



Development Charges Update Study

Municipality of Lakeshore

March 30, 2022

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
D.C.	Development Charge
D.C.A.	Development Charges Act



1. Introduction

1.1 Background

The Municipality of Lakeshore imposes development charges (D.C.s) to recover capital costs arising from the increase in need for services related to growth. The Municipality currently has a municipal-wide D.C. for the following services:

- Services related to a highway;
- Public works;
- Fire protection services;
- Policing services;
- Parks and Recreation services;
- Library services; and
- Growth studies

In addition to the above services, the Municipality also recovers water and wastewater costs in the Municipality's urban-serviced areas.

The basis for these D.C.s is documented in the "Town of Lakeshore Development Charges Background Study" dated October 7, 2020, which provided the supporting documentation for By-law 89-2020. The D.C. by-law came into effect January 1, 2021.

The Municipality's D.C.s have been indexed (in accordance with Section 5 of the by-law) annually on January 1st and are currently 14.47% higher than the rates implemented under By-law 89-2020. The 2020 D.C.s (unindexed) are presented in Figure 1-1.



Figure 1-1
Municipality of Lakeshore
2020 Development Charges as per By-law 89-2020

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	Wind Turbines & Communication Towers (per Turbine/Tower)	Solar Farm (per sq. ft.)
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)		
Municipal Wide Services/Classes of Services:								
Services Related to a Highway	5,979	3,495	3,057	2,362	1,974	2.66	5,979	2.66
Public Works	566	331	289	224	187	0.25	-	-
Fire Protection Services	711	416	364	281	235	0.31	711	0.31
Policing Services	106	62	54	42	35	0.05	106	0.05
Parks and Recreation Services	3,754	2,194	1,919	1,483	1,240	0.17	-	-
Library Services	-	-	-	-	-	-	-	-
Growth Studies	460	269	235	182	152	0.20	460	0.20
Total Municipal Wide Services/Classes of Services	11,576	6,767	5,918	4,574	3,823	3.63	7,256	3.22
Urban Services								
Wastewater Services	10,391	6,074	5,312	4,105	3,431	4.46	-	-
Water Services	4,222	2,468	2,159	1,668	1,394	1.82	-	-
Total Urban Services	14,613	8,542	7,471	5,773	4,825	6.28	-	-
GRAND TOTAL RURAL AREA	11,576	6,767	5,918	4,574	3,823	3.63	7,256	3.22
GRAND TOTAL URBAN AREA	26,189	15,309	13,389	10,347	8,648	9.91	7,256	3.22



1.2 Existing Policies (Rules)

Appendix A of this report sets out the rules governing the calculation, payment and collection of D.C.s as provided in By-law 89-2020.

1.3 Basis for the D.C. By-law Update

The purpose of this report is to update the current D.C. by-law to reflect updated cost estimates and provide for the recovery of financing costs for the Denis St. Pierre Water Pollution Plant Expansion. Details on the changes to the calculation are presented in Section 4 of this report. The draft amending by-law is presented in Appendix B to this report. Note: additional refinements to the by-law are proposed to reflect recent changes to the *Development Charges Act* (D.C.A.). These changes include mandatory exemptions and refined definitions.

1.4 Summary of the Process

The public meeting required under section 12 of the D.C.A. has been scheduled for April 26, 2022. Its purpose is to present the update 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 Municipality's D.C. by-law.

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
- Council consideration of the amending by-law on May 31, 2022.

Figure 1-2 outlines the proposed schedule to be followed with respect to the D.C. by-law adoption process



Figure 1-2
Schedule of Key D.C. Process Dates for the Municipality of Lakeshore

Project Milestone	Timing
1. Data collection, staff review, and D.C. calculations	February to March 2022
2. Background study and proposed by-law available to public	March 30, 2022
3. Public meeting advertisement placed in newspaper(s)	No later than April 5, 2022
4. Public meeting of Council	April 26, 2022
5. Council considers adoption of background study and passage of by-law	May 31, 2022
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. Municipality makes pamphlet available (where by-law not appealed)	By 60 days after in force date

1.5 Policy Recommendations

It is recommended that the Municipality's current D.C. policies, as identified in Appendix A of this report, be continued.



2. Changes to the D.C.A. Legislation

2.1 Bill 108 – *More Homes, More Choice Act, 2019*

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

While having received Royal Assent, many of the amendments to the D.C.A. would not come into effect until they are proclaimed by the Lieutenant Governor (many of these changes were revised through Bill 197). At the time of writing, the following provisions have been proclaimed:

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

Note, the above changes in the legislation were incorporated into the Municipality's 2020 D.C. by-law and are currently in effect.

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

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



services that are eligible for inclusion in the by-law. Further, the initial list of eligible services under Bill 108 was limited to “hard services”, with the “soft services” being removed from the D.C.A. These services would be considered as part of a new community benefits charge (discussed below) imposed under the Planning Act. As noted in the next section this list of services has been amended through Bill 197.

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

Remaining Services to be Included in a New Community Benefits Charge (C.B.C.) Under the Planning Act – It was proposed that a municipality may, by by-law, impose a C.B.C. against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies. The C.B.C. was proposed to include formerly eligible D.C. services (as noted below), in addition to parkland dedication and other types of cost formerly recovered under Section 37 of the Planning Act.

2.2 Bill 138 – *Plan to Build Ontario Together Act, 2019*

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

2.3 Bill 197 – *COVID-19 Economic Recovery Act, 2020*

In response to the global pandemic that began affecting Ontario in early 2020, the Province released Bill 197 which provided amendments to a number of Acts, including the D.C.A. and Planning Act. This Bill also revised some of the proposed changes identified in Bill 108. Bill 197 was tabled on July 8, 2020, received Royal Assent on July 21, 2020, and was proclaimed on September 18, 2020. The following provides a summary of the changes:



2.3.1 D.C. Related Changes

List of D.C. Eligible Services

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

Classes of Services – D.C.

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



The amending legislation repealed and replaced the above with the four following subsections:

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

Classes of services were established for Public Works and Growth Studies through the 2020 D.C. Background Study and by-law update.

10% Mandatory Deduction

As well, the removal of 10% deduction for soft services under Bill 108 has been maintained. Note, the current by-law has incorporate the removal of the 10% deduction for all soft services.

10-Year Planning Horizon

The “maximum” 10-year planning horizon requirement has been removed for all services except transit.

2.3.2 Community Benefit Charges (C.B.C.)

While a Community Benefit Charge is not being considered within this report, a summary of the legislated changes is provided herein for information purposes.

C.B.C. Eligibility

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



- O.Reg. 509/20 was filed on September 18, 2020. This regulation provides for the following:
 - A maximum rate will be set as a percentage of the market value of the land the day before building permit issuance. The maximum rate is set at 4%. The C.B.C may only be imposed on developing or redeveloping buildings which have a minimum height of five stories and contain no less than 10 residential units.
 - Bill 197 states that before passing a C.B.C. by-law, the municipality shall prepare a C.B.C. strategy that (a) identifies the facilities, services, and matters that will be funded with C.B.C.s; and (b) complies with any prescribed requirements.
 - Only one C.B.C. by-law may be in effect in a local municipality at a time.

2.3.3 Combined D.C. and C.B.C. Impacts

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

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

Transition – D.C. and C.B.C.

- The specified date for municipalities to transition to the D.C. and C.B.C. is two years after Schedules 3 and 17 of the COVID-19 Economic Recovery Act comes into force (i.e. September 18, 2022).
- Generally, for existing reserve funds (related to D.C. services that will be ineligible):
 - If a C.B.C. is passed, the funds are transferred to the C.B.C. special account;
 - If no C.B.C. is passed, the funds are moved to a general reserve fund for the same purpose.
 - If a C.B.C. is passed subsequent to moving funds to a general reserve fund, those monies are then moved again to the C.B.C. special account.
- For reserve funds established under s. 37 of the Planning Act (e.g. bonus zoning)



- If a C.B.C. is passed, the funds are transferred to the C.B.C. special account;
- If no C.B.C. is passed, the funds are moved to a general reserve fund for the same purpose;
- If a C.B.C. is passed subsequent to moving funds to a general reserve fund, those monies are then moved again to the C.B.C. special account.

If a municipality passes a C.B.C. by-law, any existing D.C. credits a landowner retains may be used towards payment of that landowner's C.B.C.

2.4 Bill 213 – *Better for People, Smarter for Business Act, 2020*

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

Due to this, a revision to the exemptions section will be made in the proposed amending D.C. by-law.



3. Anticipated Development

3.1 Growth Forecast in 2020 D.C. Study

The 2020 D.C. study provided for the anticipated residential and non-residential growth within the Municipality of Lakeshore. The growth forecast associated with services included in the background study is provided in Figure 2-1 below:

Figure 2-1
Municipality of Lakeshore
2020 D.C. Background Study – Growth Forecast Summary

Measure	10 Year 2020-2029	20 Year 2020-2039	Urban 20 Year 2020-Urban 2039
(Net) Population Increase	4,542	8,302	8,322
Residential Unit Increase	2,230	4,219	4,103
Non-Residential Gross Floor Area Increase (sq.ft.)	2,330,200	4,489,500	4,489,500

Source: Watson & Associates Economists Ltd. Forecast 2020

For the purposes of this D.C. update, the 2020 D.C. study growth forecast remains unchanged as the incremental growth is anticipated to remain the same.



4. Updates to the Municipality's D.C. Study

As noted earlier, the Municipality's D.C. By-law (By-law 89-2020) came into effect on January 1, 2021, being a by-law for the purposes of establishing and collecting a D.C. in accordance with the provisions of the D.C.A. The 2020 D.C. Study and by-law identified anticipated capital needs for recovery through D.C.s for Municipal-wide and urban-area services (water and wastewater services).

This chapter of the report discusses the updates to the capital needs for wastewater services.

As this study represents an update to the 2020 D.C. Background Study the capital costs are presented in 2020 dollars.

4.1 Wastewater Services

An expansion to the Denis St. Pierre Water Pollution Control Plant was identified in the 2020 D.C. study at a capital cost of approximately \$30 million (2020 dollars). This was based on estimated construction and associated tender prices in 2018/2019. The COVID-19 pandemic has been a significant factor in the increase in tender prices for construction. There is no anticipated change in the scope of the project; the increase in cost is reflective of the increase in construction/tender prices. As such, the revised estimate based on current tender prices is \$54 million (or approximately \$47 million in 2020 dollars). Based on the 2020 D.C. background study, this project is 90% growth-related. This results in a net capital cost of \$39.76 million to be included in the D.C. calculation.

In addition to the capital costs for the expansion, the Municipality has also identified financing costs for the Denis St. Pierre expansion project. Approximately \$5.10 million has been identified and included in the D.C. calculation.

Based on these additional costs, approximately \$60.02 million is to be included in the D.C. calculation for wastewater facilities (for comparison, \$39.74 million was included in the 2020 D.C. study).

Based on the Municipality's 2020 D.C. study, the growth-related costs have been allocated between residential and non-residential development based on the



incremental population and employment growth over the forecast period in urban serviced areas. This results in a 65% allocation to residential development and 35% allocation to non-residential development.



Figure 3-1
Municipality of Lakeshore
Wastewater Facilities Capital – Updated
(2020 Dollars)

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing* (year)	Gross Capital Cost Estimate (2020\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 65%	Non-Residential Share 35%
2020-2039 (Urban)											
1	North Woodslee package plant - Growth principal	2020-2023	217,174	-		217,174	-		217,174	141,163	76,011
2	North Woodslee package plant - Growth interest (Discounted)	2020-2023	17,400	-		17,400	-		17,400	11,310	6,090
3	Treatment Plant Debt #1 - Growth Principal	2020-2022	304,621	-		304,621	-		304,621	198,004	106,617
4	Treatment Plant Debt #1 - Growth Interest (Discounted)	2020-2022	8,094	-		8,094	-		8,094	5,261	2,833
5	Treatment Plant Debt #2 - Growth Principal	2020-2031	5,215,647	-		5,215,647	-		5,215,647	3,390,170	1,825,476
6	Treatment Plant Debt #2 - Growth Interest (Discounted)	2020-2031	820,034	-		820,034	-		820,034	533,022	287,012
11	Water Pollution Plant Comber, Stoney Point, Lighthouse Phase 1	2035-2036	25,000,000	2,102,300		22,897,700	13,750,000		9,147,700	5,946,005	3,201,695
12	Water Pollution Plant Comber, Stoney Point, Lighthouse Phase 2	2045-2046	5,093,100	5,093,100		-	-		-	-	-
13a	Water Pollution Plant Expansion Belle River (Dennis St. Pierre)	2020-2023	47,000,000	2,538,000		44,462,000	4,700,000		39,762,000	25,845,300	13,916,700
13b	Financing Costs for Water Pollution Plant Expansion Belle River (Dennis St. Pierre)	2022-2041	5,104,894	-		5,104,894	-		5,104,894	3,318,181	1,786,713
14	Essex Fringe servicing	2040	1,760,800	176,100		1,584,700	1,584,700		-	-	-
	Reserve Fund Adjustment						580,877		(580,877)	(377,570)	(203,307)
	Total		90,541,764	9,909,500	-	80,632,264	20,615,577	-	60,016,687	39,010,847	21,005,840

* Timing of Works may be dependent upon receiving funding assistance which would include developer assistance, grants, etc.



4.2 D.C. By-law Revised Schedule of Charges

4.2.1 Updated D.C. Calculation (2020\$)

The following table provides the updated D.C. calculations based on the revised capital needs discussed in Section 4.1. Changes from the 2020 D.C. study are highlighted in the table.

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible D.C. cost calculations set out in Section 4.1 are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units (Appendix A, Schedule 5 to the 2020 D.C. background study) to calculate the charge in Figure 4-2.

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



Figure 4-2
Municipality of Lakeshore
Updated Wastewater D.C. Calculations
2020 to 2039

SERVICE/CLASS	2020\$ D.C.-Eligible Cost		2020\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
1. <u>Wastewater Services</u>	\$	\$	\$	\$
1.1 Treatment plants	39,010,847	21,005,840	10,903	4.67
1.2 Sewers	11,495,377	6,189,818	3,213	1.38
	50,506,223	27,195,659	14,116	6.05
2. <u>Water Services</u>				
2.1 Treatment plants and storage	9,882,778	5,321,496	2,762	1.19
2.2 Distribution systems	5,223,010	2,812,390	1,460	0.63
	15,105,788	8,133,886	4,222	1.82
TOTAL	65,612,011	\$35,329,544	\$18,338	\$7.87
D.C.-Eligible Capital Cost	\$65,612,011	\$35,329,544		
20 Year Urban Gross Population/GFA Growth (sq.ft.)	11,918	4,489,500		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$5,505.29	\$7.87		
By Residential Unit Type	P.P.U.			
Single and Semi-Detached Dwelling	3.331	\$18,338		
Other Multiples	1.947	\$10,719		
Apartments - 2 Bedrooms +	1.703	\$9,376		
Apartments - Bachelor and 1 Bedroom	1.316	\$7,245		

Figures 4-3 and 4-4 compare the amended charges with the D.C. rates presented in By-law 89-2020. The comparison is provided for single detached dwellings on a per unit basis and for non-residential floor space on a per square foot basis (2020 dollar values).



Figure 4-3
Municipality Of Lakeshore
Comparison of Existing and Amending Residential D.C. per Single Detached Unit
(2020\$)

Service/Class of Service	Current (By-law 89-2020) (2020\$)	Calculated (D.C. Update) (2020\$)
Municipal Wide Services/Classes of Services:		
Services Related to a Highway	5,979	5,979
Public Works	566	566
Fire Protection Services	711	711
Policing Services	106	106
Parks and Recreation Services	3,754	3,754
Library Services	-	-
Growth Studies	460	461
Total Municipal Wide Services/Classes	11,576	11,577
Urban Services:		
Wastewater Services	10,391	14,116
Water Services	4,222	4,222
Total Urban Services	14,613	18,338
Grand Total - Urban Area	26,189	29,915



Figure 4-4
Municipality of Lakeshore
Comparison of Existing and Amending Non-Residential D.C. per sq.ft. (2020\$)

Service/Class of Service	Current (By-law 89-2020) (2020\$)	Calculated (D.C. Update) (2020\$)
Municipal Wide Services/Classes of Services:		
Services Related to a Highway	2.66	2.66
Public Works	0.25	0.25
Fire Protection Services	0.31	0.31
Policing Services	0.05	0.05
Parks and Recreation Services	0.17	0.17
Library Services	-	-
Growth Studies	0.20	0.20
Total Municipal Wide Services/Classes	3.63	3.63
Urban Services:		
Wastewater Services	4.46	6.05
Water Services	1.82	1.82
Total Urban Services	6.28	7.87
Grand Total - Urban Area	9.91	11.50

4.2.2 Revised D.C. Rates (2020\$ and 2022\$)

Based on the calculations above, the urban-area D.C. (in 2020\$) is calculated to increase from \$26,189 to \$29,915 per single detached unit and increase from \$9.91 to \$11.50 per square foot for non-residential development.

Figure 4-5 provides for the updated D.C.s in 2020 values, as the study was originally completed in 2020. This figure would be included as the amending schedule to the D.C. by-law. Figure 4-6 provides for the indexed values as the Municipality's current D.C.s have been indexed by 14.47% since the passage of the D.C. by-law



Figure 4-5
Municipality of Lakeshore
Updated D.C. Schedule (2020\$)

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	Wind Turbines & Communication Towers (per Turbine/Tower)	Solar Farm (per sq. ft.)
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)		
Municipal Wide Services/Classes of Services:								
Services Related to a Highway	5,979	3,495	3,057	2,362	1,974	2.66	5,979	2.66
Public Works	566	331	289	224	187	0.25	-	-
Fire Protection Services	711	416	364	281	235	0.31	711	0.31
Policing Services	106	62	54	42	35	0.05	106	0.05
Parks and Recreation Services	3,754	2,194	1,919	1,483	1,240	0.17	-	-
Library Services	-	-	-	-	-	-	-	-
Growth Studies	461	269	236	182	152	0.20	461	0.20
Total Municipal Wide Services/Classes of Services	11,577	6,767	5,919	4,574	3,823	3.63	7,257	3.22
Urban Services								
Wastewater Services	14,116	8,251	7,217	5,577	4,662	6.05	-	-
Water Services	4,222	2,468	2,159	1,668	1,394	1.82	-	-
Total Urban Services	18,338	10,719	9,376	7,245	6,056	7.87	-	-
GRAND TOTAL RURAL AREA	11,577	6,767	5,919	4,574	3,823	3.63	7,257	3.22
GRAND TOTAL URBAN AREA	29,915	17,486	15,295	11,819	9,879	11.50	7,257	3.22



Figure 4-6
Municipality of Lakeshore
Updated D.C. Schedule (2022\$)

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	Wind Turbines & Communication Towers (per Turbine/Tower)	Solar Farm (per sq. ft.)
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)		
Municipal Wide Services/Classes of Services:								
Services Related to a Highway	6,844	4,001	3,499	2,704	2,260	3.04	6,844	3.04
Public Works	648	379	331	256	214	0.28	-	-
Fire Protection Services	814	476	417	322	269	0.35	814	0.35
Policing Services	121	71	62	48	40	0.06	121	0.06
Parks and Recreation Services	4,297	2,511	2,197	1,698	1,419	0.19	-	-
Library Services	-	-	-	-	-	-	-	-
Growth Studies	528	308	270	208	174	0.23	528	0.23
Total Municipal Wide Services/Classes of Services	13,252	7,746	6,775	5,236	4,376	4.16	8,307	3.68
Urban Services								
Wastewater Services	16,158	9,445	8,261	6,384	5,337	6.93	-	-
Water Services	4,833	2,825	2,471	1,909	1,596	2.08	-	-
Total Urban Services	20,991	12,270	10,733	8,293	6,932	9.00	-	-
GRAND TOTAL RURAL AREA	13,252	7,746	6,775	5,236	4,376	4.16	8,307	3.68
GRAND TOTAL URBAN AREA	34,243	20,016	17,508	13,529	11,308	13.16	8,307	3.68



5. Updates to the D.C. By-law

As summarized in Chapter 2, the D.C. by-law will require several updates to conform with the D.C.A., as amended. Note: the Municipality's 2020 D.C. by-law conforms with the D.C.A. with respect to installment payments for rental housing, institutional and non-profit housing developments as well as the freezing of D.C. rates at site plan/zoning by-law amendment application date. Further revisions are provided to align with the D.C.A. with respect to mandatory exemptions.

With respect to exemptions, the following will be included as per O. Reg. 454-19:

No development charge shall be payable where the development:

- is limited to the creation of an additional dwelling unit as prescribed, in prescribed classes of new residential buildings as set out in the Regulations to the Development Charges Act, 1997; and
- is limited to the creation of an additional dwelling unit in a structure that is ancillary to a new dwelling unit in prescribed classes of new residential buildings as set out in the Regulations to the Development Charges Act, 1997.

With respect to exemptions, the following will be included as per Bill 213:

- Land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education is exempt from development charges imposed under the Development Charges Act, 1997 if the development in respect of which development charges would otherwise be payable is intended to be occupied and used by the university.

Other new definitions have been included in the draft by-law to incorporate language being used in the amended legislation, they include definitions such as Accessory Dwelling; Ancillary Residential Building, etc.



6. Recommendations

It is recommended that Council:

“Approve the Development Charges Update Study dated March 30, 2022, as amended (if applicable)”;

“Approve the updated capital projects set out in Section 4 of the Development Charges Update Study dated March 30, 2022”;

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

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



Appendix A

Existing Policies Under By-law 89-2020



Appendix A: Existing Policies Under By-law xx

The following subsections set out the rules governing the calculation, payment, and collection of D.C.s as provided in By-law 89-2020, in accordance with the D.C.A.

Approvals for Development

Development charges shall be imposed on all lands, buildings or structures that are developed for residential or non-residential uses if the development requires,

- a) the passing of a zoning by-law or an amendment to a zoning by-law under Section 34 of the Planning Act, R.S.O. 1990;
- b) the approval of a minor variance under Section 45 of the Planning Act, S.O. 1990;
- c) a conveyance of land to which a by-law passed under Subsection 50(7) of the Planning Act, R.S.O. 1990, 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; or
- g) the issuing of a permit under the Building Code Act S.O. 1990, in relation to a building or structure.

Determination of the Amount of the Charge

The calculation for residential development is generated on a per capita basis and is based upon different forms of housing types (single and semi-detached, apartments with two or more bedrooms, one-bedroom apartments and bachelors, multiples, and special care/special dwelling units). The total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible D.C. cost calculations are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). This approach acknowledges that service capacity will be “freed up” by the population decline in existing units. The



cost per capita is then multiplied by the average occupancy of the new units to calculate the charges by type of residential dwelling unit.

The non-residential D.C. has been calculated based on a per square foot of gross floor area basis.

Reduction of Development Charges for Redevelopment

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

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

The redevelopment credit is allowed only if the land was improved by occupied structures and if the demolition permit related to the site was issued less than five years prior to the issuance of a building permit. The credit can, in no case, exceed the amount of D.C.s that would otherwise be payable.

Exemptions (full or partial)

The following are exempted from D.C.s:

- 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 D.C.s (s. 4 (3)) of the D.C.A (note, this applies to the first 50% only);
 - 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).



- Non-statutory exemptions
 - Lands, buildings or structures used or to be used for a place of worship or for the purposes of a cemetery or burial ground exempt from taxation under the Assessment Act; and
 - Non-residential farm buildings constructed for bona fide farm uses.

Indexing

The D.C.s imposed shall be adjusted annually, without amendment to the by-law, based on the prescribed index in the D.C.A. on January 1, commencing on January 1, 2021.

By-law Duration

The by-law will expire on January 1, 2025, unless it is repealed by Council at an earlier date.

Timing of D.C. Payments

The D.C.s for all services and classes are payable upon issuance of the first building permit for each dwelling unit, building, or structure, subject to early or late payment agreements entered into by the Municipality and an owner under s.27 of the D.C.A., 1997.

Rental housing and institutional developments pay D.C.s in six equal annual payments commencing at occupancy. Non-profit housing developments pay D.C.s in 21 equal annual payments. Moreover, the D.C. amount for all developments occurring within 2 years of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted after January 1, 2020), shall be determined based on the D.C. in effect on the day of the Site Plan or Zoning By-law Amendment application.

Installment payments and payments determined at the time of Site Plan or Zoning Bylaw Amendment application may be subject to annual interest charges. The applicable interest rate is provided in the Municipality's "Development Charge Interest Policy".



Appendix B

Draft Amending Development Charges By-law



Appendix B: Draft Amending Development Charge By-law

The Corporation of the Municipality of Lakeshore By-law Number xx-2022

Being a By-Law of The Corporation of the Municipality of Lakeshore To Amend By-Law 89-2020, Respecting Development Charges

Whereas the Municipality of Lakeshore enacted By-law 89-2020 pursuant to the Development Charges Act, 1997, S.O. 1997, c. 27, as amended (the “Act”), which Act authorizes Council to pass by-laws for the imposition of development charges against land;

And Whereas the Municipality has undertaken a study pursuant to the Act which has provided updated definitions and an updated Schedule B to By-law 89-2020;

And Whereas Council has before it a report entitled “Town of Lakeshore 2022 Development Charges Update Study” prepared by Watson & Associates Economists Ltd., dated March 30, 2022 (the “update study”);

And Whereas the update study and proposed amending by-law were made available to the public on March 30, 2022 and Council gave notice to the public pursuant to section 12 of the Act.

And Whereas Council, on April 26, 2022 held a meeting open to the public, pursuant to section 12 of the Act, at which Council considered the study, and written and oral submissions from the public;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE MUNICIPALITY OF LAKESHORE HEREBY ENACTS AS FOLLOWS:

1. By-law 89-2020 is hereby amended as follows:

A. Addition of Accessory to the definitions in Section 1.1 as follows:



Accessory: means a use, building, or structure that is normally incidental and/or subordinate and is exclusively devoted to a main use and/or a building and/or structure, and is located on the same lot therewith. Accessory has the same meaning as ancillary.

- B. Revise the definition of Apartment Dwelling in Section 1.1 to include ancillary units. The refined definition would read as follows:

“apartment dwelling” means any residential dwelling unit within a building containing five or more dwelling units where access to each residential unit is obtained through a common entrance or entrances from the street level through a common entrance or entrances from the street level and the residential units are connected by an interior corridor. Apartment dwelling may also refer to a dwelling unit in a structure that is ancillary to a residential building;

- C. Addition of Class to the definitions in Section 1.1 as follows:

“Class” means a grouping of services combined to create a single service for the purposes of this By-law and as provided in Section 7 of the Development Charges Act. Also referred to as class of service or classes of services.

- D. Addition of Site to the definitions in Section 1.1 as follows:

“Site” means a parcel of land which can be legally conveyed pursuant to Section 50 of the Planning Act and includes a development having two or more lots consolidated under one identical ownership.

- E. Insert Section 3.7.1 as follows:

Rules with Respect to Exemptions for Intensification of Existing Housing

- (a) No Development Charge shall be imposed where the only effect of an action referred to in Section 3.4 of this By-law is to:
 - i) permit an enlargement to an existing residential Dwelling Unit;
 - ii) permit the creation of one or two additional Dwelling Units in an existing single detached dwelling or a prescribed ancillary residential dwelling structure to the existing residential building;



- iii) permit the creation of additional dwelling units equal to the greater of one Dwelling Unit or one percent of the existing Dwelling Units in existing Rental Housing or a prescribed ancillary residential dwelling structure to the existing residential building;
- iv) permit the creation of one additional dwelling unit in any other existing residential building already containing at least one Dwelling Unit or prescribed ancillary residential dwelling structure to the existing residential building; or
- v) permit the creation of a second dwelling unit in prescribed classes of proposed new residential buildings, including residential dwelling structures ancillary to dwellings, subject to the following restrictions:

Item	Name of Class of Proposed New Residential Buildings	Description of Class of Proposed New Residential Buildings	Restrictions
1	Proposed new detached dwellings	Proposed new residential buildings that would not be attached to other buildings and that are permitted to contain a second dwelling unit, that being either of the two dwelling units, if the units have the same gross floor area, or the smaller of the dwelling units.	The proposed new detached dwelling must only contain two dwelling units. The proposed new detached dwelling must be located on a parcel of land on which no other detached dwelling, semi-detached dwelling or row dwelling would be located.
2	Proposed new semi-detached dwellings or row dwellings	Proposed new residential buildings that would have one or two vertical walls, but no other parts, attached to other buildings and that are permitted to contain a second dwelling unit, that being either of the two dwelling units, if the units have the same gross floor area, or the smaller of the dwelling units.	The proposed new semi-detached dwelling or row dwelling must only contain two dwelling units. The proposed new semi-detached dwelling or row dwelling must be located on a parcel of land on which no other detached dwelling, semi-detached dwelling or row dwelling would be located.
3	Proposed new residential buildings that would be ancillary to a proposed new detached dwelling, semi-detached dwelling or row dwelling	Proposed new residential buildings that would be ancillary to a proposed new detached dwelling, semi-detached dwelling or row dwelling and that are permitted to contain a single dwelling unit.	The proposed new detached dwelling, semi-detached dwelling or row dwelling, to which the proposed new residential building would be ancillary, must only contain one dwelling unit. The gross floor area of the dwelling unit in the proposed new residential building must be equal to or less than the gross floor area of the detached dwelling, semi-detached dwelling or row dwelling to which the proposed new residential building is ancillary.

- (b) Notwithstanding 3.7.1(a) above, Development Charges shall be imposed if the total Gross Floor Area of the additional one or two units exceeds the Gross Floor Area of the existing Dwelling Unit.
- (c) Notwithstanding 3.7.1(a) above, Development Charges shall be imposed if the additional Dwelling Unit(s) has a Gross Floor Area greater than:



- i) in the case of a Semi-detached Dwelling Unit or Townhouse Dwelling Unit, the Gross Floor Area of the existing Dwelling Unit; and
 - ii) in the case of any other Residential Building, the Gross Floor Area of the smallest Dwelling Unit contained in the said residential Building.
- (d) The exemption to Development Charges in 3.7.1(a) above shall only apply to the first instance of intensification in an existing or new dwelling.
- (e) Subject to 3.7.1(b), 3.7.1(c), and 3.7.1(d) above, any exemption under 3.7.1(a) above shall apply to the smallest Dwelling Unit, as determined by applicable rates under this By-law.

F. Add item c) to Section 3.10 as follows:

- (c) Land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education is exempt from development charges imposed under the Development Charges Act, 1997 if the development in respect of which development charges would otherwise be payable is intended to be occupied and used by the university.

G. Schedule "B" is deleted and the attached Schedule "B" is substituted therefore.

2. This by-law shall come into force on the day it is enacted.

3. Except as amended by this by-law, all provisions of By-law 89-2020, as amended, are and shall remain in full force and effect.



By-law read a first and second time this 31st day of May, 2022.

By-law read a third time and finally passed this 31st day of May, 2022.

Corporation of the Municipality of Lakeshore

Mayor: _____

Clerk: _____



Schedule "B" to By-law 89-2020 Residential and Non-Residential Development Charges

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	Wind Turbines & Communication Towers (per Turbine/Tower)	Solar Farm (per sq. ft.)
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)		
Municipal Wide Services/Classes of Services:								
Services Related to a Highway	5,979	3,495	3,057	2,362	1,974	2.66	5,979	2.66
Public Works	566	331	289	224	187	0.25	-	-
Fire Protection Services	711	416	364	281	235	0.31	711	0.31
Policing Services	106	62	54	42	35	0.05	106	0.05
Parks and Recreation Services	3,754	2,194	1,919	1,483	1,240	0.17	-	-
Library Services	-	-	-	-	-	-	-	-
Growth Studies	461	269	236	182	152	0.20	461	0.20
Total Municipal Wide Services/Classes of Services	11,577	6,767	5,919	4,574	3,823	3.63	7,257	3.22
Urban Services								
Wastewater Services	14,116	8,251	7,217	5,577	4,662	6.05	-	-
Water Services	4,222	2,468	2,159	1,668	1,394	1.82	-	-
Total Urban Services	18,338	10,719	9,376	7,245	6,056	7.87	-	-
GRAND TOTAL RURAL AREA	11,577	6,767	5,919	4,574	3,823	3.63	7,257	3.22
GRAND TOTAL URBAN AREA	29,915	17,486	15,295	11,819	9,879	11.50	7,257	3.22