopment;
7. Each service or category of services must have its own reserve fund;
8. Must be passed within one year of completion of study.

### Permissive

1. Can apply to services provided outside the Township;
2. Can apply to part or all of the Township;
3. More than one by-law can apply to a single area;
4. Services can be grouped, but services subject to a ten percent discount cannot be mixed with services not subject to a ten percent discount.

## **4.0 METHODOLOGY**

Development charges are fees on new property development within a Township and are used to defray the cost of providing the infrastructure necessary to supply the new property with the level of municipal services currently provided to existing property owners.

In summary, the development charge is calculated by evaluating eligible services under the Development Charges Act. The consultants work in collaboration with municipal staff to determine assets, infrastructure and policies governing such services over the last ten years. This enables a calculation of service levels and generates an average level of service. Projected population and household growth over the next ten-year period will regulate the need for additional capital expenditures in order to maintain the average level of services. After grants, donations, and subsidies are deducted from each project's total cost, the residual costs are reviewed with Municipal officials and the development charge rate can be calculated.

The overall development charge calculation is established by also considering:

- Other funding sources (grants, other contributions, etc.) and the current economic environment;
- The cost of projects and their relevance to growth, both completed and planned; and
- The Development Charges Act and Regulations, as well as other relevant legislation and guidelines.

One of the changes from the old Development Charges Act is that municipalities can no longer collect a Development Charge for the excess capacity in existing capital facilities or equipment. Essentially, the current approach to excess capacity says that what is paid for is paid for, unless Council specifically identified that the excess capacity would be paid for through development charges at the time of acquisition.

For the Township of Otonabee-South Monaghan, all of the services included in the development charges study are assumed to be operating at capacity at this time.

The next step is to compare the capital costs planned for new residents to the average level of services provided to existing residents. This ensures that increases in the overall level of service for each function are allocated fairly between future population and the existing population (as they too could experience increased levels of service). Careful analysis is carried out to determine which expenditures, or share of expenditures, are attributable to growth. Similarly, the allocation of these expenditures to the various types of development required specific analysis and discussion with Township officials.

Thirdly, the growth forecast for the Township is used in three ways to calculate a fair and equitable development charge:

- First, the population and square feet of building space forecast is a key factor in determining the timing and sizing of construction of new facilities to serve newcomers.
- Second, the forecasted growth in housing units and non-residential building space provides an estimate of the number of people and businesses that will be sharing in the cost of these new facilities.
- Third, the development charge requirement for each house was determined by recognizing changes in population and the yield per unit over time. This would similarly affect non-residential development.

Consideration is also given for development types and those that will not pay development charges, or will pay only partial development charges, either because of Township policy, legislation or other reasons. The cost of servicing these developments, such as senior or affordable housing would have to be omitted from the calculation of the development charge if Council decided to exclude such types. The funds not collected through the development charge would be financed by other methods, primarily the general property tax rate. At this time, all

types of development have been included, and any reductions or exclusions from paying a development charge are to be included in the by-law.

The final step in the analysis deals with potential areas of double taxation. Growth in the community generates property tax revenue through assessment increases. This tax revenue has two uses - operating costs and capital funding (debt carrying costs and capital expenditures from current revenue). That portion of capital funding that exceeds the requirement on the new resident for capital replacement and service upgrading will be netted out of the development charge rate. This approach avoids the double taxation of paying both development charges and a portion of property taxes for the same facility. See Section 8.2 Credit for Capital Costs in Taxes for details.

It is important to generate the funds needed to support growth in the Township. It is just as important to ensure that those funds are spent for the purposes planned. Assurance can be achieved by tracking development charge proceeds through special reserve funds and sub-accounts, where its uses are delineated and proper control is exercised. In addition, recommendations are made concerning increases in the level of development charges necessitated by cost escalation and study updates caused by changing circumstances, as described further in Section 10.2.

## **Calculation of the Development Charge - Table Structure (Appendix A)**

The calculation of the development charge schedule for the Township is developed in a series of tables that will be presented and described later in this report. The structure of these tables is set out below.

### Input Table

This table contains variables that could change over time and have an impact on the entire calculation. The model refers to values such as the interest rate, growth rate and asset sharing between residential and non-residential designations.

### Table 1 – Levels of Service Calculation

This table lists the demographics, assets and facilities under eligible service categories for the Township over the last ten years. The facilities are grouped within the service categories the Township should include in the development charges calculation.

These are:

- General Government
- Fire Protection
- Public Works
- Recreation
- Library Services

For each facility, Table 1 lists,

- the quantity of the facility the Township owned for each of the last ten years;
  - the size of the facility (where applicable);
  - the replacement cost of all such facilities;
  - the average level of service of that facility over the last ten years in units and dollars;
  - the measurement base for each service unit;
  - Other relevant data.

Policing is a service that is provided by the Township and could potentially constitute another category. Policing is provided by contract with the Ontario Provincial Police. No office space is utilized within the Township and administration is provided through headquarters in Peterborough. Vehicles have an expected lifespan of less than seven years and are therefore not eligible. The administration building is deemed to fall under the definition of “general administration” and is therefore also not eligible. Infrastructure that could be eligible would have to be specifically identified in the contract with the provincial police as to purpose and capital cost.

### Table 2 – Existing Capacity and Future Municipal Facilities

The second table lists any current assets with excess capacity eligible under the Development Charges Act and future assets or facilities the Township will need to acquire during the next ten years that are at least partially required to provide future growth. The capital requirements are listed within the service categories the Township should include in the development charges calculation. These categories are:

- General Government
- Fire Protection
- Public Works
- Recreation
- Library Services

For each facility, Table 2 lists,

- year of expenditure for the facility (2010 represents an existing facility);
- the gross cost of the facility in 2010 \$000;
- the net cost of the facility after grants, subsidies and other contributions;
- the net cost of the facility after the legislated reduction (10% for soft services);
- the percentage of the net cost of the facility that can reasonably be attributable to growth in the Township over the next ten years;
- the dollar value (2010 \$) of the facility that is eligible for inclusion in the development charge calculation; and,
- The allocation of the eligible costs to residential, commercial and industrial development.

### Table 3 - Schedule of Future Acquisitions by Year

The third table sets out a summary of the net growth-related capital cost (2010 \$) of the facilities listed in Table 2 according to:

- year of acquisition;
- service classification.

The table also shows the net present value (NPV) in 2010 dollars of the cost of each service category for each land use type, any existing development charge reserve fund balance attributable to the service category and the ratio of that cost to the total net present value of net growth-related capital costs for the land use type. The ratios shown are those that should be used in allocating development charges revenues to the listed service categories.

#### Table 4 – Demographic Forecast

Table 4 provides the growth forecast for each land use type. It shows population and housing forecasts for the residential sector, plus the calculation of the expected occupancy rate (persons per household).

The table continues by showing the growth forecast for the commercial and industrial sectors in square feet of building space.

#### Table 5 – Development Charges Calculation

This table shows the calculation of the justifiable development charge for residential, commercial and industrial development. Elements of the calculation that are shown include the net present value of eligible capital costs and demographic growth by land use type. Also shown are the adjusted occupancy rate and any property tax credit (to eliminate double taxation).

## **5.0 MUNICIPAL SERVICE STANDARDS**

### **5.1 Service Standards**

The Development Charges Act limits the development charge calculation to the average level of service provided over the last ten years as a maximum. Annual levels of municipal services provided to the people of the Township of are set out in Appendix A – Table 1, “Levels of Service Calculations”. These service levels are summarized on the table entitled, “Average Levels of Service” on the following page. They are also used to determine the amount of facilities or other requirements to provide the future population of the Township with existing levels of service (average of last ten years).

### **5.2 Grant and Subsidy Estimates**

With recent changes in the provincial transfer payment system, no grants or subsidies for future capital works are expected. If a grant or subsidy is expected, the amount is deducted from capital costs before determining growth shares.

Township of Otonabee-South Monaghan

**AVERAGE LEVELS OF SERVICE**  
(2009 \$)

| CATEGORIES OF SERVICES | MEASUREMENT BASE | EXCESS CAPACITY | AVERAGE LEVEL |
|------------------------|------------------|-----------------|---------------|
|------------------------|------------------|-----------------|---------------|

|                           |     |  |             |
|---------------------------|-----|--|-------------|
| <b>GENERAL GOVERNMENT</b> |     |  |             |
| Studies                   | n/a |  | as required |

|                        |                           |  |       |
|------------------------|---------------------------|--|-------|
| <b>FIRE PROTECTION</b> |                           |  |       |
| Buildings              | Square Feet Per Household |  | 4.66  |
| Rolling Stock          | Cost Per Household        |  | \$855 |

|   |                    |  |          |
|---|--------------------|--|----------|
| <b>PUBLIC WORKS<br/>- ROADS &amp; BRIDGES</b> |                    |  |          |
| Roads and Bridges                             | Cost Per Household |  | \$20,858 |

|   |                           |  |       |
|---|---------------------------|--|-------|
| <b>PUBLIC WORKS<br/>- BUILDINGS &amp; EQUIPMENT</b> |                           |  |       |
| Buildings   | Square Feet Per Household |  | 8.35  |
| Rolling Stock                                       | Cost Per Household        |  | \$697 |

|                   |                        |  |      |
|-------------------|------------------------|--|------|
| <b>RECREATION</b> |                        |  |      |
| Buildings         | Square Feet Per Capita |  | 6.09 |
| Infrastructure    | Cost Per Capita        |  | \$96 |

|                         |                        |  |       |
|-------------------------|------------------------|--|-------|
| <b>LIBRARY SERVICES</b> |                        |  |       |
| Buildings               | Square Feet Per Capita |  | 0.98  |
| Books & Materials       | Cost Per Capita        |  | \$102 |

## **6.0 GROWTH FORECASTS**

### **6.1 Relevance of Demographics**

The analysis of population trends is an essential element to determine the Township's future infrastructure, programs and policies. The demand for services in a Township is directly related to its growth.

The general principle to establish a development charge rate is that the existing population should not have to pay for the capital costs of growth-related development through general taxation. The capital cost of growth-related development should be reduced by contributions from those creating the requirement for additional municipal services. New taxpayers, however, should only have to pay their fair share of the net capital cost providing the current level of municipal services.

A review of population trends and growth projections is very important in order to establish an appropriate growth rate so that:

1. The timing and sizing of construction for new municipal services and facilities can be scheduled.
2. The amount of residential and non-residential development, sharing the cost of new facilities and services can be estimated.
3. The average level of services provided by the Township over the last ten years can be determined.

### **6.2 Demographic Forecast**

Population and housing counts from 2000 to 2009 are shown in Table 1. This data was obtained from Statistics Canada and MPAC. The population figures are based on the enumeration taken

periodically beginning in 2000 by Statistics Canada. Housing counts are updated annually from assessment role information by MPAC.

Future population and household projections were acquired from the Peterborough County Planning Department, based on studies commissioned by the Department. A population and household forecast is located on Table 4, Demographic Forecast and results in a growth projection of:

- An additional 588 people;
- An additional 283 new residential units.

With relatively small municipalities, it is difficult to project population and household growth with certainty; however this forecast of population is supported by:

- The forecasted persons per household figure adequately reflect the characteristic trends in the Township based on the past trends;
- Residential development in the past has been predominantly single detached dwellings, which have been occupied by the local market;
- The majority of the expected new residential development will consist of single family units;
- Vacant land is available within the Township boundary for any significant residential or non-residential projects.

### 6.3 Commercial and Industrial Development

The basis for commercial and industrial development charges parallels that of a residential charge; the capital costs of providing municipal infrastructure to development should not be

borne from general taxation from the existing businesses or residents, but should be paid by contributions from the businesses that will require the additional municipal services. Hence, it is also important to review the development charge requirements for this type of development recognizing differences in levels of service and future infrastructure requirements.

Forecasts for development activity in this sector are very difficult to estimate due to unforeseeable factors such as the state of the economy, interest rates, and the attractiveness of the community.

For the purposes of this study, an annual average growth forecast of square feet of building space for the commercial and industrial sectors of the Township will be used. A summary of the commercial and industrial forecasts for the ten-year planning period is set out in Table 4.

The table shows growth in building space for commercial development to total 24,000 square feet for the ten-year planning period; for the industrial sector the growth is forecast to be 5,000 square feet. .

#### 6.4 Assessment Analysis

The Input Table (Appendix A) calculates how the eligible development charge from both existing and future facilities is allocated among three land uses: residential, commercial and industrial. This is required to ensure that the new housing units only pay the residential portion of the growth and new commercial and industrial development pay their share. In the absence of an estimate of actual consumption rate of a service, the ratio of assessed value is used as an appropriate estimate.

## 6.5 Geographic Location of Growth

The growth forecasted in this study for the Township is expected to take place randomly throughout the Township with slightly higher concentrations in areas with approved or pending subdivision plans. See Appendix C for more details.

## **7.0 EXISTING FACILITIES & FUTURE ACQUISITIONS**

The inclusion of existing excess capacity in Township assets is not allowed in the new Development Charges Act, except for that identified by the Township at the time of acquisition. All services are assumed to be working at full capacity.

The future acquisitions and upgrades planned in the Township are listed in Appendix A – Table 2. These costs can be in whole or only partially attributable to growth as identified by the percentage of eligible development charges column. These costs are scheduled from 2010 to the year 2019. Any grants, subsidies and donations are deducted in the net cost amount, and the percent that is expended to serve new growth is the cost eligible to be included in the development charge calculation.

The following provides a general outline of costs included in the development charges calculation by service category.

### **General Government**

The growth-related capital costs associated with the General Government category were determined to include the capital costs for two development charges study that are 100% attributable to growth.

The net growth-related capital costs shown on Table 2 were calculated on the basis that 10% of these costs be provided by a source other than development charge revenues, as required under the Development Charges Act, 1997.

### **Fire Protection**

The fire protection projects considered for the course of the planning period are listed in Table 2. The gross cost of these requirements is \$3,065,000 where \$109,000 of this is considered growth related. Fire station #2 will be relocated with the expected closing of Bensfort Road, which will seriously impede response times to part of the coverage area. However, the timing is uncertain, but could be within the ten year timeframe of this study. At this time, no provision is made for a growth portion, although the situation should be re-evaluated for the next background study, if provision has not been made in the final report for this study.

### Public Works

There are several road construction projects planned for the ten-year period. These include road upgrades for specific road sections as outlined in Appendix A - Table 2. These projects are based on the Roads Needs Study. The total cost of all projects listed, estimated at \$8.056 million includes \$706,000 which is considered growth-related. In addition, equipment costing \$6,000 will be acquired in 2010, with a growth portion of \$2,000.

### Recreation

Capital costs associated with Recreation services are subject to a 10% discount as required by the Act. Continuous upgrades and expansions to the recreation facilities will allow the Township to continue to provide the same level of service as the Township grows. The total project costs planned in the Township equals \$166,000. Of this amount, \$61,000 can be included in the development charge calculation.

### Library

Additions to the collection will be required in order to keep up with an increasing population for the Township. This results in \$54,000 attributable to growth, including the legislative 10% discount of the total net cost. For ease of calculation, all purchases are assumed to occur in 2014.

## ALLOCATION

The total eligible costs considered in the development charge calculation are included on Table 2. This table also illustrates the share allocated to residential, commercial and industrial development that was divided proportionately by assessment value for all projects.

## **8.0 DEVELOPMENT CHARGE CALCULATION**

### **8.1 Derivation**

The growth-related share of the net capital cost of infrastructure needed to provide the existing level of municipal services to new residents of the Township are projected by year of construction (see Table 3, “Schedule of Acquisitions by Year” for the residential, commercial and industrial sectors). Expenditures benefiting the Township consist of:

- General Government
- Fire Protection
- Public Works
- Recreation
- Library Services

The net present value of growth-related capital expenditures is calculated, using a discount rate of four percent (the rate expected to reflect a long-term rate of return excluding inflationary factors).

In a similar way, the net present value of projected growth was calculated. The development charge calculation is shown on Table 5, "Development Charges Calculation" for both the residential and non-residential sectors. The calculation of the net chargeable development charge was performed as follows:

1. Show summary of future growth-related net costs of future acquisitions and current excess capacity by service and year (Tables 3).
2. Show net present value of the ten years of cost including existing balances if any (Table 3).
3. Calculate net present value of population growth projections (Table 4).

4. Calculate net present value of capital expenditures for municipal-wide services (Table 5 A).
5. Calculate net present value of capital expenditures for dwelling units, by multiplying net present value of expenditures per capita by the adjusted expected occupancy rate for dwelling units (Table 5).
6. Calculate the net present value of the debenture debt element (if any) in capital portion of the Township's share of property taxes for new growth (Table 5).
7. Subtract the net present value of the capital portion of the Township's portion of property taxes for new growth (Table 5).
8. The result is the maximum net development charge the Township could charge for residential and non-residential growth.

## 8.2 Credit for Capital Costs in Taxes

Ratepayers each year are required to pay taxes covering operating, administration and capital costs. The capital costs are for capital projects to increase levels of service, major repair and replacement, and debenture repayments for past projects. The Township has no debenture debt relating to these projects and as a result there is no tax credit.

## **9.0 OTHER CONCERNS**

### **9.1 Development Charge Exemptions**

The Act specifically exempts municipal and school board property used for legislated purposes but all other real estate property is subject to development charges whether exempt from property taxes or not.

The Township has the authority to give full or partial exemption from development charges. In some instances in other municipalities, exemptions are given to special projects such as subsidized or senior citizens housing where the Township wishes to provide extra support. It is recommended that no blanket exemptions from development charges be given. Instead, the Township should use provisions in the Municipal Act to give grants directly to individuals to alleviate the impact of development charges. In this way, the Township retains greater control over those who receive financial benefit from the Township and those who do not.

### **9.2 Impact on Development Industry**

Overall, there is a consistent view that the residential real estate market in the Township will grow at a steady rate.

For single family dwellings, the average price of a new house is approximately \$240,000. A development charge of \$4,082 by the Township is 1.7 percent of the average household cost. Experience in other jurisdictions would indicate that a development charge that is less than five percent of the selling price of a dwelling would not have a significant impact on the housing market. This impact could be more significant in falling or fluctuating markets, however. The impact could also be greater if the development charge is factored in early in a developer's cost estimates such as at the subdivision agreement stage and thus subject to interest provisions and percentage mark-ups. It is not likely that the recommended development charge will adversely affect the residential real estate market in the Township.

### 9.3 Public Meeting Results

The consultant, together with members of Township staff will meet with interested taxpayers to explain the methodology of the development charges study on September 13, 2010. The results of this meeting will be reported to the Township under separate cover.

### 9.4 Operating Costs

The operating costs of the new facilities identified in this study are expected to be similar to the operating costs of existing facilities owned by the Township; therefore no major change is anticipated.

## **10.0 FUND ADMINISTRATION**

A separate development charge reserve fund should be created for each service type into which all development charge revenues are deposited. Interest earned on the fund balance accrues to the fund and is an integral part of the development charge structure. Withdrawals from the fund are made only to pay for the growth-related net capital cost of the service type involved or to refund overpayment to owners, with interest, if appropriate.

A reserve fund for each of the following service types should be maintained and the indicated proportionate share of development charge revenues and interest accumulated in them, with appropriate expenditures deducted (Table 3).

| <b>Proportionate Share</b> | <b>Residential</b> | <b>Commercial</b> | <b>Industrial</b> |
|----------------------------|--------------------|-------------------|-------------------|
| General Government         | 2.1%               | 2.3%              | 2.3%              |
| Fire Protection            | 10.4%              | 11.4%             | 11.4%             |
| Public Works               | 74.5%              | 86.3%             | 86.3%             |
| Recreation                 | 7.3%               | 0.0%              | 0.0%              |
| Library Services           | 5.7%               | 0.0%              | 0.0%              |
| <b>Total</b>               | <b>100.0%</b>      | <b>100.0%</b>     | <b>100.0%</b>     |

Responsibility for the reserve fund operations should be with the Treasurer who is ultimately responsible for the fiscal viability of the reserve funds and their future commitments.

An annual report to Council must be made by the Treasurer, detailing for each reserve fund,

- the beginning and closing balances,
- amounts received,
- amounts transferred to the capital fund by project,
- amounts refunded, specifying interest paid,
- Interest accruals.

Minor variations in project timing and growth-related capital costs should be noted, but require no other immediate action. Major changes in the capital forecast require analysis to determine whether the existing development charge policy requires amendment or whether a new development charge study should be developed leading to a new by-law. Any amendment to the development charges by-law requires an update of this study. In any event, the development charge by-law lapses after five years, necessitating a repeat of the entire study process.

## **11.0 IMPLEMENTATION**

### **11.1 Municipal-Wide Rate**

A uniform development charge rate across the Township is recommended for the Township. There are several reasons for this structure:

- a) Capital expenditures for all service categories in the Township are designed to service the entire population or the particular segment served changes from one project to the next. A municipal-wide development charge for all services is therefore the most equitable system of allocating these costs.
- b) It is not practical to draw definitive geographic boundaries within the Township to identify different levels of service in different geographic areas.
- c) All services listed in this study are available to all residents.

### **11.2 Updating**

#### **Inflationary Adjustments**

The development charge for the Township is based on a combination of future projects, valued in 2010 dollars. It is recommended, therefore, that an annual inflation factor be applied to the development charge fee, since no other provision is made to adjust for inflationary pressures.

The Regulations to the Development Charges Act identify only one of the potential inflationary indices, that is, the Statistics Canada Quarterly Construction Price Statistics (Catalogue #62.007).

Another level of review is a periodic re-examination of the development charge structure. This must be undertaken on a five-year cycle as a maximum. If significant changes occur in the local economy, the Township may decide to initiate a study earlier.

The performance of the development charge fund should be monitored annually by the Treasurer to ensure that expected revenues are received and planned expenditures made. A significant discrepancy may trigger corrective action, either by adjusting the development charge rate, modifying expenditures from the fund, rescheduling the capital program or adjusting the monitoring process. It is appropriate to conduct this review at the time that the required annual report to Council is made.

### 11.3 Development Charge Implementation

The development charge should be implemented in full on the date of passage of the development charge by-law and should apply to all new building permit applications, unless covered by an agreement already in force.

### 11.4 Collection Timing

The need for municipal services for which development charges are collected is generally required at or near the date the building is occupied. It is therefore appropriate to collect the development charge at the time the building permit is issued. This is a readily identifiable date, close to the date of occupancy and provides a measure of control by the Township. It is also the date specified in the Development Charges Act, although different dates could be effected through the subdivision agreement, for services specified in the Act, or at another date specified in the by-law.

It is further recommended that the magnitude of any development charge be the one in effect at the date when the building permit is issued, unless an alternative date is agreed upon in a subdivision or servicing agreement.

### 11.5 Reduced Development Charge

The Council of the Township can elect to adopt a development charge schedule that is lower than the amounts established through this study. A reduction can be implemented on the five services in the same ratio as described in this study (see Section 9.0) or for specific services as specified by the Township Council. Exemptions or partial exemptions may also be established through the by-law.

## **12.0 RECOMMENDATIONS**

Based on the calculations determined in this study, it is recommended to Municipal Council that the development charge rates be set as follows:

### **Recommended Residential Development Charge per Unit**

| <b>Municipal-Wide</b>   | <b>Rate</b> |
|-------------------------|-------------|
| Singles and Doubles     | \$4,082     |
| Multiple Unit Buildings | \$3,053     |

### **Recommended Non-residential Development Charges – Per Ft<sup>2</sup> of building space**

| <b>Sector</b> | <b>Total</b> |
|---------------|--------------|
| Commercial    | \$2.26       |
| Industrial    | \$2.98       |

1. Even though the Township may elect to reduce or eliminate recommended charges for certain uses or services, the cost of these services will not be transferred to other services being collected.
2. It is recommended that the developer continue to be responsible for all associated costs of on-site storm drainage and road connections needed to service the proposed development. These would include, but not be limited to, traffic signals, road widening, road connections etc. These improvements should be incorporated into the development plans before submission by the developer.

It is recommended that any off-site costs and necessary servicing requirements be determined and included in the subdivision agreement. These requirements may be constructed by the developer or the applicable cost paid at the time of the development charge payment. In the event that these works or over-sizing enables other lands to be serviced, the Township should include in the subdivision agreement an undertaking to use the front-end financing provisions in the Development Charges Act. This would allow the cost of such works to be recovered from future developers of such lands and utilised to reimburse the first developer. Further information regarding the negotiation and execution of a Front-end Agreement under provisions included in the Development Charges Act is available.

Where the works required are part of a development charge calculation, a credit against the development charge can be agreed upon up to the amount provided in the development charge.

3. It is recommended that the Township apply an annual inflation factor to the development charges as well as periodically review and monitor the development charges and the performance of the reserve funds.

It is recommended for the following reasons:

- a) The development charge for the Township is based on a combination of projects, valued in 2010 dollars, some of which are to be built in the future. It is recommended, therefore, that an annual inflation factor be applied to the development charge fee.

An inflation index must be timely, generally acceptable and accurate. The Regulation requires that the index be the Statistics Canada quarterly Construction Price Statistics.

- b) It is recommended that the performance of the development charge reserve fund be monitored annually by the Treasurer to ensure that expected revenues are received and planned expenditures made. A significant discrepancy may trigger corrective action, either by adjusting the development charge rate, modifying expenditures from the fund, rescheduling the capital program or adjusting the monitoring process.
- 4. Developer contributions to the Township should be paid at the time the building permit is issued. It appears satisfactory to developers and provides receipts for the Township within the timeframe of any necessary capital projects.
- 5. The administrative and accounting practices utilized for the operation of the development charge reserve funds of the Township, as described in this report should be initiated. These practices are consistent with the relevant policies and by-laws used elsewhere and with provisions in the Development Charges Act, 1997.

Funds in the development charge reserve should be used whenever a specific capital project is at least partially growth related. The amount of the withdrawal should be based on the ratio of growth cost to total net cost of the project (after grants and subsidies).

## **APPENDIX A**

### **DEVELOPMENT CHARGES CALCULATION TABLES**

**APPENDIX B**

**DRAFT BY-LAW**

**THE CORPORATION OF THE TOWNSHIP OF OTONABEE-SOUTH MONAGHAN**

**BY-LAW NUMBER 2010-67**

**A BY-LAW WITH RESPECT TO DEVELOPMENT CHARGES**

**WHEREAS** the Township will experience growth through development and re-development;

**AND WHEREAS** development and re-development requires the provision of physical and social services by the Township;

**AND WHEREAS** Council desires to ensure that the capital cost of meeting growth-related demands for or burden on municipal services does not place an excessive financial burden on the Township of or its existing taxpayers while at the same time ensuring new taxpayers contribute no more than the net capital cost attributable to providing the current level of municipal services;

**AND WHEREAS** the Development Charges Act, 1997 permits Council to pass by-laws for the imposition of development charges if development or re-development of land within the Township is for uses which would increase the need for municipal services and any one or more of the actions set out in subsection 2(2) of the Development Charges Act, 1997 are required for such development or re-development;

**AND WHEREAS** Council had before it a report entitled the “**Final Report, Development Charges Study for the Township of Otonabee-South Monaghan**”, submitted by Morehouse Associates (a division of 1322365 Ontario Inc.) dated October 2010 (the “Study”);

**AND WHEREAS** Council has reviewed the Study and has considered the comments of the public at a public meeting duly called on September 13, 2010 to consider the enactment of a by-law under the Development Charges Act, 1997.

**THE CORPORATION OF THE TOWNSHIP OF OTONABEE-SOUTH MONAGHAN  
BY THE COUNCIL THEREFORE ENACTS AS FOLLOWS:**

1. In this By-law:
  - (a) any term printed in a bold typeface has the same meaning as that which exists and is defined in the Act or Regulation.
  - (b) Capitalized terms have the following meanings:
    - (i) “Act” means the Development Charges Act, 1997;
    - (ii) “Agricultural Use” means a use of land, buildings or structures for the purpose of field crops, fruit farming, market gardening, dairying, animal husbandry, poultry or beekeeping and such uses, structures and buildings as are customarily related to a farming operation, but does not include a Dwelling Unit;
    - (iii) “Bedroom” (BR) includes any room which can be used as sleeping quarters but does not include a kitchen, bathroom, living room or dining room;
    - (iv) “Board of Education” has the same meaning as that specified in subsection 29(1) of the Act;
    - (v) “Capital Cost” means costs incurred or proposed to be incurred by a Township or a local board or commission thereof directly or under an agreement;
      - (a) to acquire land or an interest in land,
      - (b) to improve land,
      - (c) to acquire, construct or improve buildings and structures,
      - (d) to acquire, construct or improve facilities including
        1. rolling stock with an expected useful life of seven years or more, furniture and equipment, excluding computer equipment and

2. materials acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act, 1998, and
- (e) to undertake studies in connection with any of the matters in clauses (vi)(a) through (d), required for the provision of designated services
- (vi) “Commercial Use” means the use of land, structures or buildings for the purposes of buying or selling commodities and services, but does not include Industrial Use or Agricultural Use, but does include hotels, motels, motor inns and boarding, lodging and rooming houses;
  - (vii) “Council” means the Council of the Township of Otonabee-South Monaghan;
  - (viii) “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;
  - (ix) “Development Charge” means a charge imposed with respect to Growth-Related Net Capital Costs against land pursuant to the provisions of the within by-law;
  - (x) “Dwelling Unit” means one or more habitable rooms designed or intended for use by one household exclusively as an independent and separate unit in which separate kitchen and sanitary facilities are provided for the exclusive use of the household with a private entrance from outside the building or from a common hallway or stairway inside the building and includes a mobile home;
  - (xi) “Existing” means the number, use and size that existed as of the date this by-law was passed;
  - (xii) “Growth-Related Net Capital Cost” means the portion of the Net Capital Cost of services that is reasonably attributable to the need for such Net Capital Cost that results or will result from new development in all or a defined part of the Township;

- (xiii) “Industrial Use” means the use of land, buildings or structures designed for the purpose of manufacturing, assembling, making, preparing, inspecting, ornamenting, finishing, treating, altering, repairing, warehousing or storing or adapting for sale of any goods, substance, article or thing, or any part thereof and the storage of building and construction equipment and materials, as distinguished from the buying and selling of commodities and the supplying of personal services. This definition does not include Agricultural Use;
- (xiv) “Institutional Use” means land, buildings, structures or part thereof used by any organization, group or association for promotion of charitable, educational or benevolent objectives and not for profit or gain;
- (xv) “Local Board” means a school board, public utility commission, transportation commission, public library board, board of park management, local board of health, board of commissioners of police, planning board, or any other board, commission, committee, body or local authority established or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes, including school purposes, of the Township of Otonabee-South Monaghan or any part or parts thereof;
- (xvi) “Local Services” means those services, facilities or things which are within the boundaries of, about or are necessary to connect lands to Services and an application has been made in respect of the lands under sections 51 and 53 of the Planning Act, 1990;
- (xvii) “Township” means the Township of Otonabee-South Monaghan;
- (xviii) “Net Capital Cost” means the Capital Cost less capital grants, subsidies and other contributions made to the Township or that the council of the Township anticipates will be made, including conveyances or payments under sections 41, 51 and 53 of the Planning Act, 1990, in respect of the Capital Cost;

- (xix) “Non-Residential Use” includes Commercial, Industrial and Institutional Uses, but not Agricultural or Religious Uses;
- (xx) “Official Plan” means the Official Plan(s) adopted for the Township, as amended and approved;
- (xxi) “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;
- (xxii) “Rate” means the interest rate established weekly by the Bank of Canada based on Treasury Bills having a term of 91 days;
- (xxiii) “Regulation” means O. Reg. 82/98 as at February 20, 1998;
- (xxiv) “Residential Building” means a building, occupied or capable of being occupied as a home, residence or sleeping place by one or more persons, containing one or more Dwelling Units but not including motels, hotels, tents, truck campers, tourist trailers, mobile camper trailers or boarding, lodging or rooming houses;
- (xxv) “Residential Use” means the use of a building or structure or portion thereof for one or more Dwelling Units. This also includes a Dwelling Unit on land that is used for an Agricultural Use;
- (xxvi) “Services” means those services, facilities, accommodations and things shown on Schedule “A” to this by-law;
- (xxvii) “Servicing Agreement” means an agreement to provide municipal services by the Township of Otonabee-South Monaghan to specified lands within the Township;
- (xxviii) “Services in Lieu” means those Services specified in an agreement made under clause 8 of this by-law;
- (xxix) “Single Family Dwelling Unit” means one Dwelling Unit in a Residential Building;
- (xxx) “Small Apartment” means an apartment unit with less than 2 Bedrooms;
- (xxxix) “Semi-Detached Dwelling Unit” means two Dwelling Units in a Residential Building;

- (xxxii) “Triplex Dwelling Unit” means three Dwelling Units in a Residential Building;
- (xxxiii) “Unit” includes a Dwelling Unit and Apartment Unit;
- (xxxiv) “Zoning By-Law” means the Zoning By-Law of the Township of Otonabee-South Monaghan, plus any amendments or any successor thereof passed pursuant to Section 34 of the Planning Act, S.O. 1990;

2.

- (a) This by-law applies to all lands in the Township of Otonabee-South Monaghan whether or not the land or use thereof is exempt from taxation under s. 13 of the Assessment Act.
- (b) Notwithstanding clause 2(a) above, this by-law does not apply to the development of land that is owned by and used for the purposes of:
  - (i) A Board of Education;
  - (ii) The Township of Otonabee-South Monaghan, or any local board or commission thereof; and
  - (iii) The County of Peterborough or any local board thereof.

3. Council hereby determines that the development of land, buildings or structures for Residential and Commercial Uses or any combination thereof have required or will require the provision, enlargement, expansion or improvement of the Services shown in the proportions applicable to each such use on Schedule “A” hereto. No charge is imposed for Industrial, Agricultural or Religious Uses.

4.

- (a) Council hereby imposes the development charges shown on Schedule “B” hereto to those categories of Residential and Commercial Uses of land, buildings and structures shown on the said Schedule “B” including the phase-

in program to defray the growth-related net capital cost of providing, enlarging, expanding or improving the Services shown on Schedule “A”;

- (b) No Development charge shall be imposed when an existing Dwelling Unit is enlarged, or one or two additional Dwelling Units are being added to an existing single detached dwelling unless the total gross floor area of the additional one or two dwellings exceeds the gross floor area of the existing dwelling.

For all Residential Uses other than a single detached dwelling, no development charge shall be imposed when one additional Dwelling Unit is being added to an existing Residential Building unless the gross floor area of the additional unit exceeds the gross floor area of the smallest Dwelling Unit contained in the Residential Building.

- (c) In the case of a Development containing more than one use or category of use shown on Schedule “B” hereto, each such use shall bear its applicable development charge in the proportion that the gross floor area of such use or category of use bears to the total gross floor area of the Development.
- (d) No development charge is imposed if a building that has been destroyed or legally demolished is rebuilt within five years of the date of demolition or destruction. If a different type of building is built on the site, a credit equal to the development charge that would have been imposed on the original building on a neighboring site under this by-law will be applied to the development charges otherwise payable. In no case will a net credit be created.
- (e) The whole of the development charge imposed hereunder shall be calculated and paid in full on the date a building permit under the Building Code Act is issued in respect of the building or structure for the use to which the development charge hereunder applies.

- (f) No building permit shall be issued for any building or structure in respect of which the development charges applicable hereunder remains unpaid, or unless an agreement is in force that specifies a later payment date.
  - (g) The Council may enter into a written agreement providing for payment of the development charges on any date that Council decides is appropriate.
- 5. Nothing in this by-law prevents Council from requiring, as a condition of approval under section 51, or 53 of the Planning Act, 1990, that the Owner, at his own expense, install such Local Services as Council may require or that the Owner install local connections to municipal services at the Owner's expense.
- 6. The development charges established hereunder may be adjusted without amendment to this by-law annually as of the 31<sup>st</sup> of December in each year commencing on 31<sup>st</sup> December, 2010, in accordance with the regulated inflation index.
- 7.
  - (a) Council, by written agreement, may permit an Owner to commute the whole or such part of the development charge applicable to the Owner's development, as may be specified in the agreement, by the provision at the Owner's sole expense of Services in Lieu. Such agreement shall further specify that where the Owner provides Services in Lieu in accordance with the agreement, Council shall give to the Owner a credit against the Development charge otherwise applicable to his development equal to the reasonable cost of providing the Services in Lieu.
  - (b) In any agreement made under clause 7 (a), Council may also give a further credit equal to the owner's reasonable cost of providing Services in addition to or of a greater size or capacity than would be required under this by-law, but may not give the credit against the development charge payable.
  - (c) Any dispute as to the reasonable cost of providing the Services in Lieu or the Services mentioned in clause 7 (a) and (b) above, shall be referred to the Township of Council whose decision shall be final and binding.
- 8. A copy of this by-law may be registered against such lands in the Township of Otonabee-South Monaghan as Council by resolution from time to time may direct.

9. Any amount of development charge, which remains unpaid after the date specified in clause 4 or in a written agreement, shall be added to the tax roll and collected as unpaid taxes.
10. The Treasurer of the Township of Otonabee-South Monaghan shall administer this by-law.
11.
  - (a) Any agreement made under section 51 or 53 of the Planning Act, 1990 before the date this by-law comes into force which provides for the payment of a lot levy, capital contribution or other charge shall remain in full force and effect and be enforceable according to its terms.
  - (b) The Treasurer in calculating the development charge payable under clause 4, above shall deduct from the development charge otherwise payable any amount paid pursuant to an agreement mentioned in clause 7, above.
  - (c) Where a lot levy, impost fee or development charge was collected as a condition for a lot created by consent pursuant to Section 53 of the Planning Act S.O. 1990, then the amount collected shall be deducted from the Development Charge at the time the Building Permit is issued.
12.
  - (a) Council directs the Treasurer to create individual reserve funds, separate from the other reserve funds of the Township, including reserve funds created or administered under section 107 of the Municipal Act for each of the services listed in Schedule "A" to this by-law. The Treasurer shall deposit the development charges received under this by-law into the appropriate reserve fund thus created and shall pay from the appropriate reserve fund any amounts necessary to defray the Net Capital Cost of the service.
  - (b) The amounts contained in the reserve funds established under clause 12(a) above, shall be invested in accordance with subsection 107 of the Municipal Act and any income received from such investment shall be credited to the said reserve fund in the proportions determined by the balances in the

accounts listed in Schedule "A" to this by-law as of December 31 of the previous year.

13. Where any unpaid development charges are collected as taxes under clause 9 above, the money so collected shall be credited to the said reserve funds in the proportions provided for in Schedule "A".
14. The Treasurer of the Township of shall, in each year on or before March 31, furnish to Council a statement in respect of the reserve fund for the prior year established hereunder containing the information required under the Regulation.
15.
  - (a) If this by-law is amended or repealed by Council or the Ontario Municipal Board, the Treasurer shall determine within 30 days of the amendment or repeal whether any owner has overpaid in respect of the development charge payable hereunder immediately prior to the repeal or amendment of this by-law and if such an overpayment has been made, the Treasurer shall calculate the amount of such overpayment.
  - (b) Any overpayment determined under clause 16(a), above shall be paid to the person who made the payment by his or her last known address within 30 days of the date of the repeal or amendment of this by-law.
  - (c) The refund payable under clause 15(b), above shall be paid with interest calculated from the date upon which the overpayment was collected to the date on which the refund is made. Such interest shall be paid at the Bank of Canada Rate in effect from time to time from the date of enactment of this by-law as adjusted in clause 15(d), below.
  - (d) The Bank of Canada Rate in effect on the date of enactment of this by-law shall be adjusted on the first business day of January, 2011 to the Rate established by the Bank of Canada on that day and shall be adjusted four times each year thereafter on the first business day of January, April, July and October to the Rate established by the Bank of Canada on the day of the adjustment.
16. This by-law shall continue in force and effect for a term of 5 years from the date of its coming into force.

17. Council may pass one or more development charge by-laws that impose a development charge on a specific area of the Township. Such charges shall be in addition to the charges imposed through this by-law.
18. This by-law comes into force on the date it is given third and final reading. By-law read a first and second time this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 2010.

By-law read a third time and finally passed this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 2010.

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**MAYOR**

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**CLERK**

**SCHEDULE "A"**

**TO THE TOWNSHIP OF OTONABEE-SOUTH MONAGHAN**

**BY-LAW 2010-67**

| <b>Proportionate<br/>Share</b> | <b>Residential</b>          | <b>Commercial</b> |        |
|--------------------------------|-----------------------------|-------------------|--------|
| <b>General<br/>Government</b>  | 2.1%                        | 2.3%              |        |
| <b>Fire Protection</b>         | 10.4%                       | 11.4%             |        |
| <b>Public Works</b>            | 74.5%                       | 86.3%             |        |
| <b>Recreation</b>              | 7.3%                        | 0.0%              |        |
| <b>Library Services</b>        | 5.7%                        | 0.0%              |        |
|                                | <b>Total municipal-wide</b> | 100.0%            | 100.0% |

**SCHEDULE "B"**

**TO THE TOWNSHIP OF OTONABEE-SOUTH MONAGHAN**  
**BY-LAW 2010-67**

**For the Period Commencing January 1, 2011 and Ending on December 31,**  
**2011**

**Development Charge**

| <b>Residential Development Charges – Per Unit</b> |                |
|---|----------------|
| <b>Singles and<br/>Doubles</b>                    | <b>\$2,041</b> |
| <b>Multiple Unit<br/>Buildings</b>                | <b>\$1,526</b> |
|   |                |
|   |                |

| <b>Commercial Development Charges – Per Square Feet of building space</b> |               |
|---|---------------|
| <b>Sector</b>   | <b>Total</b>  |
| <b>Commercial</b>   | <b>\$2.26</b> |

**For the Period Commencing January 1, 2012 and Ending on December 31,**  
**2012**

**Development Charge**

| <b>Residential Development Charges – Per Unit</b> |  |
|---|--|
| <b>Singles and</b>                                |  |

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|                |                |
|----------------|----------------|
| <b>Doubles</b> | <b>\$3,061</b> |
|----------------|----------------|

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|                                    |                |
|------------------------------------|----------------|
| <b>Multiple Unit<br/>Buildings</b> | <b>\$2,290</b> |
|------------------------------------|----------------|

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|--|--|
|  |  |
|--|--|

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|   |  |
|---|--|
| <b>Commercial Development Charges – Per Square Feet of building space</b> |  |
|---|--|

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|               |              |
|---------------|--------------|
| <b>Sector</b> | <b>Total</b> |
|---------------|--------------|

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|                   |               |
|-------------------|---------------|
| <b>Commercial</b> | <b>\$2.26</b> |
|-------------------|---------------|

**For the Period Commencing January 1, 2013 and Ending on the date the  
By-law expires**

**Development Charge**

| <b>Residential Development Charges – Per Unit</b> |                |
|---|----------------|
| <b>Singles and<br/>Doubles</b>                    | <b>\$4,082</b> |
| <b>Multiple Unit<br/>Buildings</b>                | <b>\$3,053</b> |
|   |                |
|   |                |

| <b>Commercial Development Charges – Per Square Feet of building space</b> |               |
|---|---------------|
| <b>Sector</b>   | <b>Total</b>  |
| <b>Commercial</b>   | <b>\$2.26</b> |

**APPENDIX C**

**PLANNED SUBDIVISIONS**

## APPENDIX C

### TOWNSHIP OF OTONABEE-SOUTH MONAGHAN PLANNED SUBDIVISIONS, 2

| <u>NAME</u>     | <u>DEVELOPER</u>              | <u>LOCATION</u>       | <u>PROPOSED DEVELOPMENT</u> |                   | <u>COMMERCIAL (HECTARES)</u> |
|-----------------|-------------------------------|-----------------------|-----------------------------|-------------------|------------------------------|
|                 |                               |                       | <u>SINGLES</u>              | <u>TOWNHOUSES</u> |                              |
| Burnham meadows | Safe Harbour Development inc. | Con. 11, Pt Lot<br>30 | 199                         | 51                | 3.25                         |
|                 | Beaverbrook Homes (Otonabee)  | Con. 16, Pt Lot<br>21 | 130                         |                   |                              |