

**Town of Collingwood
Development Charge
Background Study**

**Black Ash Creek
Watershed/Special Policy
Area Lands**

August 25, 2017



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 **Planning for growth**

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List of Acronyms and Abbreviations

B.A.C.	Black Ash Creek
D.C.	Development charge
D.C.A.	<i>Development Charges Act, 1997</i> , as amended
G.F.A.	Gross floor area
O.M.B.	Ontario Municipal Board
O.Reg.	Ontario Regulation
P.P.U.	Persons per unit
S.D.U.	Single detached unit
s.s.	Subsection
sq.ft.	Square footage

1. Introduction

1.1 Purpose of this Document

This background study has been prepared pursuant to the requirements of the *Development Charges Act, 1997* (s.10), as amended (D.C.A.) and, accordingly, recommends new development charges and policies for the Black Ash Creek Watershed/Special Policy Area Lands within the Town of Collingwood. The area-specific development charges are required for the Black Ash Creek (B.A.C.) stormwater management capital improvements.

The Town retained Watson & Associates Economists Ltd. (Watson), to undertake the area-specific development charges (D.C.) study process throughout the summer of 2017. Watson worked with Town staff in preparing the D.C. analysis and policy recommendations.

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

This report has been prepared, in the first instance, to meet the statutory requirements applicable to the Town's area-specific development charge background study. It also addresses the requirement for "rules" (contained in Chapter 4) and the proposed by-law to be made available as part of the approval process (included as Appendix B).

In addition, the report is designed to set out sufficient background on Collingwood's current D.C. policies (Chapter 2) and the policies underlying the proposed by-law, to make the exercise understandable to those who are involved.

Finally, it addresses post-adoption implementation requirements (Chapter 5) which are critical to the successful application of the new policy.

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

1.2 Summary of the Process

The public meeting required under section 12 of the D.C.A., has been scheduled for October 16, 2017. Its purpose is to present the study to the public and to solicit public input. The meeting is also being held to answer any questions regarding the study's purpose, methodology and the proposed modifications to the Town's area-specific development charges.

In accordance with the legislation, the background study and proposed D.C. by-law will be available for public review on August 25, 2017.

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

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

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

Figure 1-1
Schedule of Key Development Charge Process Dates for the Town of Collingwood

1. Data collection, staff review, engineering work, D.C. calculations and policy work	Summer 2017
2. Public meeting advertisement placed in newspaper(s)	No later than September 25, 2017
3. Background study and proposed by-law available to public	August 25, 2017
4. Public meeting of Council	October 16, 2017
5. Council considers adoption of background study and passage of by-law	October 30, 2017
6. Newspaper notice given of by-law passage	By 20 days after passage
7. Last day for by-law appeal	40 days after passage
8. Town makes pamphlet available (where by-law not appealed)	By 60 days after in force date

1.3 Changes to the *Development Charges Act*. Bill 73

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

1.3.1 Area Rating

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

- 1) Section 2(9) of the Act now requires a municipality to implement area-specific D.C.s for either specific services which are prescribed and/or for specific municipalities which are to be regulated.
- 2) Section 10(2)c.1 of the D.C.A. requires that, "the development charges background study shall include consideration of the use of more than one development charge by-law to reflect different needs for services in different areas."

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

1.3.2 Asset Management Plan for New Infrastructure

The new legislation now requires that a D.C. background study must include an Asset Management Plan (s.10 (2) c.2). The asset management plan must deal with all assets that are proposed to be funded, in whole or in part, by D.C.s. The current regulations provide very extensive and specific requirements for the asset management plan related to transit services; however, they are silent with respect to how the asset management plan is to be provided for all other services. As part of any asset management plan, the examination should be consistent with the municipality's existing assumptions, approaches and policies on asset management planning. This examination may include both qualitative and quantitative measures such as examining the annual future lifecycle contributions needs.

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

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

This D.C. study is being provided to the public on August 25, 2017 to ensure the new requirements for release of the study is met.

1.3.4 Timing of Collection of Development Charges

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

1.3.5 Other Changes

It is also noted that a number of other changes were made through Bill 73 and O.Reg. 428/15 including changes to the way in which Transit D.C. service standards are calculated, the inclusion of Waste Diversion and the ability for collection of additional levies; however, these sections do not impact the Town's area-specific D.C.

2. Current Town of Collingwood Policy

2.1 Schedule of Charges

On August 11, 2014, the Town of Collingwood passed By-law 2014-066 under the D.C.A. This by-law imposed Town-wide development charges. On November 5, 2012, the Town passed By-law 2012-114 under the D.C.A., which imposed area-specific D.C.s for the Black Ash Creek Watershed/Special Policy Area Lands.

These by-laws impose development charges for residential and non-residential uses. The table below provides the rates currently in effect, as at January 1, 2017.

Table 2-1
Town of Collingwood
Town-wide Development Charges (By-law 2014-066)
As at January 1, 2017

Service	Residential				Wind Turbines	Non-Residential per ft ²
	Single & Semi Detached	Multiples	Apartments with >= 2 Bedrooms	Apartments with < 2 Bedrooms		
Municipal-wide Services						
Administration	105	99	76	46		0.06
Airport Space	59	54	43	25		0.03
Fire Protection Services	624	575	457	260	624	0.10
Indoor Recreation Services	670	616	492	279		0.03
Library Services	549	505	403	229		0.03
Municipal Parking	129	118	95	53		0.08
Outdoor Recreation Services	3,447	3,174	2,528	1,436		0.20
Police Protection Services	127	117	93	53		0.03
Roads & Related	6,885	6,340	5,049	2,868	6,885	1.94
Transit	94	86	68	38		0.01
Total Municipal-wide Services	12,689	11,684	9,304	5,287	7,509	2.51
Urban Services						
Wastewater Services	6,707	6,176	4,918	2,795	-	1.98
Water Services	3,281	3,021	2,406	1,367	-	1.42
Total Urban Services	9,988	9,197	7,324	4,162	-	3.40
Grand Total Rural Area	12,689	11,684	9,304	5,287	7,509	2.51
Grand Total Urban Area	22,677	20,881	16,628	9,449	7,509	5.91

Table 2-2
Town of Collingwood
Area-specific Development Charges (By-law 2012-114)
As at January 1, 2017

Service	Residential and Non-residential Development
Stormwater Drainage	per net developable acre 5,301.20

2.2 Services Covered

The following services are covered under By-law 2014-066:

- Administration (Studies);
- Airport Space;
- Fire Protection Services;
- Indoor Recreation Services;
- Library Services;
- Municipal Parking;
- Outdoor Recreation Services;
- Police Protection Services;
- Roads & Related;
- Transit;
- Wastewater Services (Urban-area); and
- Water Services (Urban-area).

The following services are covered under By-law 2012-114:

- Stormwater Drainage for Black Ash Creek and;
- D.C. studies related to this area specific D.C.

2.3 Timing of D.C. Calculation and Payment

Area-specific (By-law 2012-114)

Development charges are payable on the date of registration of a plan of subdivision under section 51 of the *Planning Act* or on the date of approval of a consent under section 53 of the *Planning Act*.

If no new plan of subdivision or consent is required, development charges are payable on the date of the first building permit issued in relation to a building or structure on land to which a build permit applies.

2.4 Indexing

Rates shall be indexed on January 1st of each year by the percentage change recorded in the average annual Non-residential Construction Price Index produced by Statistics Canada.

2.5 Redevelopment Allowance

Town-wide (By-law 2014-066)

As a result of the redevelopment of land, a building or structure existing on the same land within 5 years prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another principal use on the same land, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

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

Area-specific (By-law 2012-114)

If a development charge has been previously paid under this by-law or a predecessor by-law for Black Ash Creek stormwater management works, in respect of development of land and the land is being redeveloped;

- (a) the development charge payable in respect of the redevelopment will be calculated under this by-law; and
- (b) the development charge determined under paragraph above will be reduced by a credit equivalent to the development charge previously paid in respect of land provided that the owner provides proof of payment satisfactory to the Town and the credit does not exceed the development charge determined under the above paragraph.

2.6 Exemptions

Town-wide (By-law 2014-066)

The following non-statutory exemptions are provided under By-law 2014-066:

- a hospital under the *Public Hospitals Act*;
- a place of worship exempt from taxation under the *Assessment Act*;
- a non-residential farm building; and
- an air supported structure ancillary to and owned by a school exempt from taxation under the *Assessment Act*.

Area-specific (By-law 2012-114)

The following non-statutory exemptions are provided under By-law 2012-114:

- a hospital under the *Public Hospitals Act*;
- a place of worship exempt from taxation under the *Assessment Act*; and
- a non-residential farm building.

3. D.C. Calculations for the Area-specific Development Charges for Stormwater Management Works within the Black Ash Creek (B.A.C.) Benefitting Area

The calculations provided herein generally follow the approach used in the 2002, 2007, and 2012 studies. It is noted that the stormwater works have now been completed and financed, hence, for costing purposes, the most up-to-date actual costs will be incorporated into the calculation of the charge.

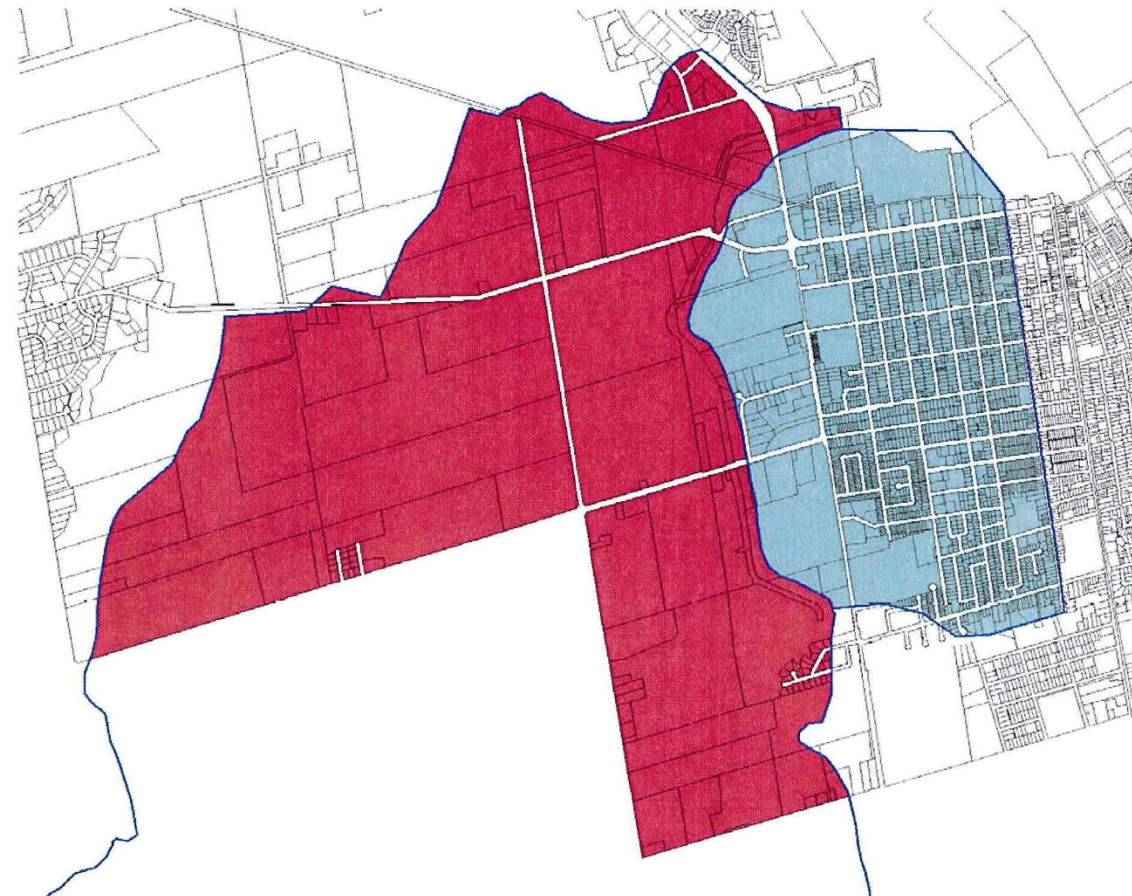
3.1 Description of the Black Ash Creek (B.A.C.) Benefitting Area

The Black Ash Creek (B.A.C.) channelization project was required in order to permit additional residential and non-residential development to take place in locations within the B.A.C. Special Policy Area. The geographic area that was determined to benefit from the B.A.C. channelization works is outlined on the map in Schedule 3-1. The benefiting area includes both the watershed area located to the west of B.A.C., and the Special Policy area located to the east of B.A.C. Storm water drains into the Black Ash Creek primarily from lands located in the watershed (to the west) causing potential flooding to occur on lands located in the Special Policy Area (to the east). The proposed channelization works are designed, in part, to prevent future flooding in the Special Policy Area.

The land area associated with the existing and future (as of 2002) anticipated development in the B.A.C. Watershed and in the Special Policy Area is summarized in Table 3-1 below. The percentage of the total benefiting land area that was undeveloped was estimated at 58%.

**Schedule 3-1
Town of Collingwood
Black Ash Creek Watershed/Special Policy Area Lands**

Collingwood Harbour



- Special Policy Area
- BAC Watershed

Table 3-1
Summary of Estimated Developed and Undeveloped Land Areas in the B.A.C.
Watershed and Special Policy Areas
(as of 2002)

Property Info	Watershed			Special Policy			Total		
	Number of Properties	Acreage		Number of Properties	Acreage		Number of Properties	Acreage	
		# of Acres	% of Sub-Total		# of Acres	% of Sub-Total		# of Acres	% of Sub-Total
Developed	46	462.0	28%	1,955	545.4	75%	2,001	1,007.4	42%
Undeveloped	103	1,212.8	72%	84	184.5	25%	187	1,397.3	58%
Total	149	1,674.8	100%	2,039	729.9	100%	2,188	2,404.7	100%

Note:

Criteria used for allocating property to the "undeveloped" category:

Properties were allocated to the undeveloped category in instances where at least one of the following criterion was present;

- Criterion #1* - where the land use code (LANDUSE) labelled the property as vacant.
- Criterion #2* - where the property code (PROPCODE) labelled the property as vacant (i.e., vacant industrial, vacant commercial).
- Criterion #3* - where the property code described the land as farmland, or farmland with a residence.
- Criterion #4* - in cases where a single-family dwelling is situated on an unusually large parcel.

Source: MPAC Property Code database

3.2 Cost of Servicing

The Black Ash Creek project provided for flood control works within the B.A.C. Watershed and Special Policy Area. These works were constructed over the 2002-2004 period and are now completed with the last parcel of land purchased in 2007. The total costs for the capital improvements, on which the past D.C. calculations were based (as well as the cost for this study), are presented below:

Capital Works	\$(000)	
	2002 Estimate	Actual Cost
Flood Control	\$5,135	\$5,884
Property Acquisition Costs	650	273
DC Background Study (2002)	20	20
DC Background Study (2012)		10
DC Background Study (2017)		11
Total	\$5,805	\$6,198

As provided above, the actual cost of the flood control project was higher than the original estimate and the actual cost for land acquisition was lower than originally estimated providing for an overall project cost of \$6,157,000, excluding the cost of the D.C. studies. Development charge study costs of \$20,000 for the 2002 D.C. study, \$10,000 for the 2012 D.C. study, and \$11,000 for the 2017 D.C. study have also been identified above and will form part of the D.C. calculations.

In December, 2004, the Town issued a debenture to cover the full cost of the project. A debenture totalling \$6,250,000 was issued over 20 years at 5.58%. Table 3-2 provides for the full debenture repayment schedule.

Table 3-3 provides for the portion of this debenture which relates to the full undeveloped lands as provided on Table 3-2. The proportion of this by-law relating to growth is calculated as follows:

Project Cost (not including D.C. Study)	\$6,157,000
Growth %	<u>58.107%</u>
Sub-total	\$3,577,471
Add Prior D.C. Study Costs	<u>30,000</u>
Total Growth-related Costs	<u>\$3,607,471</u>
÷ Debenture Amount	\$6,250,000
= % of Debenture Related to Undeveloped Lands (i.e. Growth)	57.72%

Note: The costs of the current 2017 D.C. study have been included later in the calculation.

Table 3-2
Town of Collingwood
Repayment Schedule for Black Ash Creek Flood Control Works

Total debenture #	04-103
Total debentured	\$13,345,000
Portion applicable to Black Ash Creek Channelization	\$6,250,000
Interest rate	46.83%
Term (years)	5.58%
Payment	20
Discount Factor	\$261,288
	1.5%

Year	Payment Date	Payment	Principal	Interest	Balance	Discounted Interest
1	2005	9-Jun	261,288	86,913	174,375	6,250,000
1	2005	9-Dec	261,288	89,338	171,950	6,163,087
2	2006	9-Jun	261,288	91,830	169,458	6,073,749
2	2006	9-Dec	261,288	94,392	166,896	5,981,919
3	2007	9-Jun	261,288	97,026	164,262	5,887,526
3	2007	9-Dec	261,288	99,733	161,555	5,790,500
4	2008	9-Jun	261,288	102,516	158,772	5,690,767
4	2008	9-Dec	261,288	105,376	155,912	5,588,251
5	2009	9-Jun	261,288	108,316	152,972	5,482,876
5	2009	9-Dec	261,288	111,338	149,950	5,374,560
6	2010	9-Jun	261,288	114,444	146,844	5,263,222
6	2010	9-Dec	261,288	117,637	143,651	5,148,778
7	2011	9-Jun	261,288	120,919	140,369	5,031,141
7	2011	9-Dec	261,288	124,293	136,995	4,910,222
8	2012	9-Jun	261,288	127,761	133,527	4,785,929
8	2012	9-Dec	261,288	131,325	129,963	4,658,168
9	2013	9-Jun	261,288	134,989	126,299	4,526,843
9	2013	9-Dec	261,288	138,755	122,533	4,391,854
10	2014	9-Jun	261,288	142,627	118,661	4,253,099
10	2014	9-Dec	261,288	146,606	114,682	4,110,472
11	2015	9-Jun	261,288	150,696	110,592	3,963,866
11	2015	9-Dec	261,288	154,901	106,387	3,813,170
12	2016	9-Jun	261,288	159,222	102,066	3,658,269
12	2016	9-Dec	261,288	163,665	97,623	3,499,047
13	2017	9-Jun	261,288	168,231	93,057	3,335,382
13	2017	9-Dec	261,288	172,924	88,364	3,167,152
14	2018	9-Jun	261,288	177,749	83,539	2,994,227
14	2018	9-Dec	261,288	182,708	78,580	2,816,478
15	2019	9-Jun	261,288	187,806	73,482	2,633,770
15	2019	9-Dec	261,288	193,046	68,242	2,445,964
16	2020	9-Jun	261,288	198,432	62,856	2,252,918
16	2020	9-Dec	261,288	203,968	57,320	2,054,487
17	2021	9-Jun	261,288	209,659	51,629	1,850,519
17	2021	9-Dec	261,288	215,508	45,780	1,640,860
18	2022	9-Jun	261,288	221,521	39,767	1,425,352
18	2022	9-Dec	261,288	227,701	33,587	1,203,832
19	2023	9-Jun	261,288	234,054	27,234	976,130
19	2023	9-Dec	261,288	240,584	20,704	742,076
20	2024	9-Jun	261,288	247,296	13,992	501,492
20	2024	9-Dec	261,288	254,196	7,092	254,196
Total			6,250,000	4,201,521		4,172,640

Future Interest Discounted at 1.5% annually

Table 3-3
Town of Collingwood
Repayment Schedule for Growth Portion of Costs for Black Ash Creek Flood
Control Works

Year	Year	Payment	Principal	Interest	Balance	Discounted Interest
					3,607,471	
1	2005	301,628	101,731	199,897	3,505,740	199,897
2	2006	301,628	107,487	194,141	3,398,253	194,141
3	2007	301,628	113,568	188,060	3,284,684	188,060
4	2008	301,628	119,994	181,634	3,164,690	181,634
5	2009	301,628	126,783	174,845	3,037,907	174,845
6	2010	301,628	133,956	167,672	2,903,951	167,672
7	2011	301,628	141,535	160,093	2,762,416	160,093
8	2012	301,628	149,543	152,085	2,612,873	152,085
9	2013	301,628	158,004	143,624	2,454,869	143,624
10	2014	301,628	166,944	134,685	2,287,925	134,685
11	2015	301,628	176,389	125,239	2,111,536	125,239
12	2016	301,628	186,369	115,260	1,925,167	115,260
13	2017	301,628	196,913	104,715	1,728,254	104,715
14	2018	301,628	208,054	93,574	1,520,200	92,191
15	2019	301,628	219,826	81,803	1,300,374	79,403
16	2020	301,628	232,263	69,365	1,068,111	66,335
17	2021	301,628	245,404	56,224	822,707	52,974
18	2022	301,628	259,289	42,340	563,418	39,302
19	2023	301,628	273,959	27,670	289,459	25,305
20	2024	301,628	289,459	12,169	-	10,965
Total			3,607,471	2,425,098		2,408,428

Undeveloped Lands (i.e. Growth)	57.72%
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As presented in Table 3-3, the recovery of the project cost totals \$3,607,471 plus financing interest costs of \$2,425,098 for a total of \$6,032,569. As the development charges will be indexed annually for inflation, these future debt payments have been discounted by 1.5% per annum. Table 3-4 provides for the discounted costs which total \$5,911,379.

Table 3-4
Town of Collingwood
Discounted Growth-related Debt Costs to be Recovered for the Black Ash Creek
Flood Control Works

Year	Payment Date	Payment	Principal	Interest	Discount Factor (based on 2% per annum)	Net Discounted Cashflow
1	2005	9-Jun	301,628	101,731	199,897	301,628
2	2006	9-Jun	301,628	107,487	194,141	301,628
3	2007	9-Jun	301,628	113,568	188,060	301,628
4	2008	9-Jun	301,628	119,994	181,634	301,628
5	2009	9-Jun	301,628	126,783	174,845	301,628
6	2010	9-Jun	301,628	133,956	167,672	301,628
7	2011	9-Jun	301,628	141,535	160,093	301,628
8	2012	9-Jun	301,628	149,543	152,085	301,628
9	2013	9-Jun	301,628	158,004	143,624	301,628
10	2014	9-Jun	301,628	166,944	134,685	301,628
11	2015	9-Jun	301,628	176,389	125,239	301,628
12	2016	9-Jun	301,628	186,369	115,260	301,628
13	2017	9-Jun	301,628	196,913	104,715	301,628
14	2018	9-Jun	301,628	208,054	93,574	297,171
15	2019	9-Jun	301,628	219,826	81,803	292,779
16	2020	9-Jun	301,628	232,263	69,365	288,452
17	2021	9-Jun	301,628	245,404	56,224	284,190
18	2022	9-Jun	301,628	259,289	42,340	279,990
19	2023	9-Jun	301,628	273,959	27,670	275,852
20	2024	9-Jun	301,628	289,459	12,169	271,775
Total			6,032,569	3,607,471	2,425,098	5,911,379

Future Interest Discounted at 1.5% annually

3.3 Existing Development Charge Reserve Funds

As required by the D.C.A., the Town deposits all D.C. recoveries into dedicated Reserve Funds. As recommended in the previous study, each year the Town transfers the D.C. recoveries to pay for the debt charges incurred for the capital works associated with the area-specific D.C. As presented on Table 3-3, the annual growth-related debt payments are \$301,628. Due to the amount of growth in the B.A.C. benefitting area, the Town has not collected enough to pay the full amount of the annual debt payments since the debenture was issued. Therefore, the reserve fund balance now shows a commitment to account for the amount of the annual payment that has been cash-flowed from other sources. Once the funds are collected, these other sources will be paid back, with interest. These interim financing costs have been included in the D.C. calculation (i.e. 1.5% annually on the negative reserve fund balances). It is recommended that future collections be used to offset the annual debt charges in the year they are collected. Further, collections in any year that are less than the annual debt charge of \$301,628, should be recorded and the difference should be shown as a commitment against the reserve fund.

Service	Year-end Balance 2016	Commitments	Adjusted Reserve Fund Balance
BAC Stormwater	-	(3,257,172)	(3,257,172)
Total	\$0	(\$3,257,172)	(\$3,257,172)

3.4 Area-specific Development Charge Calculation

The calculation of the D.C. for the B.A.C. stormwater management service is provided below. Generally, the net recoverable amount is calculated by adding the net discounted payments identified in Table 3-4, the cost of the current D.C. study, and the interim financing costs. This amount is then divided by the net developable acreage of the undeveloped lands as of the 2002 study (equals the 1,397.3 acres provided in Table 3-1 discounted by 15% to account for public uses such as local roads, sidewalks, paths, storm water management facilities, etc.).

Development Charge Calculation	
Net Discounted Financing Cost Related to Growth	\$5,911,379
+ 2017 DC Study	11,000
+ Interim Financing Costs	153,605
Net Recoverable	6,075,984
÷ Net Developable Acres (1,397.3 X 85%)	1,187.71
= DC per net Acre of Developable Land	\$5,115.74

3.5 Long-term Capital and Operating Cost Examination

Subsection 10(2) of the D.C.A. requires a development charge background study to include:

“(c) an examination for each service to which the development charge by-law would relate, of the long term capital and operating costs for capita infrastructure required for the service.”

It was originally estimated that the long term annual maintenance costs for channelization would be \$1,000/km. The channelization works to be undertaken as part of the Black Ash Creek project are not expected to require replacement. Historically, the annual costs have been about \$20,000; however, these costs are expected to increase over time.

3.6 Asset Management Plan

The new legislation now requires that a D.C. background study must include an Asset Management Plan (s.10(2)c.2). The asset management plan must deal with all assets that are proposed to be funded, in whole or in part, by D.C.s.

As the capital works included in this study have been constructed, they are already included in the Town's current asset management plan. Further, the channelization works did not create an asset as the works widened existing channels for growth, therefore these works are not expected to require replacement.

4. Development Charge Policy Recommendations and Development Charge By-law Rules

4.1 Introduction

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

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

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

s.s.5(6) establishes the following restrictions on the rules:

- the total of all development charges that would be imposed on anticipated development must not exceed the capital costs determined under 5(1) 2-8 for all services involved;
- if the rules expressly identify a type of development, they must not provide for it to pay development charges that exceed the capital costs that arise from the increase in the need for service for that type of development; however, this requirement does not relate to any particular development; and
- if the rules provide for a type of development to have a lower development charge than is allowed, the rules for determining development charges may not provide for any resulting shortfall to be made up via other development.

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

The rules provided are based on the Town’s existing policies; however, these may be refined prior to adoption of the by-law if Council wishes.

4.2 Development Charge By-law Structure

It is recommended that:

- the Town uses an area-specific development charge calculation for the Black Ash Creek stormwater works and associated financing and study costs; and
- the Town use one development charge by-law for the Black Ash Creek stormwater service (separate from the Town-wide D.C. by-law).

4.3 Development Charge By-law Rules

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

It is recommended that the following sections provide the basis for the development charges:

4.3.1 Payment in any Particular Case

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

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

4.3.2 Determination of the Amount of the Charge

The following conventions be adopted:

- 1) Costs have been assigned to all land uses on a per acre basis.

4.3.3 Application to Redevelopment of Land (Demolition and Conversion)

- 1) No credit shall be given if all or part of a residential or non-residential building or structure is demolished.
- 2) Notwithstanding the above, if a development charge has previously been paid under this by-law or a predecessor by-law for Black Ash Creek stormwater management works, in respect of development of land and the land is being redeveloped:
 - a. The development charge payable in respect of the redevelopment will be calculated under this by-law; and
 - b. The development charge determined under the above will be reduced by a credit equivalent to the development charge previously paid in respect of land, provided that the owner provides proof of payment satisfactory to the Town and the credit does not exceed the development charge determined under the above.

4.3.4 Exemptions (full or partial)

- a) Statutory exemptions
 - industrial building additions of up to and including 50% of the existing gross floor area (defined in O.Reg. 82/98, s.1) of the building; for industrial building additions which exceed 50% of the existing gross floor area, only the portion of the addition in excess of 50% is subject to development charges (s.4(3)) of the D.C.A.;
 - buildings or structures owned by and used for the purposes of any municipality, local board or Board of Education (s.3); and
 - residential development that results only in the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units (based on prescribed limits set out in s.2 of O.Reg. 82/98).
- b) Non-statutory exemptions
 - a hospital under the *Public Hospitals Act*;
 - a place of worship exempt from taxation under the *Assessment Act*; and
 - a non-residential farm building.

4.3.5 Phasing in

No provisions for phasing in the development charge are provided in the development charge by-law.

4.3.6 Timing of Collection

A development charge that is applicable under section 5 of the D.C.A. shall be calculated and payable;

- on the date of registration of a plan of subdivision under section 51 of the *Planning Act* or on the date of approval of a consent under section 53 of the *Planning Act*; and
- where no new plan of subdivision or consent is required, development charges shall be calculated and payable on the date the first building permit is issued in relation to a building or structure on land to which a building permit applied.

4.3.7 Indexing

Indexing of the development charges shall be implemented on a mandatory basis annually on January 1st and each year thereafter, in accordance with the Statistics Canada Quarterly, Non-Residential Building Construction Price Index (CANSIM Table 327-0043)¹ for the most recent year-over-year period.

4.3.8 The Applicable Areas

The charges developed herein provide for charges within the Black Ash Creek area as follows:

- Black Ash Creek stormwater management – the charge will be imposed on all areas identified in the by-law.

¹ O.Reg. 82/98 referenced “The Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-007” as the index source. As of the end of December, 2013 this catalogue has been discontinued and replaced by this web based table.

4.4 Other Development Charge By-law Provisions

It is recommended that:

4.4.1 Categories of Services for Reserve Fund and Credit Purposes

The Town's development charge collections are currently reserved in one reserve fund: Black Ash Creek Special Area for stormwater. It is recommended that the Town continue with this reserve fund. Appendix A outlines the reserve fund policies that the Town is required to follow as per the D.C.A.

4.4.2 By-law In-force Date

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

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

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

4.5 Recommendations

It is recommended that Council:

“Approve the Development Charges Background Study dated August 25, 2017, as amended (if applicable);”

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

“Approve the Development Charge By-law as set out in Appendix B.”

5. By-law Implementation

5.1 Public Consultation Process

5.1.1 Introduction

This chapter addresses the mandatory, formal public consultation process (section 5.1.2), as well as the optional, informal consultation process (section 5.1.3). The latter is designed to seek the co-operation and participation of those involved, in order to produce the most suitable policy. Section 5.1.4 addresses the anticipated impact of the development charge on development from a generic viewpoint.

5.1.2 Public Meeting of Council

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

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

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

5.1.3 Other Consultation Activity

There are three broad groupings of the public who are generally the most concerned with Town development charge policy:

1. The first grouping is the residential development community, consisting of land developers and builders, who are typically responsible for generating the majority of the development charge revenues. Others, such as realtors, are directly impacted by development charge policy. They are, therefore, potentially

interested in all aspects of the charge, particularly the quantum by unit type, projects to be funded by the D.C. and the timing thereof, and Town policy with respect to development agreements, D.C. credits and front-ending requirements.

2. The second public grouping embraces the public at large and includes taxpayer coalition groups and others interested in public policy.
3. The third grouping is the industrial/commercial/institutional development sector, consisting of land developers and major owners or organizations with significant construction plans, such as hotels, entertainment complexes, shopping centres, offices, industrial buildings and institutions. Also involved are organizations such as Industry Associations, the Chamber of Commerce, the Board of Trade and the Economic Development Agencies, who are all potentially interested in Town development charge policy. Their primary concern is frequently with the quantum of the charge, gross floor area exclusions such as basements, mechanical or indoor parking areas, or exemptions and phase-in or capping provisions in order to moderate the impact.

5.2 Anticipated Impact of the Charge on Development

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

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

5.3 Implementation Requirements

5.3.1 Introduction

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

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

The sections which follow overview the requirements in each case.

5.3.2 Notice of Passage

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

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

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

5.3.3 By-law Pamphlet

In addition to the "notice" information, the Town must prepare a "pamphlet" explaining each development charge by-law in force, setting out:

- a description of the general purpose of the development charges;
- the "rules" for determining if a charge is payable in a particular case and for determining the amount of the charge;
- the services to which the development charges relate; and

- a general description of the general purpose of the Treasurer's statement and where it may be received by the public.

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

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

5.3.4 Appeals

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

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

5.3.5 Complaints

A person required to pay a development charge, or his agent, may complain to the Town Council imposing the charge that:

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

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

5.3.6 Credits

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

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

5.3.7 Front-Ending Agreements

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

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

5.3.8 Severance and Subdivision Agreement Conditions

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

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

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

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

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

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

Appendix A – Development Charge Reserve Fund Policy

Appendix A – Development Charge Reserve Fund Policy

A.1 Legislative Requirements

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

- a Town shall establish a reserve fund for each service to which the D.C. by-law relates; s.7(1), however, allows services to be grouped into categories of services for reserve fund (and credit) purposes, although only 100% eligible and 90% eligible services may be combined (minimum of two reserve funds);
- the Town shall pay each development charge it collects into a reserve fund or funds to which the charge relates;
- the money in a reserve fund shall be spent only for the “capital costs” determined through the legislated calculation process (as per s.5(1) 2-8);
- money may be borrowed from the fund but must be paid back with interest (O.Reg. 82/98, s.11(1) defines this as the Bank of Canada rate either on the day the by-law comes into force or, if specified in the by-law, the first business day of each quarter); and
- D.C. reserve funds may not be consolidated with other Town reserve funds for investment purposes (s.37).

Annually, the Treasurer of the Town is required to provide Council with a financial statement related to the D.C. by-law(s) and reserve funds. This statement must also be forwarded to the Minister of Municipal Affairs and Housing within 60 days of the statement being filed with Council.

O.Reg. 82/98 prescribes the information that must be included in the Treasurer’s statement, as follows:

- opening balance;
- closing balance;
- description of each service and/or service category for which the reserve fund was established;
- transactions for the year (e.g. collections, draws);
- list of credits by service or service category (outstanding at beginning of the year, given in the year and outstanding at the end of the year by holder);

- amounts borrowed, purpose of the borrowing and interest accrued during previous year;
- amount and source of money used by the Town to repay municipal obligations to the fund;
- schedule identifying the value of credits recognized by the Town, the service to which it applies and the source of funding used to finance the credit; and
- for each draw, the amount spent on the project from the D.C. reserve fund and the amount and source of any other monies spent on the project.

Based upon the above, Figure A-1 sets out the format for which annual reporting to Council should be provided.

A.2 D.C. Reserve Fund Application

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

“The money in a reserve fund established for a service may be spent only for capital costs determined under paragraphs 2 to 8 of subsection 5(1).”

This provision clearly establishes that reserve funds collected for a specific service are only to be used for that service.

Figure A-1
Town of Collingwood
Annual Treasurer's Statement of Development Charge Reserve Funds

Description	Black Ash Creek	Total
	Stormwater Drainage and Control Services	
Opening Balance, January 1, _____		0
<u>Plus:</u>		
Development Charge Collections		0
Accrued Interest		0
Repayment of Monies Borrowed from Fund and Associated Interest ¹		0
Sub-Total	0	0
<u>Less:</u>		
Amount Transferred to Capital (or Other) Funds ²		0
Amounts Refunded		0
Amounts Loaned to Other DC Service Category for Interim Financing		0
Credits ³		0
Sub-Total	0	0
Closing Balance, December 31, _____	0	0

¹ Source of funds used to repay the DC reserve fund

² See Attachment 1 for details

³ See Attachment 2 for details

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

Attachment 1

Town of Collingwood

Amount Transferred to Capital (or Other) Funds - Capital Fund Transactions

Capital Fund Transactions	Gross Capital Cost	DC Recoverable Cost Share					Non-DC Recoverable Cost Share				
		DC Forecast Period			Post DC Forecast Period		Other Reserve/Reserve Fund Draws	Tax Supported Operating Fund Contributions	Rate Supported Operating Fund Contributions	Debt Financing	Grants, Subsidies Other Contributions
		DC Reserve Fund Draw	DC Debt Financing	Grants, Subsidies Other Contributions	Post-Period Benefit/Capacity Interim Financing	Grants, Subsidies Other Contributions					
Black Ash Creek Stormwater											
Capital Cost A											
Capital Cost B											
Capital Cost C											
Sub-Total - Black Ash Creek Stormwater	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Amount Transferred to Operating (or Other) Funds - Operating Fund Transactions

Operating Fund Transactions	Annual Debt Repayment Amount	DC Reserve Fund Draw		Post DC Forecast Period			Non-DC Recoverable Cost Share		
		Principal	Interest	Principal	Interest	Source	Principal	Interest	Source
Black Ash Creek Stormwater									
Capital Cost J									
Capital Cost K									
Capital Cost L									
Sub-Total - Black Ash Creek Stormwater	\$0	\$0	\$0	\$0	\$0		\$0	\$0	

Attachment 2
Town of Collingwood
Statement of Credit Holder Transactions

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

Appendix B – Proposed Development Charge By-law

The Corporation of the Municipality of

COLLINGWOOD

By-Law Number 2017-____

A by-law to establish development charges for the Corporation of the Town of Collingwood

WHEREAS subsection 2(1) of the *Development Charges Act, 1997* c. 27 (hereinafter called “the Act”) provides that the council of a municipality may pass By-laws for the imposition of development charges against land for increased capital costs required because of the need for services arising from development in the area to which the by-law applies;

AND WHEREAS the Council of The Corporation of the Town of Collingwood (“Town of Collingwood”) has given Notice in accordance with section 12 of the *Development Charges Act, 1997*, of its intention to pass a by-law under section 2 of the said Act;

AND WHEREAS the Council of the Town of Collingwood has heard all persons who applied to be heard no matter whether in objection to, or in support of, the development charge proposal at a public meeting held on October 16, 2017;

AND WHEREAS the Council of the Town of Collingwood had before it a report entitled Town of Collingwood Area-Specific Development Charges Background Study – Black Ash Creek Watershed/Special Policy Area Lands dated August 25, 2017, as amended if applicable, prepared by Watson & Associates Economists Ltd., wherein it is indicated that the development of any land within the areas designated in Schedule “C” will increase the need for services as defined herein;

AND WHEREAS the Council of the Town of Collingwood on October 16, 2017, approved the Town of Collingwood Area-Specific Development Charges Background Study – Black Ash Creek Watershed/Special Policy Area Lands dated August 25, 2017, as amended if applicable, in which certain recommendations were made relating to the establishment of a development charge policy for the Town of Collingwood pursuant to the *Development Charges Act, 1997*;

AND WHEREAS the Council of the Town of Collingwood on October 30, 2017 determined that no additional public meeting was required.

NOW THEREFORE THE COUNCIL OF THE TOWN OF COLLINGWOOD ENACTS AS FOLLOWS:

DEFINITIONS

1. In this by-law,
 - (1) “Act” means the *Development Charges Act*, S.O. 1997, c. 27;
 - (2) “Administration Service” means any and all studies carried out by the municipality that are with respect to eligible services for which a development charge by-law may be imposed under the *Development Charges Act, 1997*;
 - (3) “Agricultural use” means a bona fide farming operation;
 - (4) “Apartment dwelling” means any dwelling unit within a building containing more than four dwelling units where the units are connected by an interior corridor;
 - (5) “Back-to-back Townhouse dwelling” means a building containing more than two dwelling units separated vertically by a common wall, including a rear common wall, that do not have rear yards;
 - (6) “Bedroom” means a habitable room larger than seven square metres, including a den, study, or other similar area, but does not include a living room, dining room, or kitchen;
 - (7) “Board of education” means a board defined in s.s. 1(1) of the *Education Act*;
 - (8) “*Building Code Act*” means the *Building Code Act*, R.S.O. 1990, c.B.-13, as amended;
 - (9) “Capital cost” means costs incurred or proposed to be incurred by the municipality or a local board thereof directly or by others on behalf of, and as authorized by, the municipality or local board,
 - (a) to acquire land or an interest in land, including a leasehold interest;
 - (b) to improve land;
 - (c) to acquire, lease, construct or improve buildings and structures;

- (d) to acquire, lease, construct or improve facilities including,
 - (i) rolling stock with an estimated useful life of seven years or more,
 - (ii) furniture and equipment, other than computer equipment, and
 - (iii) materials acquired for circulation, reference or information purposes by a library board as defined in the *Public Libraries Act*, R.S.O. 1990, c.P.-44;
- (e) to undertake studies in connection with any of the matters referred to in clauses (a) to (d);
- (f) to complete the development charge background study under section 10 of the Act; and
- (g) interest on money borrowed to pay for costs in (a) to (d);

required for provision of services designated in this by-law within or outside the municipality.

- (10) “Council” means the Council of The Corporation of the Town of Collingwood;
- (11) “Development” means any activity or proposed activity in respect of land that requires one or more of the actions referred to in section 7 of this by-law and including the redevelopment of land or the redevelopment, expansion, extension or alteration of a use, building or structure except interior alterations to an existing building or structure which do not change or intensify the use of land;
- (12) “Development charge” means a charge imposed pursuant to this By-law;
- (13) “Dwelling unit” means a room or suite of rooms used, or designated or intended for use by, one person or persons living together, in which culinary and/sanitary facilities are provided for the exclusive use of such person or persons, including time share units;
- (14) “Existing industrial building” means a building or buildings existing on a site in the Town of Collingwood on November 5, 2012 or the first building

or buildings constructed and occupied on a vacant site pursuant to site plan approval under section 41 of the *Planning Act*, R.S.O. 1990 c.P.13 (the “*Planning Act*”) subsequent to November 5, 2012 for which full development charges were paid, and is used for or in connection with,

- (i) the production, compounding, processing, packaging, crating, bottling, packing or assembling of raw or semi-processed goods or materials in not less than seventy-five per cent of the total gross floor area of the building or buildings on a site (“manufacturing”) or warehousing related to the manufacturing use carried on in the buildings or buildings;
 - (ii) research or development in connection with manufacturing in not less than seventy-five percent of the total gross floor area of the building or buildings on a site;
 - (iii) retail sales by a manufacturer, if the retail sales are at the site where the manufacturing is carried out, such retail sales are restricted to goods manufactured at the site, and the building or part of a building where such retail sales are carried out does not constitute greater than twenty-five percent of the total gross floor area of the building or buildings on the site; or
 - (iv) office or administrative purposes, if they are,
 - a) carried out with respect to manufacturing or warehousing; and
 - b) in or attached to the building or structure used for such manufacturing or warehousing;
- (15) “Farm building” means that part of a bona fide farm operation encompassing barns, silos and other ancillary development to an agricultural use, but excluding a residential use;
- (16) “Grade” means the average level of finished ground adjoining a building or structure at all exterior walls;
- (17) “Gross floor area” means the total floor area measured between the outside of exterior walls, or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all

floors above the average level of finished ground adjoining the building at its exterior walls.

- (18) “Live/work unit” means a unit which contains separate residential and non-residential areas intended for both residential and non-residential uses concurrently, and shares a common wall or floor with direct access between the residential and non-residential areas.
- (19) “Local board” means a public utility commission, public library board, local board of health, or any other board, commission, committee or 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 of the municipality or any part or parts thereof;
- (20) “Local services” means those services or facilities which are under the jurisdiction of the municipality and are related to a plan of subdivision or within the area to which the plan relates, required as a condition of approval under s.51 of the *Planning Act*, or as a condition of approval under s.53 of the *Planning Act*;
- (21) “Mixed-use building” means a building or structure used for both residential and non-residential use;
- (22) “Multiple dwelling” means all residential dwellings other than a single detached dwelling, semi-detached dwelling, apartment dwelling; including, but not limited to, row dwelling, back-to-back townhouse dwelling, stacked townhouse dwelling, and the residential component of mixed-use and/or live/work units;
- (23) “Municipality” means The Corporation of the Town of Collingwood;
- (24) “Net acre” means the area of land in acres exclusive of:
 - (i) all lands conveyed or to be conveyed without the payment or provision of valuable consideration pursuant to sections 42, 51.1 and 53 of the *Planning Act*, R.S.O. 1990, c.P.13, and
 - (ii) all lands conveyed or to be conveyed to the Town or any local board thereof, a board of education, or the Ministry of Transportation for the construction of provincial highways;

- (25) “Non-residential uses” means a building or structure used for other than a residential use and includes the non-residential portion of a mixed-use dwelling and/or a live/work unit;
- (26) “Official Plan” means the Official Plan of the Town of Collingwood and any amendments thereto;
- (27) “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;
- (28) “*Planning Act*” means the *Planning Act*, R.S.O. 1990, c.P.-13, as amended;
- (29) “Public hospital” means that part of a building or structure that is defined as a public hospital under the *Public Hospitals Act*, R.S.O. 1990, c.P.40;
- (30) “Regulation” means any regulation made pursuant to the Act;
- (31) “Residential uses” means lands, buildings or structures or portions thereof used, or designed or intended for use as a home or residence of one or more individuals, and shall include a single detached dwelling, a semi-detached dwelling, a multiple dwelling, an apartment dwelling, and the residential portion of a mixed-use and/or live/work building or structure;
- (32) “Row dwelling” means a residential building containing three or more dwelling units separated by vertical division, each of which units has a separate entrance to grade;
- (33) “Semi-detached dwelling” means a building divided vertically into two dwelling units each of which has a separate entrance and access to grade;
- (34) “Services” means services set out in Schedule “A” to this By-law;
- (35) “Single detached dwelling” means a completely detached building containing only one dwelling unit;
- (36) “Stacked townhouse dwelling” means a building containing two or more dwelling units where each dwelling unit is separated horizontally and/or vertically from another dwelling unit by a common wall or floor;

- (37) “Warehousing” means a building or buildings on a site having not less than seventy-five percent of the total gross floor area of such building or buildings used for the storage or distribution of goods or materials;

CALCULATION OF DEVELOPMENT CHARGES

2. (1) Subject to the provisions of this By-law, development charges against land shall be imposed, calculated and collected in accordance with the rates set out in Schedule “B,” which relate to the services set out in Schedule “A.”
- (2) The development of residential and non-residential lands within the areas defined in Schedule “C” are subject to the charges set out in Schedule “B.” The development charge with respect to the use of any land, buildings or structures shall be calculated based upon the net acres of land area.
- (3) Council hereby determines that the development or redevelopment of land, buildings or structure for residential and non-residential uses will require the provision, enlargement or expansion of the service referenced in Schedule “A.”

PHASE-IN OF DEVELOPMENT CHARGES

3. The development charges imposed pursuant to this by-law are not being phased-in and are payable in full, subject to the exemptions herein, from the effective date of this by-law.

APPLICABLE LANDS

4. (1) Subject to sections 5 and 6, this by-law applies to all lands shown in Schedule “C” within the Black Ash Creek watershed and special policy areas, whether or not the land or use is exempt from taxation under section 3 of the *Assessment Act*, R.S.O. 1990, c.A.-31.
- (2) Notwithstanding subsection (1), lands located within 500 metres on either side of the boundary of the Black Ash Creek watershed and special policy areas as shown in Schedule “C” (hereinafter know as the Boundary Area) remain subject to evaluation. If the Town determines that future development of lands located within the Boundary Area will not be reliant on the Black Ash Creek storm water drainage works to provide adequate

service to that site, then the development application may be exempted from the charge at the discretion of the Town.

- (3) This by-law shall not apply to land that is owned by and used for the purposes of:
- (a) a board of education;
 - (b) any municipality or local board thereof;
 - (c) a hospital under the *Public Hospitals Act*;
 - (d) a place of worship exempt from taxation under the *Assessment Act*;
 - (e) a non-residential farm building;

RULES WITH RESPECT TO EXEMPTIONS FOR INTENSIFICATION OF EXISTING HOUSING

5. (1) Notwithstanding section 4 above, no development charge shall be imposed with respect to developments or portions of developments as follows:
- (a) the enlargement of an existing residential dwelling unit;
 - (b) the creation of one or two additional residential dwelling units in an existing single detached dwelling where the total gross floor area of the additional unit(s) does not exceed the gross floor area of the existing dwelling unit;
 - (c) the creation of one additional dwelling unit in any other existing residential building provided the gross floor area of the additional unit does not exceed the smallest existing dwelling unit already in the building.
- (2) Notwithstanding subsection 5(1)(b), development charges shall be calculated and collected in accordance with Schedule "B" where the total residential gross floor area of the additional one or two dwelling units is greater than the total gross floor area of the existing single detached dwelling unit.

- (3) Notwithstanding subsection 5(1)(c), development charges shall be calculated and collected in accordance with Schedule “B” where the additional dwelling unit has a residential gross floor area greater than,
 - (a) in the case of semi-detached house or multiple dwelling, the gross floor area of the existing dwelling unit, and
 - (b) in the case of any other residential building, the residential gross floor area of the smallest existing dwelling unit.

RULES WITH RESPECT TO AN “INDUSTRIAL” EXPANSION EXEMPTION

- 6. (1) Notwithstanding section 4, there shall be an exemption from the payment of development charges for one or more enlargements of an existing industrial building on its site, whether attached or separate from the existing industrial building, up to a maximum of fifty percent of the gross floor area before the first enlargement for which an exemption from the payment of development charge was granted pursuant to the *Development Charges Act* or this subsection. Development charges shall be imposed in accordance with Schedule “B” with respect to the amount of floor area of an enlargement that results in the gross floor area of the industrial building being increase by greater than fifty percent of the gross floor area of the existing industrial building.
- (2) For the purpose of this section, despite any new sites created which result in an existing industrial building being on a site separate from its enlargement or enlargements for which an exemption was granted under this section, further exemptions, if any, pertaining to the existing industrial building shall be calculated in accordance with section 4 on the basis of its site prior to any division.
- (3) In this section, for greater certainty in applying the exemption herein:
 - (a) the gross floor area of an existing industrial building is enlarged where there is a bona fide physical and functional increase in the size of the existing industrial building.

DEVELOPMENT CHARGES IMPOSED

- 7. (1) Subject to subsection (2), development charges shall be calculated and collected in accordance with the provisions of this by-law and be imposed

on land to be developed for residential and non-residential uses, where, the development requires,

- (a) the passing of a zoning by-law or an amendment thereto under section 34 of the *Planning Act*;
 - (b) the approval of a minor variance under section 45 of the *Planning Act*;
 - (c) a conveyance of land to which a by-law passed under subsection 50(7) of the *Planning Act* applies;
 - (d) the approval of a plan of subdivision under section 51 of the *Planning Act*;
 - (e) a consent under section 53 of the *Planning Act*;
 - (f) the approval of a description under section 50 of the *Condominium Act*, R.S.O. 1990, c.C.-26; or
 - (g) the issuing of a permit under the *Building Code Act*, in relation to a building or structure.
- (2) Subsection (1) shall not apply in respect to:
- (a) local services installed or paid for by the owner within a plan of subdivision or within the area to which the plan relates, as a condition of approval under section 51 of the *Planning Act*, R.S.O. 1990, c.P.13;
 - (b) local services installed or paid for by the owner as a condition of approval under section 53 of the *Planning Act*, R.S.O. 1990, c.P.13.

LOCAL SERVICE INSTALLATION

8. Nothing in this by-law prevents Council from requiring, as a condition of an agreement under section 51 or section 53 of the *Planning Act*, that the owner, at his or her own expense, shall install or pay for such local services, within the Plan of Subdivision or within the area to which the plan relates, as Council may require.

MULTIPLE CHARGES

9. (1) Where two or more of the actions described in subsection 7(1) are required before land to which a development charge applies can be developed, only one development charge shall be calculated and collected in accordance with the provisions of this by-law.
- (2) Notwithstanding subsection (1), if two or more of the actions described in subsection 7(1) occur at different times, and if the subsequent action has the effect of increasing the need for municipal services as set out in Schedule "A", an additional development charge on the additional residential units and additional gross floor area shall be calculated and collected in accordance with the provisions of this by-law.

SERVICES IN LIEU

10. (1) Council may authorize an owner, through an agreement under section 38 of the Act, to substitute such part of the development charge applicable to the owner's development as may be specified in the agreement, by the provision at the sole expense of the owner, 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 in accordance with the agreement provisions and the provisions of section 39 of the Act, equal to the reasonable cost to the owner of providing the services in lieu. In no case shall the agreement provide for a credit that exceeds the total development charge payable by an owner to the municipality in respect of the development to which the agreement relates.
- (2) In any agreement under subsection (1), Council may also give a further credit to the owner equal to the reasonable cost of providing services in addition to, or of a greater size or capacity, than would be required under this by-law.
- (3) The credit provided for in subsection (2) shall not be charged to any development charge reserve fund.

RULES WITH RESPECT TO RE-DEVELOPMENT

11. (1) No credit shall be given if all or part of a residential or non-residential building or structure is demolished.

- (2) Notwithstanding subsection 11(1), if a development charge has previously been paid under this by-law or a predecessor by-law for Black Ash Creek storm water management works, in respect of development of land and the land is being redeveloped;
 - (a) the development charge payable in respect of the redevelopment will be calculated under this by-law
 - (b) the development charge determined under paragraph (a) will be reduced by a credit equivalent to the development charge previously paid in respect of land, provided that the owner provides proof of payment satisfactory to the Town and the credit does not exceed the development charge determined under paragraph (a).

TIMING OF CALCULATION AND PAYMENT

- 12. (1) Development charges shall be calculated and payable in full in money, or by provision of services as may be agreed upon, or by credit granted under the Act, on the date of registration of a plan of subdivision under section 51 of the *Planning Act* or on the date of approval of a consent under section 53 of the *Planning Act*.
- (2) Notwithstanding subsection (1), if no new plan of subdivision or consent is required, development charges shall be calculated and payable on the date of the first building permit issued in relation to a building or structure on land to which a building permit applies.
- (3) Where development charges apply to land in relation to which a building permit is required, the building permit shall not be issued until the development charge has been paid in full.

RESERVE FUNDS

- 13. (1) Monies received from payment of development charges under this by-law shall be maintained in a separate reserve funds as follows: BAC storm water drainage.
- (2) Monies received for the payment of development charges shall be used only in accordance with the provisions of section 35 of the Act.

- (3) Where any development charge, or part thereof, remains unpaid after the due date, the amount unpaid shall be added to the tax roll and shall be collected as taxes.
- (4) Where any unpaid development charges are collected as taxes under subsection (3), the monies so collected shall be credited to the development charge reserve funds referred to in subsection (1).
- (5) The Treasurer of the Municipality shall, in each year, furnish to Council a statement in respect of the reserve funds established hereunder for the prior year, containing the information set out in section 12 of O.Reg. 82/98.

BY-LAW AMENDMENT OR APPEAL

- 14. (1) Where this by-law or any development charge prescribed there under is amended or repealed either by order of the Ontario Municipal Board or by resolution of the Municipal Council, the Municipal Treasurer shall calculate forthwith the amount of any overpayment to be refunded as a result of said amendment or repeal.
- (2) Refunds that are required to be paid under subsection (1) shall be paid with interest to be calculated as follows:
 - (a) Interest shall be calculated from the date on which the overpayment was collected to the date on which the refund is paid;
 - (b) The Bank of Canada interest rate in effect on the date of enactment of this by-law shall be used.
- (3) Refunds that are required to be paid under subsection (1) shall include the interest owed under this section.

BY-LAW INDEXING

- 15. The development charges set out in Schedule "B" to this by-law shall be adjusted annually on January 1st without amendment to the by-law, in accordance with the most recent twelve-month change in the Statistics Canada Quarterly, "Construction Price Statistics".

BY-LAW REGISTRATION

16. A certified copy of this by-law may be registered on title to any land to which this by-law applies.

SEVERABILITY

17. In the event any provision, or part thereof, of this by-law is found by a court of competent jurisdiction to be ultra vires, such provision, or part thereof, shall be deemed to be severed, and the remaining portion of such provision and all other provisions of this by-law shall remain in full force and effect.

HEADINGS FOR REFERENCE ONLY

18. The headings inserted in this by-law are for convenience of reference only and shall not affect the construction of interpretation of this by-law.

BY-LAW ADMINISTRATION

19. This by-law shall be administered by the Municipal Treasurer.

SCHEDULES TO THE BY-LAW

20. The following Schedules to this by-law form an integral part of this by-law:

Schedule "A" -	Schedule of Municipal Services
Schedule "B" -	Area Specific Development Charge for Black Ash Creek Storm Water Drainage Service
Schedule "C" -	Map of Black Ash Creek Watershed and Special Policy Areas in which Area-specific Development Charges applies.

EXISTING BY-LAW REPEAL

21. By-law 2012-114 is repealed upon enactment of this by-law.

DATE BY-LAW EFFECTIVE

22. This By-law shall come into force and effect on the day following the day of its approval by Council.

SHORT TITLE

23. This by-law may be cited as the “Town of Collingwood Black Ash Creek Area-Specific Development Charge By-law, 2017.”

Passed by the Council this 30th day of October, 2017.

MAYOR

CLERK

SCHEDULE "A"
TO BY-LAW NO. 2017 - ____
DESIGNATED MUNICIPAL SERVICES UNDER THIS BY-LAW

1. Storm Water Drainage Service

SCHEDULE "B"
TO BY-LAW NO. 2017 - _____

Residential and
Non-Residential
Development

Storm Water Drainage Service

\$5,115.74/net developable acre

SCHEDULE "C"
TO BY-LAW NO. 2017 - ____

**MAP OF BLACK ASH CREEK (B.A.C.) WATERSHED AND SPECIAL POLICY AREA
IN WHICH AREA-SPECIFIC DEVELOPMENT CHARGES APPLIES**

Collingwood Harbour

