



Addendum to 2024 Development Charges Background Study

Township of South Frontenac

For Public Circulation and Comment

June 17, 2024

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1. Summary of Revisions to the May 16, 2024 Development Charges Background Study

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

- May 16, 2024 – Release D.C.B.S. and draft by-law
- June 20, 2024 – Public Meeting of Council
- July 16, 2024 – Anticipated passage of D.C. By-law
- July 16, 2024 – Anticipated date of by-law enactment.

On June 6, 2024, Bill 185 (Cutting Red Tape to Build More Homes Act, 2024) received Royal Assent and includes the following changes to the D.C.A.:

- The removal of the Mandatory Phase-in for D.C. by-laws passed after Bill 185 comes into effect;
- A reduction to the D.C. rate freeze timelines for developments proceeding through site plan and zoning by-law amendment applications under the Planning Act. Charges are currently held at rates in place on the date the application is made until building permit issuance, provided the building permit is issued within two (2) years of the approval of the application. This time period is reduced to 18 months under Bill 185. Note that the two-year timeline will still apply to applications received between January 1, 2020, and prior to Bill 185 receiving Royal Assent (i.e., June 6, 2024);
- Inclusion of growth-related studies, including the D.C. background study, as a D.C.-eligible costs;
- A provision to permit the repeal of the expiry date for existing D.C. by-laws;
- To allow minor amendments related to the imposition of studies, removal of the mandatory phase-in, and extension of by-law expiry dates (subject to the 10-year limitations provided in the D.C.A.) to be undertaken for by-laws passed after November 28, 2022, and prior to Bill 185 taking effect (i.e., June 6, 2024); and



- To modernize public notice requirements, to allow municipalities to post D.C. public notices on municipal websites where newspapers of general circulation are not available.

The purpose of the addendum to the May 16, 2024, D.C.B.S. is to include and correct an error related to the D.C. eligible costs for growth-related studies, reflect other changes in the D.C.A. as per Bill 185 (such as the changes to the D.C. “freeze” time period, and the removal of the statutory phase-in of the charge in new by-law), and other minor housekeeping amendments.

The refinements, as they related to the calculation of the D.C.s are detailed in this report, and will form part of the D.C.B.S. for Council’s consideration and approval prior to adoption of the D.C. By-law. A revised draft proposed by-law is included herein, which embrace the legislative changes and update to the calculate charges.



2. Addendum

This section of the addendum report provides an explanation for the above-noted refinements.

2.1 Growth-Related Studies

The D.C.A. permits the inclusion of studies undertaken to facilitate the completion of the City's capital works program. These studies have been included within a Growth-Related Studies class of services, based on the eligible D.C. services to which the studies relate.

A refinement required to the calculation of the charge for the Growth-Related Studies class of services, has been made to correct for a calculation error.

In aggregate, the study costs that have been identified total approximately \$1.5 million, including \$16,712 for the existing D.C. reserve fund deficit for growth-related studies. Deductions of \$298,162 for the benefit to existing share and 94,500 to recognize the cost which benefit non-D.C.-eligible services, have been made. The net D.C. eligible costs for studies that have been considered with the calculation of the charge within the class of services totals \$1.11 million.

These costs have been allocated between residential and non-residential benefits based on the same shares identified for each applicable service. This results in an overall residential share of approximately \$1.03 million (93%), and non-residential share of \$77,564 (7%).

The refinements have decreased the calculated D.C. for Growth-Related Studies. The D.C. for a single detached residential dwelling unit increased by \$1,549 (from \$2,515 to \$966 for Growth-Related Studies). The D.C. for non-residential development has decreased by \$0.05 per sq.ft. of gross floor area (from \$0.66 to \$0.61).

2.2 Impacts on the Calculated D.C.

Based on the changes identified, the amended schedule of charges is presented in Table 2-1.



Table 2-1
Amended Schedule of D.C.s

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)
Township-Wide Services					
Services Related to a Highway	8,041	6,699	5,216	3,598	5.07
Fire Protection Services	998	831	647	446	0.63
Policing Services	318	265	206	142	0.20
Parks and Recreation Services	2,339	1,949	1,517	1,047	1.12
Library Services	161	134	104	72	0.08
Waste Diversion	15	12	10	7	0.01
Township-Wide Class of Services					
Growth-Related Studies	966	805	627	432	0.61
Total Township-Wide Services/Class of Services	\$12,837	\$10,695	\$8,327	\$5,744	\$7.72

By comparison to the charges presented in the May 16, 2024, D.C.B.S., the amended charge for a single and semi-detached residential unit would decrease by 1,549 (-38%) from \$14,386 to \$12,837. The updated charges presented herein (as per Table 2-2 to 2-3), provide a comparison to the current charges, the charges in the May 16, 2024, D.C.B.S, and the revised charges as per this addendum report. The comparison Tables are provided for a single-detached residential dwelling unit and the cost per sq.ft. of G.F.A. for non-residential development.

Table 2-2
Comparison of Current and Calculated D.C.s - Single-detached Dwelling

Services/Class of Services	Current	Calculated as per D.C. Study (May 16, 2024)	Calculated as per Addendum Report
Township-Wide Services:			
Services Related to a Highway	9,586	8,041	8,041
Fire Protection Services	1,429	998	998
Policing Services	196	318	318
Parks and Recreation Services	1,386	2,339	2,339
Library Services	99	161	161
Waste Diversion	-	15	15
Total Township-Wide Services	\$12,696	\$11,871	\$11,871
Township-Wide Class of Services:			
Growth-Related Studies*	424	2,515	966
Total Township-Wide Services/Class of Services	\$13,120	\$14,386	\$12,837

* Includes both Engineering Services and Community Based Studies in current by-law



Table 2-3
Comparison of Current and Calculated D.C.s – Non-residential

Services/Class of Services	Current	Calculated as per D.C. Study (May 16, 2024)	Calculated as per Addendum Report
Township-Wide Services:			
Services Related to a Highway	6.46	5.07	5.07
Fire Protection Services	0.96	0.63	0.63
Policing Services	0.13	0.20	0.20
Parks and Recreation Services	0.46	1.12	1.12
Library Services	0.03	0.08	0.08
Waste Diversion	-	0.01	0.01
Total Township-Wide Services	\$8.04	\$7.11	\$7.11
Township-Wide Class of Services:			
Growth-Related Studies*	0.27	0.66	0.61
Total Township-Wide Services/Class of Services	\$8.31	\$7.77	\$7.72

* Includes both Engineering Services and Community Based Studies in current by-law



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

Based on the foregoing, the following revisions are made to the May 16, 2024 D.C.B.S. Accordingly, the amended pages are appended to this report:

- Table of Contents - Updated to reflect the changes summarized below;
- Executive Summary (pages ii to ix) - Updated to reflect the revised charges, inclusion of study costs, and the legislative changes;
- Pages 1-2 to 1-3 – Updated to reflect Public Meeting and Addendum release date and date of public meeting;
- Pages 1-3 to 1-4, and 1-13 to 1-14 – Updated to reflect legislative changes;
- Page 2-1 – Section 2.2 updated to reflect the enactment of Bill 185;
- Pages 4-1 and 4-5 to 4-6 – Section 4.2, Table 4-1B, Section 4.5 updated to reflect the eligible funding of study costs;
- Page 4-7 – Section 4.7 updated to reflect the enactment of Bill 185 to identify growth-related studies as a class of services;
- Pages 5-1, 5-4 to 5-5, 5-7 to 5-8 – Updated to include the refinements for the growth-related study costs in the calculation of the charge and updated page numbering, as required;
- Pages 6-1 to 6-4 – Chapter 6 updated to include the refinements for the growth-related study costs;
- Pages 7-2 to 7-9:
 - Section 7.2 updated to identify the class of services for growth-related studies;
 - Section 7.3.2 updated to include growth-related study costs allocation;
 - Section 7.3.5 updated to reflect legislative changes (removal of phase-in) and section 7.3.6 to 7.3.8 have been renumbered accordingly;
 - Section 7.3.6 updated to reflect legislative changes related to the D.C. “rate freeze;”
 - Section 7.4.2 updated to reflect legislative changes and recommend a separate reserve fund for the growth-related studies class of services; and
 - Section 7.5 updated to reflect this addendum and the class of services for the growth-related studies.
- Page C-3 – Updated Table C-2 to reflect changes to the operating and capital expenditure impact for future capital expenditures due to the inclusion of Growth-Related Studies;



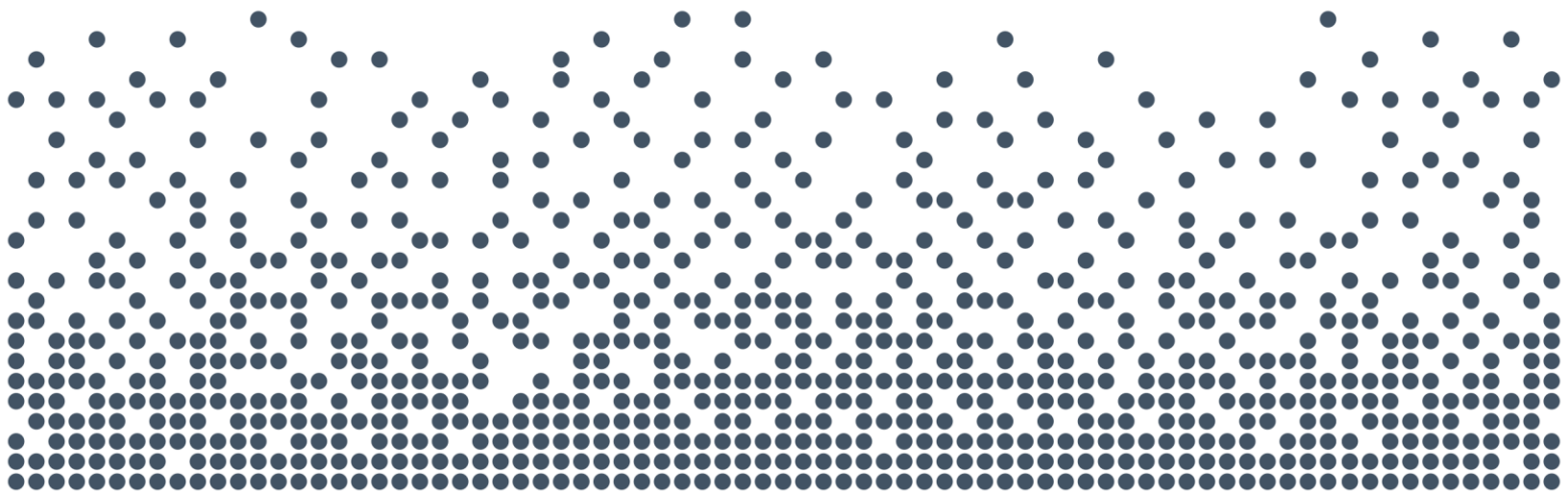
- Pages D-5 and D-10 – Updated Tables D-1 and D-6 to reflect the growth-related studies class of services;
- Pages F-4 to F-5 – Updated asset management calculations as a result of refining the incremental operating costs and textual references to the calculations; and
- Appendix G – Updated by-law to reflect the correction to the calculation related to study costs and other legislative changes.

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

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

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

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



Appendices



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- 5) Net capital costs are then allocated between residential and non-residential development types; and
- 6) Net costs divided by the anticipated development to provide the D.C.

(c) Subsequent to the passage of the Township's 2019 D.C. By-law (By-law 2019-48), a number of amendments to the D.C.A. have taken place. These changes have been incorporated throughout the report and in the draft by-laws, as necessary. The legislative amendment to the D.C.A. include the following (details of each Act are provided in Chapter 1 of this report):

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

A summary of some of the amendments are outlined below:

- Historical level of service calculation extended to a 15-year period;
- Capital cost definition revised to remove prescribe services for which land or an interest in land will be restricted (no services currently prescribed);
- Annual installment payments for rental and institutional development, in six equal payments commencing at occupancy;
- The determination¹ of D.C.s for development occurring within two years of a site plan or zoning by-law amendment planning approval for applications received between January 1, 2020, and June 5, 2024, and for development occurring within 18 months of a site plan or zoning by-law amendment planning approval for applications received on or after June 6, 2024;
- Maximum Interest Rate for Installments and Determination of Charge for Eligible Site Plan and Zoning By-law Amendment Applications to be set at the average prime rate plus 1%;

¹ With charges determined at the time of planning application.



- Additional residential unit exemption includes allowance of a third unit as-of-right;
- Statutory exemptions for Affordable Units, Attainable Units (currently not in force);
- Statutory exemptions for Affordable Inclusionary Zoning Units;
- Statutory exemption for non-profit housing;
- Mandatory discount for rental housing, based on the number of bedrooms;
- Maximum life of a D.C. by-law extended from 5 years to 10 years after the by-law comes into force;
- Requirement to Allocate Funds Received - municipalities are required to spend or allocate at least 60% of their reserve fund at the beginning of the year for water, wastewater, and services related to a highway;
- Additional requirements related to the annual D.C. reserve fund Treasurer's statement;
- Provision to allow minor amendments to D.C. by-laws concerning by-law expiry dates; and
- D.C. public notice requirements

(d) The growth forecast (provided in Chapter 3), summarized in Table ES-1, on which the D.C. is based, projects the following population, housing, and non-residential employment and associated gross floor area for the 10-year (mid-2024 to mid-2034) and 15-year (mid-2024 to mid-2039) forecast period.



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

Measure	10 Year 2024 to 2034	15-Year 2024 to 2039
(Net) Population Increase	1,941	3,270
(Gross) Population Increase in New Households*	3,056	4,729
Residential Unit Increase	1,086	1,698
Non-Residential Employment Increase	153	258
Non-Residential Gross Floor Area Increase (sq.ft.)	117,700	198,200

*Growth includes population in both permanent, seasonal, and institutional households

(e) Table ES-2 includes a summary of the D.C. eligible capital costs for each eligible service arising from the anticipated development. These capital costs are provided in detail in Chapter 5. The D.C.A. requires that the background study include a summary of the gross and net capital costs to be incurred over the term of the by-law (i.e., 10-years) for existing and future development. This summary is provided by service in Table 6-4 of the D.C. Background Study.

In total, gross capital costs of approximately \$48.93 million are forecast for the 10-year by-law term. These capital costs have been identified through discussion with Township staff. Approximately \$5.38 million in capital costs relate to the needs of growth beyond the forecast period and \$94,500 relates to costs associated with D.C.-ineligible services, resulting in a net growth-related cost of approximately \$18.41 million. The post period costs are not included in the D.C. calculations, however, will be considered in future D.C. studies.

The resultant net D.C. recoverable costs included in the calculations for capital works anticipated over the forecast period totals \$18.41 million, of which \$17.18 million is attributed to the forecasted residential development and \$1.23 million allocated to the forecasted non-residential development.



Table ES-2
Township of South Frontenac
Summary of Costs Anticipated During the Term of the By-laws

Description	Value (2024\$)
Total gross expenditures planned over the next ten years	\$48,931,752
Less: benefit to existing development	\$25,052,509
Less: post planning period benefit	\$5,377,200
Less: Ineligible Level of Service	\$94,500
Net costs to be recovered from D.C.s. over the term of the by-laws	\$18,407,543

(f) At present, the Township imposes D.C.s on residential and non-residential developments in accordance with By-Law 2019-48. The Township is undertaking a D.C. public process and anticipates passing a new D.C. by-law for each service identified in the D.C. Background Study. The statutory mandatory public meeting has been set for June 20, 2024, with adoption of the D.C. by-laws anticipated for July 16, 2024.

This report provides the calculations of the residential and non-residential charges to recover the capital costs of the anticipated increase in need for services and class of services arising from the forecast development (summarized in Schedule ES-3). The following services are calculated based on a Township-wide 10-year forecast period (2024-2033):

Services:

- Parks and Recreation Services;
- Library Services; and
- Waste Diversion Services.

Class of Services:

- Growth-Related Studies



The following services are calculated based on a Township-wide 15-year forecast period (mid-2024-mid-2039):

- Services Related to a Highway; and
- Fire Protection Services; and
- Policing Services.

(g) Table ES-3 provides the calculated D.C.s for residential and non-residential developments by service.

The calculated D.C. for a single detached residential dwelling unit within the Township is \$12,837. The calculated D.C. for non-residential development within the Township is \$7.72 per sq.ft. of gross floor area (excluding growth studies).



Table ES-3
Township of South Frontenac
Calculated Schedule of Development Charges

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)
Township-Wide Services					
Services Related to a Highway	8,041	6,699	5,216	3,598	5.07
Fire Protection Services	998	831	647	446	0.63
Policing Services	318	265	206	142	0.20
Parks and Recreation Services	2,339	1,949	1,517	1,047	1.12
Library Services	161	134	104	72	0.08
Waste Diversion	15	12	10	7	0.01
Township-Wide Class of Services					
Growth-Related Studies	966	805	627	432	0.61
Total Township-Wide Services/Class of Services	\$12,837	\$10,695	\$8,327	\$5,744	\$7.72



(h) Tables ES-4 and ES-5 provide a comparison of the D.C.s currently imposed in the Township and the calculated charges herein. These comparisons are provided for a single-detached residential dwelling unit and non-residential development on a per sq.ft. of gross floor basis, respectively.

Table ES-4
Township of South Frontenac
Single-Detached Residential Dwelling Unit D.C. Comparison

Services/Class of Services	Current	Calculated as per D.C. Study (May 16, 2024)	Calculated as per Addendum Report
Township-Wide Services:			
Services Related to a Highway	9,586	8,041	8,041
Fire Protection Services	1,429	998	998
Policing Services	196	318	318
Parks and Recreation Services	1,386	2,339	2,339
Library Services	99	161	161
Waste Diversion	-	15	15
Total Township-Wide Services	\$12,696	\$11,871	\$11,871
Township-Wide Class of Services:			
Growth-Related Studies*	424	2,515	966
Total Township-Wide Services/Class of Services	\$13,120	\$14,386	\$12,837

* Includes both Engineering Services and Community Based Studies in current by-law



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

Services/Class of Services	Current	Calculated as per D.C. Study (May 16, 2024)	Calculated as per Addendum Report
Township-Wide Services:			
Services Related to a Highway	6.46	5.07	5.07
Fire Protection Services	0.96	0.63	0.63
Policing Services	0.13	0.20	0.20
Parks and Recreation Services	0.46	1.12	1.12
Library Services	0.03	0.08	0.08
Waste Diversion	-	0.01	0.01
Total Township-Wide Services	\$8.04	\$7.11	\$7.11
Township-Wide Class of Services:			
Growth-Related Studies*	0.27	0.66	0.61
Total Township-Wide Services/Class of Services	\$8.31	\$7.77	\$7.72

* Includes both Engineering Services and Community Based Studies in current by-law

(i) Chapter 7 herein, provides the D.C. by-law policy recommendations and rules that govern the imposition of the charges. Council will consider the findings and recommendations provided herein and, in conjunction with public input, approve such policies and rates it deems appropriate. These directions will refine the draft D.C. by-law for each service and class of service, which is appended in Appendix G. These decisions may include:

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

The D.C.A. does not allow for D.C. revenue foregone as a result of an exemption or reduction in the charge to be made up through higher D.C.s on other development. As such, any decision to provide further exemptions or reductions should consider alternative funding sources to address the foregone revenue.



1.2 Summary of the Process

The public meeting required under section 12 of the D.C.A., has been scheduled for June 20, 2024. Its purpose is to present the study to the public and to solicit public input. The meeting is also being held to answer any questions regarding the study's purpose, methodology and the proposed D.C. by-laws.

In accordance with the legislation, the background study and proposed D.C. by-laws will be available for public review on May 16, 2024.

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

- Consideration of responses received prior to, at, or immediately following the public meeting;
- Refinements to the report, if required; and
- Council consideration of the by-laws subsequent to the public meeting.

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



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

Process Steps	Dates
Data collection, growth forecast development, staff review, engineering work, D.C. calculations and policy work	Early 2024 to Mid-2024
Public release of final D.C. Background study and proposed by-law	May 16, 2024
Public meeting advertisement placed in newspaper(s)	By 21 Days prior to the Public Meeting
Public release of Addendum #1 to Background Study	June 17, 2024
Public meeting of Council	June 20, 2024
Council considers adoption of background study and passage of by-law	July 16, 2024
Newspaper notice given of by-law passage	By 20 days after passage
Last day for by-law appeal	40 days after passage
Township makes pamphlet available (where by-law not appealed)	By 60 days after in force date

1.3 Changes to the *Development Charges Act, 1997*

Over the past five (5) years, a number of changes to the D.C.A. have been introduced through various legislation including the following:

- Bill 108: More Homes, More Choice Act, 2019;
- Bill 138: Plan to Build Ontario Together Act, 2019;
- Bill 197: COVID-19 Economic Recovery Act, 2020;
- Bill 213: Better for People, Smarter for Business Act, 2020;



- Bill 109: More Homes for Everyone Act, 2022;
- Bill 23: More Homes Built Faster Act, 2022;
- Bill 97: Helping Homebuyers, Protecting Tenants Act, 2023;
- Bill 134: Affordable Homes and Good Jobs Act, 2023; and
- Bill 185: Cutting Red Tape to Build More Homes Act, 2024.

The following provides an overview of the amendments to the D.C.A. that each of these pieces of legislation provided.

1.3.1 Bill 108: *More Homes, More Choice Act, 2019*

The Province introduced Bill 108, *More Homes, More Choice Act, 2019* which proposed changes to the D.C.A. as part of the province's "More Homes, More Choice: Ontario's Housing Supply Action Plan." The *More Homes, More Choice Act, 2019* received Royal Assent on June 6, 2019. At that time many of the amendments to the D.C.A. did not come into effect, awaiting proclamation by the Lieutenant Governor. On January 1, 2020, the following provisions were proclaimed:

- A D.C. for rental housing and institutional developments will pay the charge in six equal annual installments, with the first payment commencing on the date of occupancy. Non-profit housing developments will pay D.C.s in 21 equal annual payments (note, that further changes related to non-profit housing have been made under the *More Homes Built Faster Act, 2022*, summarized below). Any unpaid D.C. amounts may be added to the property and collected as taxes.
- For all developments triggering a D.C. within two years of a Site Plan or Zoning By-law Amendment planning approval, the D.C. shall be determined based on the charges in effect on the date the planning application was submitted. These provisions only apply to Site Plan and Zoning By-law Amendment planning applications received on or after January 1, 2020. These amendments do not affect developments approved under other planning application types (e.g., plan of subdivision, minor variance, etc.).
- The removal of the 10% statutory deduction for soft services, i.e., services limited to a 10-year forecast period.



- For Affordable Ownership Units: the average household income provides the amount to be measured against, being \$431,200, as the 90% of average purchase prices is greater for all unit types, as follows:
 - Detached House: \$585,000
 - Semi-Detached House: \$450,000
 - Row/townhouse: \$486,000
 - Condominium Apartment \$432,000
 - For Affordable Rental Units: the average rent based on household income would equal \$1,820 per month. The average market rent for a bachelor, 1-bedroom, and 2-bedroom is lower than the average household income and therefore, provides the amount to be measured against, being where monthly rent is lower than:
 - For a bachelor unit: \$1,035
 - For a 1-bedroom unit: \$1,333
 - For a 2-bedroom unit: \$1,612
- For units with 3 or more bedrooms, the average household income provides the amount to be measured against (i.e., \$1,820 per month) vs. the average rent of:
- For a unit with 3 or more bedrooms: \$2,141

1.3.9 Bill 185: Cutting Red Tape to Build More Homes Act, 2024

The Cutting Red Tape to Build More Homes Act, 2024 (Bill 185), was introduced on April 10, 2024, and received Royal Assent on June 6, 2024. This Act amends the D.C.A as follows:

- Reintroduces studies as an eligible cost for services, including a D.C. background study;
- Removes the mandatory phase-in of a D.C. by-law;
- Reduces the time period for the determination of a D.C. applicable to site plan and zoning by-law amendment applications, whereby the time period between the building permit issuance and planning application approval is reduced to 18 months from two years (note, the two-year time period still applies to applications received between January 1, 2020 and June 5, 2024);
- Permits the repeal of the date the D.C. by-law expires (allowing for the 10-year by-law term provided in the D.C.A.);



- Allows minor D.C. by-law amendments related to the inclusion of studies, removal of the mandatory phase-in of a D.C. by-law and removal of expiry date for by-laws passed between November 28, 2022 and June 6, 2024; and
- Permits municipalities to publish D.C. public notice on municipal websites where newspapers of general circulation are not available.

As Bill 185 has been enacted, this D.C. Background Study includes the cost of studies, and the other amendments made to the D.C.A. as noted above.



2. Township of South Frontenac Current D.C. Policy

2.1 Schedule of Charges

On August 6, 2019, the Township passed By-law 2019-48 under the D.C.A., which provides for Township-wide D.C.s to be imposed in the Township. The D.C. by-law is set to expire on August 6, 2024, five years after it was passed.

2.2 Services Covered

The following Township-wide services are covered under By-law 2019-48:

- Services Related to a Highway;
- Fire Protection Services;
- Police and Other Facilities;
- Parks and Recreation;
- Library Services;
- Engineering Services – Studies; and
- Community Based Studies.

2.3 Timing of D.C. Calculation and Payment

D.C.s are calculated and payable in full at the time the first building permit is issued in relation to a building or structure on land to which a D.C. applied.

It is noted that the D.C. legislation has been amended since the passage of the by-law and D.C.s are now payable at the time of the first building permit issuance for most developments. Payments with respect to rental housing and institutional development pay their D.C.s over six (6) annual installments. Applications with respect to a site plan or zoning by-law amendment have their D.C. determined at the rates in effect at the time of planning application if the building permit for the proposed development is issued within two (2) years of planning application approval. The provisions of the D.C.A. override the provisions of the current by-law.



4. The Approach to the Calculation of the Charge

4.1 Introduction

This chapter addresses the requirements of subsection 5 (1) of the D.C.A. with respect to the establishment of the need for service which underpins the D.C. calculation. These requirements are illustrated schematically in Figure 4-1.

4.2 Services Potentially Involved

Table 4-1 lists the full range of municipal services that are provided within municipalities and indicates the D.C. eligible service components included in the D.C. background study for the Township.

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

4.3 Increase in the Need for Service

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



Categories of Township Services	Inclusion in the D.C. Calculation	Service Components
13. Parks and Recreation Services	Ineligible Yes Yes Yes Yes	13.1 Acquisition of land for parks, woodlots, and E.S.A.s 13.2 Development of municipal parks 13.3 Parks rolling stock ¹ and yards 13.4 Facilities, such as arenas, indoor pools, fitness facilities, community centres, etc. 13.5 Recreation vehicles and equipment ¹
14. Services Related to Public Health	n/a n/a	14.1 Public Health department space 14.2 Public Health department vehicles ¹
15. Child Care and Early Years Programs and Services within the meaning of Part VI of the <i>Child Care and Early Years Act, 2014</i> and any related services.	n/a n/a	15.1 Childcare space 15.2 Vehicles ¹
16. Services related to proceedings under the <i>Provincial Offences Act, including by-law enforcement services and municipally administered court services</i>	n/a n/a	16.1 P.O.A. space, including by-law enforcement and municipally administered court services 16.2 Vehicles ¹
17. Services Related to Emergency Preparedness	n/a n/a	17.1 Emergency Preparedness Space 17.2 Equipment
18. Services Related to Airports	Ineligible Ineligible	18.1 Airports 18.2 Other Airports
20. Other	Yes	20.1 Interest on money borrowed to pay for growth-related capital 20.2 Growth Studies, including the D.C. background study cost

¹ with a 7+ year useful life



4.4 Local Service Policy

Some of the need for services generated by additional development consists of local services related to a plan of subdivision. As such, they will be required as a condition of subdivision agreements or consent conditions. The Township's Local Service Policy is included in Appendix E.

4.5 Capital Forecast

Paragraph 7 of subsection 5 (1) of the D.C.A. requires that “the capital costs necessary to provide the increased services must be estimated.” The Act goes on to require two potential cost reductions and the regulation sets out the way in which such costs are to be presented. These requirements are outlined below.

These estimates involve capital costing of the increased services discussed above. This entails costing actual projects or the provision of service units, depending on how each service has been addressed.

The capital costs include:

- a. costs to acquire land or an interest therein (including a leasehold interest);
- b. costs to improve land;
- c. costs to acquire, lease, construct or improve buildings and structures;
- d. costs to acquire, lease or improve facilities, including rolling stock (with a useful life of 7 or more years), furniture and equipment (other than computer equipment), materials acquired for library circulation, reference, or information purposes; and
- e. interest on money borrowed to pay for the above-referenced costs.
- f. costs to undertake studies in connection with the above-referenced matters (include costs of the D.C. background study).

In order for an increase in need for service to be included in the D.C. calculation, Township Council must indicate “that it intends to ensure that such an increase in need will be met” (subsection 5 (1) 3). This can be done if the increase in service forms part of a Council-approved Official Plan, capital forecast, or similar expression of the intention of Council (O. Reg. 82/98 section 3). The capital program contained herein



reflects the Township's approved master servicing/needs studies, along with the prior D.C. study.

4.6 Treatment of Credits

Section 8, paragraph 5, of O. Reg. 82/98 indicates that a D.C. background study must set out “the estimated value of credits that are being carried forward relating to the service.” Subsection 17, paragraph 4, of the same regulation indicates that, “...the value of the credit cannot be recovered from future D.C.s,” if the credit pertains to an ineligible service. This implies that a credit for eligible services can be recovered from future D.C.s. As a result, this provision should be made in the calculation, in order to avoid a funding shortfall with respect to future service needs.

Currently, there are no outstanding credits to be included in the D.C. calculations.

4.7 Class of Services

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

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

These provisions allow for services to be grouped together to create a class for the purposes of the D.C. by-law and D.C. reserve funds. As of June 6, 2024, Bill 185 has received Royal Assent, thereby the growth studies have been provided as a class of service for purposes of calculating the D.C.s.

4.8 Existing Reserve Funds

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



5. D.C. Eligible Cost Analysis by Service and Class of Service

5.1 Introduction

This chapter outlines the basis for calculating eligible costs for the D.C.s to be applied on a uniform basis for the defined service areas. In each case, the required calculation process set out in subsection 5 (1) paragraphs 2 to 7 in the D.C.A., and described in Chapter 4, was followed in determining D.C. eligible costs.

The service component is evaluated on two format sheets:

- The service standards that provide the average historical 15-year level of service calculation (see Appendix B), which “caps” the D.C. amounts; and
- The infrastructure cost calculation, which determines the potential D.C. recoverable cost.

The nature of the capital projects and timing identified in the Chapter reflect Council's current intention. Over time, however, Township projects and Council priorities may change; accordingly, Council's intentions may be altered, and different capital projects (and timing) may be necessary to meet the need for services required by new growth.

5.2 Service Levels and 10-Year Capital Costs for Township-wide D.C. Services and Class of Services Calculation

This section evaluates the development-related capital requirements for Township services and class of services under a 10-year planning period.

5.2.1 Parks and Recreation Services

The Township provides a variety of parks and recreation-related assets to service the community. Currently, the Township has 124 acres of parkland within its jurisdiction consisting of various sized parks. It also maintains 92 parkland amenities within the boundaries of the parks, such as baseball fields, soccer fields, playgrounds, dog parks, washrooms, and gazebos, etc. Further, there are currently five recreation facilities provided by the Township, in addition to the Frontenac Community Arena which is



and \$1,225 (7%) attributable to non-residential development, which is based on the incremental growth in population to employment for the 10-year forecast period.

5.2.4 Growth-Related Studies (Class of Service)

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

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

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

- Services Related to a Highway;
- Fire Protection Services;
- Policing Services;
- Library Services;
- Parks and Recreation Services; and
- Waste Diversion Services.

The following provides a list of the studies that have been identified for the 2024 to 2034 forecast period:

- Development Charge Studies;
- Official Plan Update;
- Growth Management Studies;
- Transportation Master Plan;
- Recreation Master Plan Update;
- Fire Master Plan;
- Community Risk Assessment;



- Boat Access Study;
- Facility Condition Assessment; and
- Climate Change and Adaptation Study.

The total cost of these studies is approximately \$1.5 million, including \$16,712 for the existing D.C. reserve fund deficit for growth-related studies. After deducting \$298,162 for the benefit to existing share and \$94,500 to recognize the benefit to non-D.C.-eligible services, the D.C. eligible costs for studies that have been considered with the calculation of the charge within the class of service total \$1.11 million as presented in Table 5-4.

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

- Services Related to a Highway – 73.45%
- Fire Protection Services – 9.11%
- Policing Services – 2.90%
- Parks and Recreation Services – 13.52%
- Library Services – 0.93%
- Waste Diversion Services – 0.09%

The allocation of the net growth-related costs between residential and non-residential development is based on the residential and non-residential allocations for each service area and are presented in Table 5-5 (i.e., resulting in an overall split of 94% residential and 6% non-residential).



Table 5-3
Township of South Frontenac
Infrastructure Costs Included in the Development Charge Calculation
For Waste Diversion Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development 2024 to 2033	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 93%	Non-Residential Share 7%
1	Provision for Additional Assets	2024-2033	17,500	-	-	17,500	-	-	17,500	16,275	1,225
	Total		17,500	-	-	17,500	-	-	17,500	16,275	1,225

Table 5-4
Township of South Frontenac
Infrastructure Costs Included in the Development Charge Calculation
For Growth-Related Studies Class of Service

Proj. No.	Increased Service Needs Attributable to Anticipated Development 2024 to 2033	Timing (year) From	Timing (year) To	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate Total (2024\$)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
											Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
1	Development Charges Study	2024		2024	All Services		36,000	-	-	36,000	-	-	36,000	33,584	2,416
2	Development Charges Study Update	2029		2029	All Services		15,000	-	-	15,000	-	-	15,000	13,995	1,005
3	Development Charges Study	2024		2024	All Services		36,000	-	-	36,000	-	-	36,000	33,584	2,416
4	Growth Management Study	2024		2024	All Services		220,000	-	22,000	198,000	-	-	198,000	184,713	13,287
5	Growth Management Study	2033		2033	All Services		220,000	-	22,000	198,000	-	-	198,000	184,713	13,287
6	Official Plan	2024		2024	All Services		220,000	-	22,000	198,000	49,502	-	148,498	138,533	9,965
7	Official Plan	2033		2033	All Services		220,000	-	22,000	198,000	49,502	-	148,498	138,533	9,965
8	Climate Change and Adaptation Study	2024		2024	All Services		65,000	-	6,500	58,500	55,058	-	3,442	3,212	230
9	Transportation Master Plan	2025	2028	2025-2028	Services Related to a Highway		125,000	-	-	125,000	31,300	-	93,700	87,141	6,559
10	Recreation Master Plan update	2027	2030	2027-2030	Parks and Recreation Services		125,000	-	-	125,000	31,300	-	93,700	89,015	4,685
11	Facility Condition Assessment	2024	2025	2024-2025	Parks and Recreation Services		122,000	-	-	122,000	30,500	-	91,500	86,925	4,575
12	Community Risk Assessment (Fire)	2024		2024	Fire Protection Services		20,000	-	-	20,000	10,000	-	10,000	9,300	700
13	Fire Master Plan	2024	2025	2024-2025	Fire Protection Services		35,000	-	-	35,000	17,500	-	17,500	16,275	1,225
14	Boat Access Study	2024		2024	Parks and Recreation Services		25,000	-	-	25,000	23,500	-	1,500	1,425	75
15	Reserve Fund Adjustment						16,712	-	-	16,712	-	-	16,712	15,634	1,078
	Total						1,500,712	-	94,500	1,406,212	298,162	-	1,108,050	1,036,582	71,468



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

Services	Total	Residential Share	Non-Residential Share
Services Related to a Highway	679,384	631,884	47,500
Fire Protection Services	100,385	93,366	7,019
Policing Services	23,067	21,455	1,611
Library Services	7,397	7,026	371
Parks and Recreation Services	297,102	282,184	14,918
Waste Diversion Services	715	666	48
Total	\$1,108,050	\$1,036,582	\$71,468
Overall Growth Studies Class of Services Residential/Non-Residential %		94%	6%



6. D.C. Calculation

Tables 6-1 and 6-2 calculate the proposed D.C.s to be imposed on development for all Township-wide services and class of services, over the 15-year forecast period (mid-2024 to mid-2039) and the 10-year forecast period (mid-2024 to mid-2034), respectively. The D.C. eligible costs for each service and class of services were determined in Chapter 5 for all Township-wide services and class of services, based on their associated capital programs.

The calculation for residential development is generated on a per capita basis and is based upon four (4) forms of housing types (singles and semi-detached dwellings, multiple dwellings, bachelor and 1-bedroom apartments, and 2+ bedrooms apartments). The non-residential D.C. has been calculated on a uniform per sq.ft. of G.F.A. basis for all types of non-residential development (industrial, commercial, and institutional).

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The residential D.C. recoverable capital cost calculations set out in Chapter 5 are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units (Appendix A, Schedule 7) to calculate the charges in Tables 6-1 and 6-2.

Table 6-3 provides the schedule of charges that is applicable for all services and class of services, by type of development. Table 6-4 summarizes the gross capital expenditures and sources of revenue for works to be undertaken during the 10-year life of the by-law.



Table 6-1
Township of South Frontenac
Township-Wide D.C. Calculation for the 15-year Forecast Period

SERVICE/CLASS	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
1. <u>Services Related to a Highway</u>				
1.1 Roads and Related Infrastructure including Facilities, Vehicles & Equipment	13,356,614	1,005,337	8,041	5.07
	13,356,614	1,005,337	8,041	5.07
2. <u>Fire Protection Services</u>				
2.1 Fire facilities, vehicles & equipment	1,657,131	124,730	998	0.63
	1,657,131	124,730	998	0.63
3. <u>Policing Services</u>				
3.1 Facilities, vehicles and equipment, small equipment and gear	527,683	39,718	318	0.20
	527,683	39,718	318	0.20
TOTAL	\$15,541,428	\$1,169,785	\$9,356	\$5.90
D.C.-Eligible Capital Cost	\$15,541,428	\$1,169,785		
15-Year Gross Population/GFA Growth (sq.ft.)	4,729	198,200		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$3,286.41	\$5.90		
By Residential Unit Type				
	P.P.U.			
Single and Semi-Detached Dwelling	2.847	\$9,356		
Other Multiples	2.372	\$7,795		
Apartments - 2 Bedrooms +	1.847	\$6,070		
Apartments - Bachelor and 1 Bedroom	1.274	\$4,187		

Table 6-2
Township of South Frontenac
Township-Wide D.C. Calculation for the 10-year Forecast Period

SERVICE/CLASS	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
4. <u>Parks and Recreation Services</u>				
4.1 Park development, amenities, recreation facilities, vehicles, and equipment	2,510,795	132,147	2,339	1.12
	2,510,795	132,147	2,339	1.12
5. <u>Library Services</u>				
5.1 Library facilities, materials and vehicles	173,005	9,106	161	0.08
	173,005	9,106	161	0.08
6. <u>Waste Diversion</u>				
6.1 Waste diversion facilities, vehicles, equipment and other	16,275	1,225	15	0.01
	16,275	1,225	15	0.01
7. <u>Growth-Related Studies</u>	1,036,582	71,468	966	0.61
TOTAL	\$3,736,657	\$213,946	\$3,481	\$1.82
D.C.-Eligible Capital Cost	\$3,736,657	\$213,946		
10-Year Gross Population/GFA Growth (sq.ft.)	3,056	117,700		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$1,222.73	\$1.82		
By Residential Unit Type				
	P.P.U.			
Single and Semi-Detached Dwelling	2.847	\$3,481		
Other Multiples	2.372	\$2,900		
Apartments - 2 Bedrooms +	1.847	\$2,258		
Apartments - Bachelor and 1 Bedroom	1.274	\$1,558		



Table 6-3
Township of South Frontenac
Calculated Schedule of Development Charges
by Service

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)
Township-Wide Services					
Services Related to a Highway	8,041	6,699	5,216	3,598	5.07
Fire Protection Services	998	831	647	446	0.63
Policing Services	318	265	206	142	0.20
Parks and Recreation Services	2,339	1,949	1,517	1,047	1.12
Library Services	161	134	104	72	0.08
Waste Diversion	15	12	10	7	0.01
Township-Wide Class of Services					
Growth-Related Studies	966	805	627	432	0.61
Total Township-Wide Services/Class of Services	\$12,837	\$10,695	\$8,327	\$5,744	\$7.72



Table 6-4
Township of South Frontenac
Gross Expenditure and Sources of Revenue Summary for Costs
to be Incurred over the 10-Year Life of the By-laws for all Services/Class of Services

Services/Class of Services	Total Gross Cost	Sources of Financing					
		Tax Base or Other Non-D.C. Source			Post D.C. Period Benefit	D.C. Reserve Fund	
		Other Deductions	Benefit to Existing	Other Funding		Residential	Non-Residential
1. Services Related to a Highway 1.1 Roads and Related Infrastructure including Facilities, Vehicles & Equipment	15,141,333	0	2,962,000	0	0	11,326,780	852,553
2. Fire Protection Services 2.1 Fire facilities, vehicles & equipment	5,176,207	0	3,466,000	0	0	1,590,492	119,714
3. Policing Services 3.1 Facilities, vehicles and equipment, small equipment and gear	13,066,000	0	8,435,599	0	4,063,000	527,683	39,718
4. Parks and Recreation Services 4.1 Park development, amenities, recreation facilities, vehicles, and equipment	6,160,000	0	2,202,858	0	1,314,200	2,510,795	132,147
5. Library Services 5.1 Library facilities, materials and vehicles	7,870,000	0	7,687,889	0	0	173,005	9,106
6. Waste Diversion 6.1 Waste diversion facilities, vehicles, equipment and other	17,500	0	0	0	0	16,275	1,225
7. Growth-Related Studies	1,500,712	94,500	298,162	0	0	1,036,582	71,468
Total Expenditures & Revenues	\$48,931,752	\$94,500	\$25,052,509	\$0	\$5,377,200	\$17,181,612	\$1,225,931



7.2 D.C. By-law Structure

It is recommended that:

- The Township uses a uniform Township-wide D.C. calculation for all services and class of services;

7.3 D.C. By-law Rules

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

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

7.3.1 *Payment in any Particular Case*

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

- (a) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
- (b) the approval of a minor variance under section 45 of the *Planning Act*;
- (c) a conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act* applies;
- (d) the approval of a plan of subdivision under section 51 of the *Planning Act*;
- (e) a consent under section 53 of the *Planning Act*;
- (f) the approval of a description under section 9 of the *Condominium Act, 1998*; or
- (g) the issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.

7.3.2 *Determination of the Amount of the Charge*

The following conventions be adopted:

1. Costs allocated to residential uses will be assigned to different types of residential units based on the average occupancy for each housing type constructed during the previous decade. Costs allocated to non-residential uses



will be assigned based on the amount of square feet of G.F.A. constructed for eligible uses (i.e., primary, industrial, commercial, and institutional).

2. Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each municipal circumstance, as follows:
 - For Services Related to a Highway, Fire Protection Services, and Policing Services, a 93% residential and 7% non-residential attribution has been made, to recognize the incremental residential population and non-residential employment uses projected over the Township-wide 15-year forecast period for both services;
 - For Waste Diversion Services, a 93% residential and 7% non-residential attribution has been made, over the Township-wide 10-Year forecast period;
 - Parks and Recreation and Library Services attributions for residential and non-residential splits have been determined based on an allocation of 95% to residential development and 5% to non-residential development as the predominant users of Parks and Recreation and Library Services tend to be residents of the Township.
 - For the Growth-Related Studies Class of Services, the cost allocations between residential and non-residential is based on the allocations for each service area based on the eligible D.C. service that each study relates to. This results in an overall allocation of 94% to residential development and 6% to non-residential development.

7.3.3 Application to Redevelopment of Land (Demolition and Conversion)

Despite any other provisions of this By-law 2019-48, where, as a result of the redevelopment of land, a building or structure existing on the same land within 60 months 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:

- 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 D.C. by the number,



according to type, of dwelling units that have been or will be demolished or converted to another principal use; and

- 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 D.C., by the G.F.A. that has been or will be demolished or converted to another principal use;

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

The conversion from an exempt principal use to a non-exempt principal use, on the same land, would result in the payment of the applicable D.C. based on the new non-exempt use (with no D.C. credit applicable).

7.3.4 Exemptions

Statutory exemptions include the following:

- Partial exemption for industrial building additions of up to and including 50% of the existing G.F.A. (defined in O. Reg. 82/98, section 1) of the building; for industrial building additions that exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50%, is subject to D.C.s (subsection 4 (3) of the D.C.A.);
- Full exemption for buildings or structures owned by and used for the purposes of any municipality, local board, or Board of Education;
- Full exemption for additional residential development in existing buildings: 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 section 2 of O. Reg. 82/98);
- Full exemption for additional residential development in new dwellings: development that includes the creation of up to two additional dwelling units (based on prescribed limits set out in section 2 of O. Reg. 82/98); and
- Full exemption for a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario;
- Full exemption for affordable units (see bulletin rates identified in section 1.3.8)
- Full exemption for attainable units;
- Full exemption for affordable inclusionary zoning units; and



- Full exemption for non-profit housing developments;
- Partial exemption through a discount for rental housing units based on the number of bedrooms contained in each unit, as prescribed (note that these discounts are not part of the methodology required for calculating the charge, but a rule that has to be included in the by-law which informs implementation):
 - Residential units intended for use as a rented residential premises with three (3) or more bedrooms - 25% discount.
 - Residential units intended for use as a rented residential premises with two (2) bedrooms - 20% discount.
 - Residential units intended for use as a rented residential premises not referred to 1 or 2 above - 15% discount.

Non-statutory (discretionary exemptions) include the following:

- A bona fide agricultural use or farm building; and
- A place of worship, for the portion of lands, buildings, or structures used for worship, a churchyard, cemetery, and burial ground exempt from taxation under the *Assessment Act*.

7.3.5 Timing of Collection

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

Rental housing and institutional developments will pay D.C.s in six equal annual payments commencing at occupancy, and then on the anniversary of occupancy for the following five (5) years.

Moreover, the D.C. amount for all developments occurring within two (2) years of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted after January 1, 2020, and June 5, 2024), shall be determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application. The D.C. amount for all developments occurring within eighteen (18) months of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted as of June 6, 2024), shall be determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application.



Installment payments and payments determined at the time of Site Plan or Zoning By-law Amendment applications are subject to annual interest charges. The maximum interest rate the Township can impose is the average prime rate plus 1% as defined in subsection 26.3(1) of the Act.

7.3.6 Indexing

Indexing of the D.C.s shall be implemented on a mandatory basis annually on the anniversary of the D.C. by-law enactment date, in accordance with the Statistics Canada Quarterly, Non-Residential Building Construction Price Index, for the most recent year-over-year period.

7.3.7 D.C. Spatial Applicability

The D.C.A. historically has provided the opportunity for a municipality to impose municipal-wide charges or area specific charges. Sections 2(7) and 2(8) of the D.C.A. provide that a D.C. by-law may apply to the entire municipality or only part of it and more than one D.C. by-law may apply to the same area. The D.C.A. now require municipalities to consider the application of municipal-wide and area-specific D.C.s. s.10(2) (c.1) requires Council to consider the use of more than one D.C. by-law to reflect different needs from services in different areas. Most municipalities in Ontario have established uniform, municipal-wide D.C.s. When area-specific charges are used, it is generally to underpin master servicing and front-end financing arrangements for more localized capital costs.

The rationale for maintaining a municipal-wide D.C. approach is based, in part, on the following:

1. All Township services, except for Water, Wastewater, and Stormwater Services, require that the average 15-year service standard be calculated. This average service standard multiplied by growth in the Township, establishes an upper ceiling on the amount of funds that can be collected from all developing landowners. Section 4 (4) of O. Reg. 82/98 provides that “if a development charge by-law applies to a part of the municipality, the level of service and average level of service cannot exceed that which would be determined if the by-law applied to the whole municipality.” Put in layman terms, the average service standard multiplied by the growth within the specific area would establish an area-specific ceiling which would significantly reduce the total revenue



recoverable for the Township hence potentially resulting in D.C. revenue shortfalls and impacts on property taxes.

2. Expanding on item 1, attempting to impose an area charge potentially causes equity issues in transitioning from a Township-wide approach to an area-specific approach. For example, if all services were now built (and funded) within Area A (which is 75% built out) and this was funded with some revenues from Areas B and C, moving to an area-rating approach would see Area A contribute no funds to the costs of services in Areas B and C. The D.C.s would be lower in Area A (as all services are now funded) and higher in Areas B and C. As well, funding shortfalls may then potentially encourage the municipality to provide less services to Areas B and C due to reduced revenue.
3. Many services provided (roads, parks & recreation facilities) are not restricted to one specific area and are often used by all residents. For example, arenas located in different parts of the Township will be used by residents from all areas depending on the programming of the facility (i.e., a public skate is available each night, but at a different arena; hence usage of any one facility at any given time is based on programming availability).

Based on the foregoing and discussions with Township staff, there is no apparent justification for the establishment of area-specific D.C.s at this time. The recommendation is to apply Township-wide D.C.s for all services.

7.4 Other D.C. By-law Provisions

It is recommended that:

7.4.1 Categories of Services for Reserve Fund and Credit Purposes

It is recommended that the Township's D.C. collections be contributed into six (6) separate reserve funds, including:

- Services Related to a Highway;
- Fire Protection Services;
- Policing Services;
- Parks and Recreation Services;



- Library Services;
- Waste Diversion Services.

7.4.2 Categories for Class of Service for Reserve Fund and Credit Purposes

With the enactment of Bill 185, it is recommended that the Township's D.C. collections related to the growth studies class of service be contributed into a separate reserve fund from the six reserve funds for the services noted above in section 7.4.1. Additionally, the current D.C. reserve fund balance for Engineering Service Studies and Community-Based Studies (Growth studies) is in deficit. This deficit will be included in the growth studies D.C. calculations.

7.4.3 By-law In-force Date

The by-law will come into force on the day after which the by-law is passed by Council, unless Council determines an alternative date for enactment.

7.4.4 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-laws come into force (as per s.11 of O. Reg. 82/98).

7.5 Other Recommendations

It is recommended that Council:

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

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

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

“Approve the capital project listing set out in Chapter 5 of the D.C. Background Study dated May 16, 2024, as amended, subject to further annual review during the capital budget process;”



“Approve the D.C. Background Study dated May 16, 2024, as amended;”

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

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



the new infrastructure (i.e., facilities) would be delayed until the time these works are in place.

Table C-2
Operating and Capital Expenditure Impacts for Future Capital Expenditures

SERVICE/CLASS OF SERVICES	GROSS COST LESS BENEFIT TO EXISTING	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
1. Services Related to a Highway				
1.1 Roads and Related Infrastructure including Facilities, Vehicles & Equipment	14,361,951	790,133	520,033	1,310,166
2. Fire Protection Services				
2.1 Fire facilities, vehicles & equipment	1,781,862	49,770	184,603	234,373
3. Policing Services				
3.1 Facilities, vehicles and equipment, small equipment and gear	4,630,401	16,360	306,860	323,220
4. Parks and Recreation Services				
4.1 Park development, amenities, recreation facilities, vehicles, and equipment	3,957,142	92,435	53,577	146,011
5. Library Services				
5.1 Library facilities, materials and vehicles	182,111	5,874	-	5,874
6. Waste Diversion				
6.1 Waste diversion facilities, vehicles, equipment and other	17,500	1,750	72,282	74,032
7. Growth-Related Studies				
	1,202,550	-	-	-
Total	\$26,133,516	\$956,322	\$1,137,355	\$2,093,676



Table D-1
Annual Treasurer's Statement of Development Charge Reserve Funds

Description	Services and Class of Services to which the Development Charge Relates								Total
	Services Related to a Highway	Policing Services	Fire Protection Services	Parks and Recreation Services	Library Services	Growth-Related Studies	Waste Diversion	Growth-Related Studies	
Opening Balance, January 1, _____									0
<u>Plus:</u>									
Development Charge Collections									0
Accrued Interest									0
Repayment of Monies Borrowed from Fund and Associated Interest ¹									0
Sub-Total	0	0	0	0	0	0	0	0	0
<u>Less:</u>									
Amount Transferred to Capital (or Other) Funds ²									0
Amounts Refunded									0
Amounts Loaned to Other D.C. Service Category for Interim Financing									0
Credits ³									0
Sub-Total	0	0	0	0	0	0	0	0	0
Closing Balance, December 31, _____	0	0	0	0	0	0	0	0	0

¹ Source of funds used to repay the D.C. reserve fund

² See Attachment 1 for details

³ See Attachment 2 for details

The Municipality is compliant with s.s. 59.1 (1) of the *Development Charges Act*, whereby charges are not directly or indirectly imposed on development nor has a requirement to construct a service related to development been imposed, except as permitted by the *Development Charges Act* or another Act.



Table D-6
Annual Treasurer's Statement of Development Charge Reserve Funds
Description of the Service (or Class of Service) for which each Development Charge Reserve Fund was Established

Services/Class of Services	Description
Services Related to a Highway	The fund is used for growth-related projects for roads, bridges, structures, sidewalks, and other related road infrastructure
Fire Protection Services	The fund is used for growth-related projects supporting fire protection services, including facilities, vehicles, equipment, and gear
Policing Services	The fund is used for growth-related projects supporting policing services, including facilities
Parks and Recreation Services	The fund is used for growth-related projects related to parkland development, parkland amenities, parkland buildings, and recreation facilities
Library Services	The fund is used for growth-related projects including, library facilities
Waste Diversion	The fund is used for growth-related projects for vehicles, equipment, and other waste diversion infrastructure
Growth-Related Studies	The fund is used for growth-related to growth-related studies



Commensurate with the above, the Township prepared an A.M.P. in 2023 for its existing core infrastructure assets; however, it did not take into account future growth-related assets. As a result, the asset management requirement for the D.C. must be undertaken in the absence of this information.

In recognition to the schematic above, the following table (presented in 2024\$) has been developed to provide the annualized expenditures and revenues associated with new growth. Note that the D.C.A. does not require an analysis of the non-D.C. capital needs or their associated operating costs so these are omitted from the table below. As well, as all capital costs included in the D.C. eligible capital costs are not included in the Township's A.M.P., the present infrastructure gap and associated funding plan have not been considered at this time. Hence the following does not represent a fiscal impact assessment (including future tax/rate increases) but provides insight into the potential affordability of the new assets:

1. The non-D.C. recoverable portion of the projects that will require financing from municipal financial resources (i.e., rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 2024 D.C. capital works have been presented based on a straight-line basis. The assets have been considered over their estimated useful lives.
3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are approximately \$4.27 million.
5. Consideration was given to the potential new tax and user fee revenue which will be generated as a result of new growth. These revenues will be available to assist in financing the expenditures above. The new operating revenues are approximately \$2.35 million. This additional revenue would increase the existing revenues from \$31.10 million to \$33.45 million.
6. In consideration of the above, the capital plan is deemed to be financially sustainable.



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

	2038 (Total)
Expenditures (Annualized)	
Annual Debt Payment on Non-Growth Related Capital ¹	\$1,784,254
Annual Debt Payment on Post Period Capital ²	\$395,664
Annual Lifecycle	\$956,322
Incremental Operating Costs (for D.C. Services)	\$1,137,355
Total Expenditures	\$4,273,595
Revenue (Annualized)	
Total Existing Revenue ³	\$31,096,899
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$2,348,271
Total Revenues	\$33,445,170

¹ Non-Growth Related component of Projects

² Interim Debt Financing for Post Period Benefit

³ As per Sch. 10 of FIR



Appendix G

Proposed D.C. By-law



THE CORPORATION OF THE TOWNSHIP OF SOUTH FRONTENAC
BY-LAW NO. 2024-xx
BEING A BY-LAW OF THE CORPORATION OF THE TOWNSHIP OF SOUTH
FRONTENAC
WITH RESPECT TO DEVELOPMENT CHARGES

WHEREAS Section 2(1) of the *Development Charges Act*, 1997, S.O. 1997, c. 27 (hereinafter called the Act) enables the Council of a municipality to pass by-laws for the imposition of development charges against land located in the municipality where the development of the land would increase the need for municipal services as designated in the by-law and the development requires one or more of the actions set out in Subsection 2(2) of the Act;

AND WHEREAS a Development Charges Background Study for the Corporation of the Township of South Frontenac, dated May 16, 2024 (the "Study") as required by section 10 of the Act was presented to Council along with a draft of this By-law as then proposed on July 16, 2024, and was completed within a one-year period prior to the enactment of this By-law;

AND WHEREAS notice of a public meeting was given pursuant to subsection 12(1) of the Act, and in accordance with the regulations under the Act, on or before May 27, 2024, and copies of the Study and this proposed development charge by-law were made available to the public not later than May 16, 2024, in accordance with subsection 12(1) of the Act;

AND WHEREAS a public meeting was held on June 20, 2024, in accordance with the Act to hear comments and representations from all persons who applied to be heard (the "Public Meeting");

AND WHEREAS any person who attended the public meeting was afforded an opportunity to make representations and the public generally were afforded an opportunity to make written submissions relating to this proposed By-law;

AND WHEREAS the Council, in adopting the Township of South Frontenac Development Charges Background Study on May 16, 2024, as amended on June 17, 2024, directed that development charges be imposed on land under development or redevelopment within the geographical limits of the municipality as hereinafter provided.



NOW THEREFORE the Council enacts as follows:

DEFINITIONS

1. In this By-law:
 - 1) “Act” means the *Development Charges Act*, 1997, S.O. 1997, c. 27;
 - 2) “Accessory Use” means where used to describe a use, building or structure, that the use, building, or structure is naturally and normally incidental, subordinate in purpose of floor area or both, and exclusively devoted to a principal use, building or structure;
 - 3) "Affordable Residential Unit" means a Residential Unit that meets the criteria set out in subsection 4.1 of the Act;
 - 4) “Agricultural Use” means a bona fide farming operation, including barns, silos and other ancillary buildings to such agricultural development for the purposes of the growing of field crops, flower gardening, truck gardening, berry crops, tree crops, nurseries, aviaries, apiaries, maple syrup production, mushroom cultivation or farms for the grazing, breeding, raising, boarding of livestock or any other similar uses carried on in the field of general agriculture and aquaculture. Agricultural use does not include the development of a single detached dwelling on agricultural land, nor does it include a building for the growing or processing of cannabis.
 - 5) "Ancillary Residential Use" means a residential dwelling that would be ancillary to a single detached dwelling, semi-detached dwelling, or row dwelling;
 - 6) “Apartment Unit” means any residential dwelling unit within a building containing more than two dwelling units where the residential units are connected by an interior corridor;
 - 7) "Attainable Residential Unit" means a residential unit that meets the criteria set out in subsection 4.1 of the Act;



- 8) “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;
- 9) “Benefiting Area” means an area defined by a map, plan, or legal description in a front-ending agreement as an area that will receive a benefit from the construction of a service;
- 10) “Capital Costs” means costs incurred or proposed to be incurred by the municipality or a local board thereof directly or under an agreement,
 - (a) to acquire land or an interest in land,
 - (b) to improve land,
 - (c) to acquire, construct or improve buildings and structures,
 - (d) to acquire, construct or improve facilities including:
 - (i) rolling stock, furniture, and equipment with an estimated useful life of seven years or more,
 - (ii) materials acquired for circulation, reference or information purposes by a library board as defined in the *Public Libraries Act, 1984*, S.O. 1984, c. 57,
 - (iii) furniture and equipment, other than computer equipment,
- 11) “Commercial Use” means the use of land, structure or building for the purpose of buying and selling of commodities and supplying of services as distinguished from manufacturing or assembling of goods, also as distinguished from other purposes such as warehousing and/or an open storage yard;
- 12) “Council” means the Council of the municipality;
- 13) “Development” means the construction, erection, or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or usability thereof, and includes redevelopment;



- 14) “Development Charge” means a charge imposed with respect to growth-related net capital costs against land in the municipality under this by-law;
- 15) “Dwelling Unit” means any part of a building or structure used, designed, or intended to be used as a domestic establishment in which one or more persons may sleep and are provided with culinary and sanitary facilities for their exclusive use;
- 16) “Existing Industrial Building” means a building used for or in connection with:
 - (a) manufacturing, producing, processing, storing, or distributing something;
 - (b) research or development in connection with manufacturing, producing, or processing something;
 - (c) retail sales by a manufacturer, producer, or processor of something they manufactured, produced, or processed, if the retail sales are at the site where the manufacturing, production or processing takes place;
 - (d) office or administrative purposes if they are:
 - (i) carried out with respect to manufacturing, producing, processing, storage or distributing of something, and
 - (ii) in or attached to the building or structure used for that manufacturing, producing, processing, storage, or distribution;
- 17) “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;
- 18) “Front-end Payment” means a payment made by an owner pursuant to a front-ending agreement, which may be in addition to a development charge that the owner is required to pay under this by-law, to cover the net capital costs of the services designated in the agreement that are required to enable the land to be developed;



- 19) “Front-ending Agreement” means an agreement made under Section 44 of the Act between the municipality and any or all owners within a benefitting area providing for front-end payments by an owner or owners or for the installation of services by an owner or owners or for the installation of services by an owner or owners or any combination thereof;
- 20) “Grade” means the average level of finished ground adjoining a building or structure at all exterior walls;
- 21) “Gross Floor Area” means the total area of all floors above grade of a dwelling unit measured between the outside surfaces of exterior walls or between the outside surfaces of exterior walls and the centre line of party walls dividing the dwelling unit from another dwelling unit or other portion of a building;
 - (a) In the case of a commercial, industrial and/or institutional building or structure, or in the case of a mixed-use building or structure in respect of the commercial, industrial and/or institutional portion thereof, the total area of all building floors above or below grade measured between the outside surfaces of the exterior walls, or between the outside surfaces of exterior walls and the centre line of party walls dividing a commercial, industrial and/or institutional use and a residential use.
- 22) "Industrial" means lands, buildings or structures used or designed or intended for use for manufacturing, processing, fabricating or assembly of raw goods, warehousing or bulk storage of goods, and includes office uses and the sale of commodities to the general public where such uses are accessory to an industrial use, but does not include the sale of commodities to the general public through a warehouse club, or any land, buildings or structures used for an agricultural use;
- 23) “Institutional” means development of a building or structure intended for use:
 - (1) as a long-term care home within the meaning of subsection 2 (1) of the *Fixing Long-Term Care Homes Act, 2021*;



- (2) as a retirement home within the meaning of subsection 2 (1) of the *Retirement Homes Act, 2010*;
- (3) by any institution of the following post-secondary institutions for the objects of the institution:
 - (i) a university in Ontario that receives direct, regular, and ongoing operation funding from the Government of Ontario;
 - (ii) a college or university federated or affiliated with a university described in subclause (i); or
- 24) an Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institute Act, 2017*;
- 25) "Live-work Unit" means a Building, or part of thereof, which contains, or is intended to contain, both a Dwelling Unit and non-residential unit and which is intended for both Residential Use and Non-residential Use concurrently, and shares a common wall or floor with or without direct access between the residential and non-residential uses;
- 26) "Local Board" means a school board, public utility, commission, transportation commission, public library board, board of park management, local board of health, board of commissioners of police, planning board, or any other board, commission, committee, body or local authority established or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes, including school purposes, of the municipality or any part or parts thereof;
- 27) "Mixed Use" means land, buildings or structures used, or designed or intended for use, for a combination of residential and non-residential uses;
- 28) "Municipality" (or the "Township") means The Corporation of the Township of South Frontenac;
- 29) "Non-profit housing development" means development of a building or structure intended for use as residential premises by:



- (iii) a corporation without share capital to which the Corporations Act applies, that is in good standing under that Act and whose primary objective is to provide housing;
 - (iv) a corporation without share capital to which the Canada Not-for-profit Corporation Act applies, that is in good standing under that Act and whose primary objective is to provide housing; or
 - (v) a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act.
- 30) "Non-Residential Use" means a building or structure of any kind whatsoever used, designed, or intended to be used for other than a residential use;
- 31) "Other Multiple Dwellings" means all residential dwellings other than a Single-detached Dwelling, Semi-detached Dwelling, and Apartment Dwelling, and includes the portion of a Live-Work Unit intended to be used exclusively for living accommodations for one or more individuals;
- 32) "Owner" means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed;
- 33) "Place of Worship" means land that is owned by and used for the purposes of a place of worship, a churchyard, cemetery, or burial ground exempt from taxation under section 3 of the *Assessment Act*, R.S.O., 1990, c. A.31, as amended.
- 34) "Planning Act" means the *Planning Act*, 1990, as amended;
- 35) "Quadrplex" means a building containing four Apartment Dwelling Units;
- 36) "Rate" means the interest rate established weekly by the Bank of Canada for treasury bills having a term of 30 days;
- 37) "Regulation" means any regulation made pursuant to the Act;



- 38) "Rental Housing" means development of a building or structure with four or more dwelling units all of which are intended for use as rented residential premises.
- 39) "Residential Use" means land or buildings, or structure of any kind whatsoever used, designed, or intended to be used as living accommodations for one or more individuals;
- 40) "Rowhouse Dwelling" means a building containing three or more attached dwelling units in a single row, each of which dwelling units has an independent entrance from the outside and is vertically separated from any abutting dwelling unit
- 41) "School Board" has the same meaning as that specified in the *Education Act*, R.S.O. 1990, c. E.2, as amended or any successor thereto;
- 42) "Semi-Detached Dwelling," "Duplex" or "Row Housing" means a dwelling unit in a residential building consisting of two (or more in the case of row housing) dwelling units having one vertical wall or one horizontal wall, but no other parts, attached to another dwelling unit where the residential units are not connected by an interior corridor;
- 43) "Services" (or "service") means those services designated in Schedule "A" to this by-law or specified in an agreement made under Section 44 of the Act;
- 44) "Services in Lieu" means those services specified in an agreement made under Section 9 of this by-law;
- 45) "service standards" means the prescribed level of services on which the schedule of charges in Schedule "B" are based;
- 46) "Servicing Agreement" means an agreement between a landowner and the municipality relative to the provision of municipal services to specified lands within the municipality;
- 47) "Single Detached Dwelling Unit" means a residential building consisting of one dwelling unit and not attached to another structure;
- 48) "Triplex" means a building containing three Apartment Dwelling Units.



2. For the purposes of this by-law each of the following permanent and seasonal units shall be deemed to be a separate dwelling unit:
 - (i) Each single detached dwelling;
 - (ii) Each dwelling unit within a duplex, semi-detached dwelling, or live/work unit; and
 - (iii) Each suite, apartment or unit within a triplex, quadraplex, high density multiple unit residential development or similar development;

SCHEDULE OF DEVELOPMENT CHARGES

3. (1) Subject to the provisions of this by-law, development charges against land shall be calculated and collected in accordance with the base rates set out in Schedules “B”, which relate to the services and class of services set out in Schedule “A”.
- (2) The development charge with respect to the use of any land, buildings, or structures shall be calculated as follows:
 - (a) in the case of residential development, charges set out in Schedule “B” shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a residential use and, in the case of a mixed-use building or structure, on the residential uses in the mixed-use building or structure, and the residential portion for a Live-Work unit, according to the type of residential unit, and calculated with respect to the services according to the type of residential use;
 - (b) in the case of non-residential development, charges described in Schedule “B” to this by-law shall be imposed on non-residential uses of lands, buildings, or structures, and, in the case of a mixed-use building or structure, on the non-residential uses in the mixed-use building or structure, including the non-residential portion for a Live-Work unit, and calculated with respect to the services according to the total floor area of the non-residential use.



- (3) Council hereby determines that the development of land, buildings, or structures for residential and non-residential uses will require the provision, enlargement, expansion, or improvement of the services and class of services referenced in Schedule “A.”

APPLICABLE LANDS

4. (1) Subject to Subsections (2), (3), (4) and (5), this by-law applies to all lands in the Township of South Frontenac whether or not the land or use is exempt from taxation under Section 3 of the *Assessment Act*, R.S.O. 1980, c.31.
- (2) This by-law shall not apply to land that is owned by and use for the purposes of:
 - (a) a board of education;
 - (b) any municipality or local board thereof;
 - (c) bona fide agricultural use or farm building;
 - (d) portion of lands, buildings, or structures used for worship in a place of worship, as well as a churchyard, cemetery, or burial ground exempt from taxation under Section 3 of the *Assessment Act*, R.S.O. 1980, c.31.
- (3) This by-law shall not apply to that category of exempt development described in the *Development Charges Act, 1997*, c.27 and O. Reg. 82/98, namely:
 - a) an enlargement to an existing dwelling unit;
 - b) A second residential unit in an existing detached house, semi-detached house, or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the existing detached house, semi-detached house or rowhouse cumulatively contain no more than one residential unit;



- c) A third residential unit in an existing detached house, semi-detached house, or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units;
- d) One residential unit in a building or structure ancillary to an existing detached house, semi-detached house or rowhouse on a parcel of land, if the existing detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units;
- e) A second residential unit in a new detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the new detached house, semi-detached house or rowhouse cumulatively will contain no more than one residential unit;
- f) A third residential unit in a new detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the new detached house, semi-detached house or rowhouse contains any residential units;
- g) One residential unit in a building or structure ancillary to a new detached house, semi-detached house or rowhouse on a parcel of land, if the new detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the new detached house, semi-detached house or rowhouse contains any residential units; or
- h) In an existing rental residential Building, which contains four or more residential Dwelling Units, the creation of the greater of one residential Dwelling Unit or one percent of the existing residential Dwelling Units.



- (3.1) Notwithstanding subsection (3), development charges shall be imposed if the total floor area of the additional one or two dwelling units in the single detached dwelling exceeds the total floor area of the dwelling unit already in the building.
- (3.2) Notwithstanding subsection (3), development charges shall be imposed if the additional unit has a gross floor area greater than:
- (a) in the case of a semi-detached or row dwelling, the gross floor area of the existing dwelling unit; and
 - (b) in the case of any other residential building, the gross floor area of the smallest dwelling unit contained in the residential building.
- (4) (a) If a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge that is payable in respect of the enlargement is determined in accordance with this section.
- (b) If the gross floor area is enlarged by 50 percent or less, the amount of the development charge in respect of the enlargement is zero.
- (c) If the gross floor area is enlarged by more than 50 percent, the amount of the development charge in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:
- (i) Determine the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement.
 - (ii) Divide the amount determined under paragraph 1 by the amount of the enlargement.
- (d) The exemption to Development charges in (a) through (c) above shall only apply to the first instance of an industrial expansion.
- (5) Notwithstanding the provisions of this By-law, development charges shall not be imposed on:



- (a) 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 if the development is intended to be occupied and used by the university;
 - (b) Non-profit Housing;
 - (c) Affordable inclusionary residential units;
 - (d) Affordable residential units; and
 - (e) Attainable residential units.
- (6) That where a conflict exists between the provisions of the new by-law and any other agreement between the Township and the owner, with respect to land to be charged under this policy, the provisions of such agreement prevail to the extent of the conflict.
- (7) This by-law is not applicable to development for which a complete application for building permit has been submitted prior to the in-force date of this by-law.
5. (1) Subject to Subsection (2), development charges shall apply to, and shall be calculated and collected in accordance with, the provisions of this by-law on land to be developed for residential and commercial, industrial and/or institutional use, where:
- (a) the development of that land will increase the need for services, and
 - (b) the development requires:
 - (i) the passing of a zoning by-law or an amendment thereto under Section 34 of the *Planning Act, 1990*;
 - (ii) the approval of a minor variance under Section 45 of the *Planning Act, 1990*;
 - (iii) a conveyance of land to which a by-law passed under Subsection 50(7) of the *Planning Act, 1990*;



- (iv) the approval of a plan of subdivision under Section 51 of the *Planning Act, 1990*;
 - (v) a consent under Section 53 of the *Planning Act, 1990*;
 - (vi) the approval of a description under Section 51 of the *Condominium Act*, R.S.O. 1980, c.84; or
 - (vii) the issuing of a permit under the *Building Code Act*, R.S.O. 1992 in relation to a building or structure.
- (2) Subsection (1) shall not apply in respect of:
- (a) local services installed at the expense of the owner within a plan of subdivision as a condition of approval under Section 52 of the *Planning Act, 1990*;
 - (b) local services installed at the expense of the owner as a condition of approval under Section 53 of the *Planning Act, 1990*.

EXISTING AGREEMENTS

6. An agreement with respect to charges related to development registered prior to passage of the by-law remains in effect after enactment of this by-law.

MULTIPLE CHARGES

7. (1) Where two or more of the actions described in Section 5(1)(b) 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 Section 5(1)(b) occur at different times, and if the subsequent action has the effect of increasing the need for municipal services and class of services, as designated in Schedule "A", an additional development charge on the additional residential units and/or commercial and/or industrial floor area, shall be calculated and collected in accordance with the provisions of this by-law.



SERVICE STANDARDS

8. For the purposes of Section 8, the approved service standards for the municipality are those contained in the Development Charges Background Study dated May 16, 2024.

SERVICES IN LIEU

9. (1) Council may authorize an owner to substitute the whole or such part of the development charge applicable to the owner's development as may be specified in an 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 otherwise applicable to the development, equal to the reasonable cost to the owner of providing the services in lieu provided such credit shall not exceed the total development charge payable by an owner to the municipality.
- (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 exceed the service standards referenced in Section 7 and used in the calculation of the charges in Schedules "B" and no credit shall be charged to any development charges reserve fund prescribed in this by-law.

FRONT-ENDING AGREEMENTS

10. (1) Council may enter into a front-ending agreement with any or all owners within a benefitting area pursuant to Section 21 of the *Development Charges Act, 1997*, providing for the payment by the owner or owners of a front-end payment or for the installation of services by the owners or any combination of front-end payments and installation of services, which may be in addition to the required development charge.



- (2) Front-end payments made by benefitting owners under a front-ending agreement relating to the provision of services for which a development charge is payable shall be credited with an amount equal to the reasonable cost to the owner of providing the services, against the development charges otherwise payable under Schedule “B” of this by-law.
- (3) No credit given pursuant to Subsection 9(1) shall exceed the total development charge payable by the owner for the applicable service component or the standard of service outlined in Schedule “B” and referenced in Section 7.
- (4) The front-end payment required to be made by the benefitting owner under a front-ending agreement may be adjusted annually.

DEVELOPMENT CHARGE REDEVELOPMENT CREDITS

11. (1) Where there is a redevelopment of land on which there is a conversion of space proposed, or on which there was formerly erected a building or structure that has been demolished, a credit shall be allowed against the development charge otherwise payable by the owner pursuant to this By-law for the portion of the previous building or structure still in existence that is being converted or for the portion of the building or structure that has been demolished, as the case may be, calculated by multiplying the number and type of dwelling units being converted or demolished or the non-residential total floor area being converted or demolished by the relevant development charge in effect on the date when the development charge is payable in accordance with this By-law. If the development includes the conversion from one use (the “first use”) to another use, the credit shall be based on the development charges calculated pursuant to this By-law at the current development charge rates, that would be payable as development charges in respect of the first use.
- (2) A credit in respect of any demolition under this section shall not be given unless a building permit has been issued or a subdivision agreement, site plan agreement or a consent application has been entered into with the



Township for the development within 5 years from the date the demolition permit was issued.

- (3) The amount of any credit hereunder shall not exceed, in total, the amount of the development charges otherwise payable with respect to the development.

DISCOUNTS FOR RENTAL HOUSING

12. The Development Charge payable for Rental Housing developments will be reduced based on the number of bedrooms in each unit as follows:
 - (a) Three or more bedrooms - 25% reduction;
 - (b) Two bedrooms - 20% reduction; and
 - (c) All other bedroom quantities - 15% reduction.

TIMING OF CALCULATION AND PAYMENT

13.
 - (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 by the Act, on the date that the first building permit is issued in relation to a building or structure on land to which a development charge applies, or in a manner or at a time otherwise lawfully agreed upon.
 - (2) 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.
 - (3) Notwithstanding subsection (1) and (2), Development Charges for rental housing and institutional developments are due and payable in 6 equal installments commencing with the first installment payable on the date of occupancy, and each subsequent installment, including interest at the prescribed rate, as per the Act, payable on the anniversary date each year thereafter.
 - (4) Notwithstanding subsections (1) through (3), where the development of land results from the approval of a Site Plan or Zoning By-law Amendment



received between January 1, 2020, and June 5, 2024, and the approval of the application occurred within 2 years of building permit issuance, the Development Charges under Section 2 shall be calculated based on the rates set out in Schedule "B" on the date of the planning application, including interest. Where both planning applications apply, Development Charges shall be calculated on the rates, including interest at the prescribed rate, set out in Schedule "B" on the date of the later planning application, the Development Charges shall be calculated based on the rate in effect on the date of the Site Plan or Zoning By-law Amendment application, including interest at the prescribed rate.

- (5) Notwithstanding subsections (1) through (3), where the development of land results from the approval of a Site Plan or Zoning By-law Amendment received as of June 6, 2024, and the approval of the application occurred within 18 months of building permit issuance, the Development Charges under Section 2 shall be calculated based on the rates set out in Schedule "B" on the date of the planning application, including interest at the prescribed rate. Where both planning applications apply, Development Charges shall be calculated on the rates, including interest, set out in Schedule "B" on the date of the later planning application, the Development Charges shall be calculated based on the rate in effect on the date of the Site Plan or Zoning By-law Amendment application, including interest at the prescribed rate.
- (6) Notwithstanding Subsections (1) through (5), an owner may enter into an agreement with the municipality to provide for the payment in full of a development charge before building permit issuance or later than the issuing of a building permit.

BY-LAW REGISTRATION

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

RESERVE FUND(S)

15. (1) Monies received from payment of development charges shall be maintained in a separate reserve fund or funds and shall be used only to



meet the growth-related net capital costs for which the development charge was levied under this by-law.

- (2) Council directs the Municipal Treasurer to divide the reserve fund(s) created hereunder into the separate sub-accounts in accordance with the service categories set out in Schedule “A” to which the development charge payments shall be credited in accordance with the amounts shown, plus interest earned thereon.
- (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 fund or funds referred to in Subsection (1).

BY-LAW AMENDMENT OR REPEAL

16. (1) Where this by-law or any development charge prescribed thereunder is amended or repealed either by order of the Ontario Land Tribunal or by 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 to the registered owner of the land on the date on which the refund is paid.
- (3) 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 refund shall include the interest owed under this Section;
 - (c) interest shall be paid at the Bank of Canada rate in effect on the later of:



- (i) the date of enactment of this by-law, or
 - (ii) the date of the last quarterly adjustment, in accordance with the provisions of Subsection (4).
- (4) The Bank of Canada interest rate in effect on the date of enactment of this by-law shall be adjusted on the next following business day to the rate established by the Bank of Canada on that day and shall be adjusted quarter-yearly thereafter in January, April, July, and October to the rate established by the Bank of Canada on the day of adjustment.

DEVELOPMENT CHARGE SCHEDULE INDEXING

17. The development charges referred to in Schedules “B” shall be adjusted annually, without amendment to this by-law, commencing on the anniversary date of this by-law and annually thereafter in each year while this by-law is in force, in accordance with the Statistics Canada Quarterly, Construction Price Statistics as prescribed in the Act.

BY-LAW ADMINISTRATION

18. The Municipal Treasurer shall administer this by-law.

SCHEDULES TO THE BY-LAW

19. The following schedules to this by-law form an integral part of this by-law:

Schedule “A” – Summary of Development Charge Services and Class of Services

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

DATE BY-LAW EFFECTIVE

20. This By-law shall continue in force and effect for a term not to exceed ten years from the date of its enactment unless it is repealed at an earlier date.



BY-LAW REPEAL

21. By-law No. 2019-48 is hereby repealed on the effective date this By-law comes into force.

SHORT TITLE

22. This by-law may be cited as the Development Charges By-law.

THIS By-law read a first time the 16th day of July, 2024.

THIS By-law read a second and third time and finally passed this 16th day of July, 2024.

Ron Vandewal, Mayor

James Thompson, Municipal Clerk



SCHEDULE "A"

DESIGNATED MUNICIPAL SERVICES UNDER THIS BY-LAW

Municipal-Wide Services

- Services Related to a Highway;
- Fire Protection Services;
- Policing Services;
- Parks and Recreation Services;
- Library Services; and
- Waste Diversion.

Municipal-Wide Class of Services

- Growth-Related Studies



SCHEDULE "B"
SCHEDULE OF DEVELOPMENT CHARGES

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)
Township-Wide Services					
Services Related to a Highway	8,041	6,699	5,216	3,598	5.07
Fire Protection Services	998	831	647	446	0.63
Policing Services	318	265	206	142	0.20
Parks and Recreation Services	2,339	1,949	1,517	1,047	1.12
Library Services	161	134	104	72	0.08
Waste Diversion	15	12	10	7	0.01
Township-Wide Class of Services					
Growth-Related Studies	966	805	627	432	0.61
Total Township-Wide Services/Class of Services	\$12,837	\$10,695	\$8,327	\$5,744	\$7.72