



2021 Development Charges Update Study

Township of East Zorra-Tavistock

For Public Circulation and Comment

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
D.C.	Development Charges
D.C.A.	Development Charges Act
O.Reg.	Ontario Regulation



1. Introduction

1.1 Background

The Township of East Zorra-Tavistock (Township) imposes development charges (D.Cs.) to recover the increase in the needs for service arising from growth. The basis for the calculation of the Township’s current residential and non-residential D.C. is documented in the “Development Charges Background Study – Township of East Zorra-Tavistock” dated April 26, 2019. This Background Study provides the supporting documentation for the Township’s D.C. By-law 2019-30. The Township’s current D.C. by municipal service and development type are summarized in Table 1-1. This table reflects the charges that are currently in force, in indexed 2020 dollars.

Table 1-1
Township of East Zorra-Tavistock
Schedule of D.C.s (2020\$)

Service/Class	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per m ² of Gross Floor Area)	(per wind turbine)
Municipal Wide Services/Classes of Service:						
Fire Services	1,166	622	420	732	4.87	1,166
Roads and Related	3,629	1,935	1,309	2,280	15.16	3,629
Parks & Recreation	-	-	-	-	0.00	-
Administration Studies	221	118	80	139	0.93	221
Total Municipal Wide Services/Class of Services	5,016	2,675	1,809	3,151	20.95	5,016

1.2 Existing Policies (Rules)

The following subsections set out the rules governing the calculation, payment, and collection of the D.C. as provided in By-law 2019-30, in accordance with the *Development Charges Act (D.C.A.)*, 1997.

1.2.1 Payment in any Particular Case

In accordance with the D.C.A., the D.C. shall be calculated, payable, and collected where the development requires one or more of the following:

- the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;



- the approval of a minor variance under Section 45 of the *Planning Act*;
- a conveyance of land to which a by-law passed under section 50(7) of the *Planning Act* applies;
- the approval of a plan of subdivision under Section 51 of the *Planning Act*;
- a consent under Section 53 of the *Planning Act*;
- the approval of a description under section 9 of the *Condominium Act*, 1998, S.O. 1998, c. 19; or
- the issuing of a building permit under the *Building Code Act* in relation to a building.

1.2.2 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 25 years. Costs allocated to non-residential uses will be assigned to industrial, commercial and institutional uses based on the total floor area (T.F.A.) constructed. T.F.A. is defined as:
 - The sum total of the total areas of all floors in a building or structure, whether at, above, or below-grade, measured between the exterior faces of the exterior walls of the building or structure or from the centre line of a common wall separating two uses, or from the outside edge of a floor where the outside edge of the floor does not meet an exterior or common wall, and includes the floor area of a mezzanine and air-supported structure and the space occupied by interior walls partitions; and
 - where a building or structure does not have any walls, the total floor area of the building or structure shall be the total of the area of all floors, including the ground floor, that are directly beneath the roof of the building or structure.
- 2) Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each municipal circumstance. These are summarized with Chapter 5 of the 2019 D.C. Background Study.



The calculation for residential development is generated on a per capita basis and imposed based on four housing types - single and semi-detached, apartments – bachelor and one bedroom, apartments - two bedrooms and greater, and other multiples. The eligible D.C. cost calculations are based on the net anticipated population increase. The total eligible D.C. cost is divided by the “gross” (new resident) population to determine the per capita amount. The cost per capita is then multiplied by the average occupancy of the new units to calculate the charges by type of residential dwelling unit.

The non-residential D.C. is calculated on a square meter of gross floor area (G.F.A.) basis. Charges applicable to wind turbine developments are deemed equivalent to a residential single detached unit, as it relates to Roads and Related, Fire, and Administration Studies Services only.

1.2.3 Application to Land Redevelopment

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

- the number of dwelling units demolished/converted multiplied by the applicable residential D.C. in place at the time the D.C. is payable; and/or
- the G.F.A. of the building demolished/converted multiplied by the current non-residential D.C. in place at the time the D.C. is payable.

The demolition credit is allowed only if the land was improved by occupied structures, and if the demolition permit related to the site was issued less than 5 years prior to the issuance of a building permit. Moreover, no credit shall be given with respect to the redevelopment, conversions, demolition, or change of use of a building or structure or part thereof where the existing building or structure or part thereof would have been exempt from D.C.s in accordance with the active by-law. The credit can, in no case, exceed the amount of D.C.s that would otherwise be payable.

Where a building cannot be demolished until the new building has been erected, the owner shall notify the Township in writing and pay the applicable D.C. for the new building in full and, if the existing building is demolished not later than twelve (12) months from the date a building permit is issued for the new building, the Township



shall provide a refund for the D.C. paid. If more than twelve months is required to demolish the existing building, the Owner may make a written request to the Township to extend the time in which the existing building must be demolished.

1.2.4 Exemptions (full or partial)

The D.C. by-law applies to all lands within the Township, with the exception of the following lands which are exempt:

Statutory exemptions

- industrial building additions of up to and including 50% of the existing G.F.A. (defined in O.Reg. 82/98, s.1) of the building; for industrial building additions which exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50% is subject to D.C.s (s.4(3) of the D.C.A.);
- buildings or structures owned by and used for the purposes of any municipality, local board or Board of Education (s.3 of the D.C.A.);
- residential development that results only in the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units (based on prescribed limits set out in s.2 of O.Reg. 82/98).

Non-statutory exemptions

- A Place of Worship exempt under S.3 of the *Assessment Act*, R.S.O. 1990, c. A31, as amended;
- A Public Hospital under the *Public Hospitals Act*, R.S.O. 1990, c. P.40, as amended;
- Farm buildings;
- Industrial buildings;
- Private Schools;
- Temporary buildings;
- Affordable housing;
- Temporary dwelling units; and
- Long-term care homes.



1.2.5 Indexing

Section 13 of the D.C. By-law provides for the indexing of the D.C.s annually on April 1st, in accordance with the most recent twelve month change in the Statistics Canada Quarterly, “Construction Price Statistics”.

1.2.6 By-law Duration

The by-law will expire on July 8, 2024 unless it is repealed by Council at an earlier date.

1.2.7 Date Charge Payable

Development charges imposed under the by-law are calculated, payable, and collected on the day the first building permit is issued in relation to a building or structure on land to which a D.C. applies.

1.3 Changes to the Development Charges Act, 1997: *More Homes, More Choice Act*, and the *COVID-19 Economic Recovery Act*

On May 2, 2019, the Province introduced Bill 108 (*More Homes, More Choice Act*), which proposed changes to the D.C.A. The Bill was introduced as part of the Province’s “*More Homes, More Choice: Ontario’s Housing Supply Action Plan*.” The Bill received Royal Assent on June 6, 2019. While having received Royal Assent, many of the amendments to the D.C.A. would not come into effect until they are proclaimed by the Lieutenant Governor. However, 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. A D.C. for non-profit housing developments will pay the charge in 21 equal annual installments. A municipality may charge interest on the installments. Any unpaid D.C. amounts may be added to the property and collected as taxes.
 - The determination of the D.C. for all developments occurring within two years of a Site Plan or Zoning By-law Amendment planning approval shall be determined based on the D.C.s 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. Developments arising from planning application approvals not fitting these criteria, or if the building permit arising from these planning approvals is issued two-years or more after the planning application approval, the D.C. is determined based on the provisions of the D.C. by-law.

In early 2020, the Province released Bill 197 (*COVID-19 Economic Recovery Act*), an omnibus bill amending numerous statutes, including the D.C.A. and *Planning Act*. This Bill also revised some of the proposed amendments included in the *More Homes, More Choice Act*. The *COVID-19 Economic Recovery Act* received Royal Assent on July 21, 2020 and were proclaimed on September 18, 2020. The following provides a summary of the changes to the D.C.A. that are now in effect:

List of D.C. Eligible Services

- The D.C.A. previously defined ineligible services for D.C.s. The amendments to the D.C.A. now defined the services that are eligible for inclusion in a D.C. by-law. The following summarizes the D.C. eligible services:
 - Water supply services, including distribution and treatment services;
 - Wastewater services, including sewers and treatment services;
 - Storm water drainage and control services;
 - Services related to a highway;
 - Electrical power services;
 - Toronto-York subway extension, as defined in subsection 5.1(1);
 - Transit services other than the Toronto-York subway extension;
 - Waste diversion services;
 - Policing services;
 - Fire protection services;
 - Ambulance services;
 - Library Services;
 - Long-term care services;
 - Parks and recreation services (excluding the acquisition of land for parks);
 - Public health services;
 - Childcare and early years services;



- Housing services;
- *Provincial Offences Act* services;
- Services related to emergency preparedness;
- Services related to airports, but only in the Regional Municipality of Waterloo; and
- Additional services as prescribed.

10% Statutory Deduction

The D.C.A. previously required a 10% statutory deduction for all services not specifically identified in s.s.5(5) of the D.C.A. (i.e. soft services). This had the effect of categorizing D.C. eligible services into two groups, i.e. 90% D.C. recoverable services, and 100% D.C. recoverable services. The amendments to the D.C.A. remove the 10% statutory deduction for soft services.

Classes of D.C. Services

As noted above the D.C.A. categorized services generally into two categories. The amended D.C.A. repeals these provisions and provides the following:

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

Statutory Exemptions

The D.C.A. provides for statutory exemptions from payment of D.C.s where the development is creating additional residential dwelling units within prescribed classes of existing residential buildings or structures. This statutory exemption has been expanded to include secondary residential dwelling units, in prescribed classes, that are



ancillary to existing residential buildings. Furthermore, additional statutory exemptions are provided for the creation of a second dwelling unit in prescribed classes of proposed new residential buildings, including structures ancillary to new dwellings.

Transition

Services, other than those described in paragraphs 1 to 10 of subsection 2 (4) of the D.C.A. (i.e. soft services) within an existing D.C. by-law can remain in effect, even if the by-law expires, until the earlier of the day the by-law is repealed, the day the municipality passes a Community Benefits Charge by-law under subsection 37 (2) of the *Planning Act*, or the specified date. The specified date is September 18, 2022.

1.4 Purpose of this Document

This background study has been prepared pursuant to the requirements of the *Development Charges Act 1997* (D.C.A.) (s.10), to amend the Township's D.C. by-law. The Township retained Watson & Associates Economists Ltd. (Watson) to undertake the D.C. by-law amendment study process. The proposed amendments relate to the removal of the 10% deduction for soft services and provide updates to the underlying D.C. eligible capital cost estimates. In addition, other proposed amendments relate to the timing and collection of D.C.s, and statutory exemptions, as a result of recent changes to the D.C.A. (as summarized in Section 1.3 herein).

This D.C. background study, containing the draft amending by-law, will be distributed to members of the public in order to provide interested parties with sufficient background information on the legislation, the Study's recommendations, and an outline of the basis for these recommendations.

The following Chapters of this Study include:

- Chapter 2 – Anticipated Development
- Chapter 3 – Revisions to the Anticipated Capital Needs
- Chapter 4 – Revised D.C. Calculation and Schedule of Charges
- Chapter 5 – D.C. Policy Recommendations and D.C. By-law Rules
- Chapter 6 – Asset Management Plan and Long-Term Capital and Operating Costs



- Chapter 7 – Process for Adoption of the Amending Development Charges By-law
- Appendix A – Draft Amending D.C. By-law
- Appendix B – Cash Flow Calculations

It should be noted that this Study is provided as an update to the Township's 2019 D.C. Background Study, and as such the calculations are denominated in 2019 dollars (the Township's D.C. Background Study cost base). The amended D.C. rates will be subsequently indexed to 2021\$ values for implementation on April 1, 2021, in accordance with the D.C. by-law provisions.

The notice of the Public Meeting will be advertised in accordance with the requirements of the D.C.A., i.e. 20 clear-days prior to the public meeting. This background study document will be released for public review and posted on the Township's website in accordance with provisions of the D.C.A. on January 15, 2021. The statutory public meeting will be held on February 17, 2021. A presentation will be made to the public regarding the recommendations of this Study, and Council will receive oral and written comments on the matter.

It is anticipated that Council will consider for adoption the proposed amending by-law after the 60-day period from the release of the D.C. Background Study has been satisfied. The intended date for passage of the D.C. by-law is March 17, 2021. It is proposed that the amending D.C. by-law will come into effect on April 1, 2021.

1.5 Summary of Proposed Amendments

Other than the changes identified within this section, all other D.C. policies (i.e. rules) contained in By-law 2019-30 remain unchanged by this process.

1.5.1 D.C.A. Amendments

The analysis provided herein will address the proposed amendments to the Township's D.C. by-law arising from the recent amendments to the D.C.A., as outlined in Section 1.3 herein. In particular, Chapters 3 and 4 address changes to the D.C. eligible costs and calculation of the charges resulting from the removal of the 10% statutory deduction for 'soft' services, as well as the change in classification of Administration Studies Service to the class of service for Growth-Related Studies. Chapter 5 presents the changes to the D.C. by-law collection policies and statutory exemptions.



1.5.2 Revisions to Capital Cost Estimates by Service

Changes to the capital costs for the increase in need for service have been made to Administration Studies/Growth-Related Studies to include the cost of this D.C. by-law amendment process and for the undertaking of the Tavistock Secondary Plan occurring in 2021. Furthermore, the costs for the various service specific studies (e.g. Fire Master Plan) that were previously included within the Administration Studies Service have now been included in their respective services to which they relate. Additionally, a provision for a new splash pad has been included under Parks and Recreation Services. These changes are summarized in Sections 3.1 and 3.2.



2. Anticipated Development

It is a requirement of Section 5 (1) of the D.C.A. that “the anticipated amount, type and location of development, for which development charges can be imposed, must be estimated”. The growth forecast contained in Chapter 3 of the 2019 D.C. Background Study (with supplemental tables in Appendix A) provides for the anticipated development for which the Township will be required to provide services over ten-year (2019 to 2029) and longer term (2019 to 2041) time horizons.

The growth forecast contained in the 2019 D.C. Background Study is summarized in Table 2-1. For the purposes of this Study the growth forecast as contained within the 2019 D.C. Background Study remains unchanged.

Table 2-1
Township of East Zorra-Tavistock
2019 D.C. Background Study – Growth Forecast Summary

Time Horizon	Residential		Non-Residential	
	Net Population	Residential Units	Employment ¹	Sq.m. of GFA
Mid 2019	7,532	3,046	2,005	n/a
Mid 2029	8,486	3,522	2,128	n/a
Mid 2041	9,695	4,050	2,291	n/a
Incremental Change				
10-year (2019-2029)	954	476	123	12,200
22-year (2019-2041)	2,163	1,004	286	27,300

1. Excludes NFPOW and WAH



3. Revisions to the Anticipated Capital Needs

The 2019 D.C. Background Study adopted by Council in the passing of the Township's D.C. by-law justified the maximum amount that could be charged for residential and non-residential development. The study and by-law identified anticipated capital needs for recovery through D.C.s for Roads and Related Services, Fire Services, Parks and Recreation Services and Administration Studies.

The following sections summarize the amendments made to capital projects and D.C. eligible capital costs for Fire Services, Roads and Related Services, Parks and Recreation Services, and Administration Studies comprising the D.C. amendment.

3.1 Administration Studies

Changes to Administration Studies is provided to conform with changes in the D.C. eligible services and the ability to include a separate class of services for growth-related studies (as summarized in Section 1.3). General growth-related studies included in the Township's 2019 D.C. Background Study, as well as the additional costs of undertaking this D.C. by-law amendment process and the Township's share of the Tavistock Secondary Plan, have been included in the D.C. calculation under a separate class of service (i.e. Growth-Related Studies). The following provides a list of the general growth-related studies included in the Growth-Related Studies class:

- Development Charges Study, 2023 and 2028;
- Development Charges Update Study, 2020;
- East Zorra-Tavistock Community Improvement Plan, 2019-2021;
- Facility Needs Study & Audit, 2019-2028;
- Asset Management Plan, 2019; and
- Tavistock Secondary Plan (Township Share), 2021.

All general growth-related studies have been allocated to the eligible services in the following manner based on the proportionate share of forecast D.C. eligible costs:

- Roads and Related – 73.3%
- Fire Services – 25.7%
- Parks and Recreation Services – 1.0%



Service specific studies that were included in the Administration Studies within the current D.C. by-law have been reallocated to the individual services to which they relate. As such, the Fire Master Plan has been included in the increase in need for Fire Services, the Bridge Study and Roads Needs Study has been included in the increase in need for Roads and Related Services and the Parks and Recreation Study has been included in the increase in need for Parks and Recreation Services.

The Drainage Study relates to the eligible D.C. service of Stormwater. However, as a separate service for Stormwater has not been included the D.C. background study, this study continues to be included in the Growth-Related Studies class of service.

The gross capital cost of the studies included within the Growth-Related Studies class of service is \$207,800. To reflect the benefit to existing development of these studies, \$68,700 has been removed from the calculation of the charge. A further deduction of \$5,400 is made to the capital costs to recognize the benefits of the Secondary Plan, Asset Management Plan, Facility Needs Study and Audit and Community Improvement Plan to non-D.C. eligible services. In recognition of the reserve fund balance, \$19,500 has been deducted, resulting in a net D.C. eligible cost of \$114,100 included in the calculation of the charge.

The allocation of the net growth-related costs between residential and non-residential development is 89% residential and 11% non-residential based on the weighted average residential and non-residential allocations for each of the benefitting services.

3.2 Parks and Recreation Services

This study serves to remove the statutory 10% statutory deduction that is no longer required for Parks and Recreation Services under the amended D.C.A. Furthermore, the Parks Recreation Study previously included within Administration Studies has been added to the capital needs listing along with a provision for a new Splash Pad. These addition projects increase the total gross capital costs identified for Parks and Recreation Services by \$268,700 to \$728,400, compared to the 2019 D.C. Background Study.

Of these costs, \$381,000 has been deducted to recognize the benefit to existing development. An additional \$146,600 has been removed for the anticipated share of



the Splash Pad that will be funded through fundraising efforts. The uncommitted reserve funds balance of \$178,500 has been deducted resulting in a total of \$22,200 being included in the calculation of the charge.

The D.C. recoverable costs are allocated 95% to residential development and 5% to non-residential development based on the recognition that residential users are the primary users of Parks and Recreation Services.

3.3 Roads and Related Services

Updates to the capital needs included in this study relating to Roads and Related Services consist of the addition of the Roads Needs Study and Bridge Study that had previously been allocated to Administration Studies. The addition of these studies adds \$150,000 in gross capital costs resulting in a total of \$15.1 million.

A deduction of \$12.9 million is made in recognition of the benefits to existing development. Furthermore, uncommitted reserve fund balances of \$596,600 are removed leaving a total of \$1.6 million being included in the calculation of the charge.

Net growth-related capital costs for Roads and Related Services have been allocated between future residential and non-residential development based on the relationship of incremental population and employment growth over the 10-year forecast period (i.e. 89% residential and 11% non-residential).

3.4 Fire Services

Revisions to Fire Services include the addition of the Fire Master Plan that had previously been attributed to Administration Studies. The inclusion of this study under Fire Services increases the gross capital costs to \$1.4 million (and increase of \$50,000 compared to the 2019 D.C. Background Study).

Of the gross capital cost estimate of \$1.4 million, \$687,100 is deduction to account for the benefits to existing development. An additional \$124,700 is deducted in recognition existing uncommitted reserve fund balances. This results in the inclusion of \$564,000 in D.C.-eligible costs in the calculation of the charge.



The D.C. recoverable costs are allocated 89% to residential development and 11% to non-residential development based on the relationship of the incremental population and employment growth over the 10-year period.

3.5 Summary

Table 3-1 summarizes the total change in D.C. eligible costs for all services and classes of service. In aggregate, D.C. eligible capital costs of \$118,000 has been added to the calculation of the charge.

Table 3-1
Township of East Zorra-Tavistock
D.C.-eligible Cost Comparison

Service/Class	D.C. Eligible Costs		
	2019 D.C. Study	By-law Amendment	Change (\$)
Municipal Wide Services/Classes of Service:			
Fire Services	526,560	564,060	37,500
Roads and Related	1,571,807	1,608,045	36,238
Parks & Recreation	-	22,202	22,202
Growth-Related Studies (Administration Studies)	91,989	114,060	22,071
Total Municipal Wide Services/Class of Services	2,190,356	2,308,366	118,011



Infrastructure Costs Covered in the D.C. Calculation – Growth-Related Studies

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Services to Which Project Relates	Gross Capital Cost Estimate (2019\$)	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
	2019-2028											
1	Development Charges Study											
	Development Charges Study	2023	Roads and Related	14,657	-		14,657	-		14,657	13,044	1,612
	Development Charges Study	2023	Fire Services	5,141	-		5,141	-		5,141	4,576	566
	Development Charges Study	2023	Parks & Recreation	202	-		202	-		202	192	10
	Subtotal			20,000	-		20,000	-	-	20,000	17,812	2,188
2	Development Charges Study											
	Development Charges Study	2028	Roads and Related	14,657	-		14,657	-		14,657	13,044	1,612
	Development Charges Study	2028	Fire Services	5,141	-		5,141	-		5,141	4,576	566
	Development Charges Study	2028	Parks & Recreation	202	-		202	-		202	192	10
	Subtotal			20,000	-		20,000	-	-	20,000	17,812	2,188
3	Development Charges Update Study											
	Development Charges Update Study	2021	Roads and Related	5,223	-		5,223	-		5,223	4,648	575
	Development Charges Update Study	2021	Fire Services	1,832	-		1,832	-		1,832	1,630	202
	Development Charges Update Study	2021	Parks & Recreation	72	-		72	-		72	69	4
	Subtotal			7,127	-		7,127	-	-	7,127	6,347	780
4	EZT Community Improvement Plan											
	EZT Community Improvement Plan	2019-2021	Roads and Related	8,208	-	410	7,797	4,104		3,693	3,287	406
	EZT Community Improvement Plan	2019-2021	Fire Services	2,879	-	144	2,735	1,440		1,296	1,153	143
	EZT Community Improvement Plan	2019-2021	Parks & Recreation	113	-	6	108	57		51	48	3
	Subtotal			11,200	-	560	10,640	5,600	-	5,040	4,489	551
5	Facility Needs Study & Audit											
	Facility Needs Study & Audit	2019-2028	Roads and Related	18,321	-	1,374	16,947	4,580		12,366	11,006	1,360
	Facility Needs Study & Audit	2019-2028	Fire Services	6,426	-	482	5,944	1,607		4,338	3,861	477
	Facility Needs Study & Audit	2019-2028	Parks & Recreation	253	-	19	234	63		171	162	9
	Subtotal			25,000	-	1,875	23,125	6,250	-	16,875	15,029	1,846
6	Asset Management Plan											
	Asset Management Plan	2019	Roads and Related	36,641	-	412	36,230	32,524		3,706	3,298	408
	Asset Management Plan	2019	Fire Services	12,853	-	144	12,708	11,408		1,300	1,157	143
	Asset Management Plan	2019	Parks & Recreation	506	-	6	500	449		51	49	3
	Subtotal			50,000	-	562	49,438	44,381	-	5,057	4,504	553



Infrastructure Costs Covered in the D.C. Calculation – Growth-Related Studies Cont'd

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Services to Which Project Relates	Gross Capital Cost Estimate (2019\$)	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
										Service Specific Share		
7	Tavistock Secondary Plan (Township Share)											
	Tavistock Secondary Plan (Township Share)	2021	Roads and Related	17,911	-	1,791	16,120	-	-	16,120	14,346	1,773
	Tavistock Secondary Plan (Township Share)	2021	Fire Services	6,283	-	628	5,654	-	-	5,654	5,032	622
	Tavistock Secondary Plan (Township Share)	2021	Parks & Recreation	247	-	25	223	-	-	223	211	11
	Subtotal			24,440	-	2,444	21,996	-	-	21,996	19,590	2,406
8	Drainage Study											
	Drainage Study	2019-2028	Stormwater Services	50,000	-	-	50,000	12,500	-	37,500	33,375	4,125
	Reserve Fund Adjustment						(19,535)			(19,535)	(17,395)	(2,140)
	Total			207,767	-	5,441	182,791	68,731	-	114,060	101,563	12,497

1. Growth-Related Studies have been included in relation to the eligible services in the following manner:

<u>Service:</u>	<u>Share of Study Cost</u>
Roads and Related	73.3%
Fire Services	25.7%
Parks & Recreation	1.0%



Infrastructure Costs Covered in the D.C. Calculation – Parks and Recreation Services

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2014\$)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	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
	2019-2028									95%	5%
	Innerkip Parks										
1	Diamond 3 Fencing (Innerkip)	2022	15,000	15,600	-	15,600	13,847		1,753	1,665	88
2	Parking Lot	2023	150,000	156,100	-	156,100	138,557		17,543	16,666	877
3	Ball Daimond Improvements	2024	150,000	90,000	-	90,000	79,886		10,114	9,609	506
4	New Splash Pad	2020	150,000	218,659	-	218,659	-	146,643	72,016	68,415	3,601
5	NPV Principal Payment - Tavistock Park Debenture	2019-2028	210,000	159,907	-	159,907	110,016		49,891	47,396	2,495
6	NPV Interest Payment - Tavistock Park Debenture	2019-2028	210,000	38,178	-	38,178	26,266		11,911	11,316	596
	Growth-Related Studies										
7	Parks & Recreation Study	2019-2021	25,000	50,000	-	50,000	12,500		37,500	35,625	1,875
	Reserve Fund Adjustment					(178,527)			(178,527)	(169,600)	(8,926)
	Total		910,000	728,443	-	549,917	381,072	146,643	22,202	21,092	1,110

¹ Growth-Related Studies are not counted against the historical level of service



Infrastructure Costs Covered in the D.C. Calculation – Roads and Related Services

Prj .No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	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
	2019-2028								89%	11%
	Public Works									
1	New Pick-up	2019-2028	40,000	-	40,000	-		40,000	35,600	4,400
2	Hickson Sand and Salt Shed	2019-2028	200,000	-	200,000	-		200,000	178,000	22,000
3	Sidewalk Equipment	2019-2028	225,000	-	225,000	-		225,000	200,250	24,750
	Roads									
4	Maplewood Sideroad	2019-2028	950,000	-	950,000	807,500		142,500	126,825	15,675
5	Gravel to Hardtop	2019-2028	3,050,000	-	3,050,000	2,707,239		342,761	305,057	37,704
6	16th Line	2019-2028	3,800,000	-	3,800,000	3,372,953		427,047	380,072	46,975
7	Jacob Street	2019-2028	703,831	-	703,831	624,734		79,097	70,396	8,701
8	Various Road Improvements	2019-2028	5,059,000	-	5,059,000	4,490,466		568,534	505,995	62,539
9	NPV Principal Payment - Innerkip Debenture (Queen St.)	2019-2026	809,729	-	809,729	688,270		121,459	108,099	13,361
10	NPV Interest Payment - Innerkip Debenture (Queen St.)	2019-2026	146,719	-	146,719	124,711		22,008	19,587	2,421
	Growth-Related Studies									
11	Bridge Study	2019-2028	100,000	-	100,000	88,762		11,238	10,002	1,236
12	Road Needs Study	2019-2028	50,000	-	50,000	25,000		25,000	22,250	2,750
	Reserve Fund Adjustment							(596,600)	(530,974)	(65,626)
	Total		15,134,279	-	15,134,279	12,929,635	-	1,608,045	1,431,160	176,885

¹ Growth-Related Studies are not counted against the historical level of service



Infrastructure Costs Covered in the D.C. Calculation – Fire Services

Prj .No	Increased Service Needs Attributable to Anticipated Development 2019-2028	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	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 89%	Non-Residential Share 11%
1	Hickson Firehall Expansion/Addition	2021	312,100	-	312,100	-		312,100	277,769	34,331
2	ATV and Trailer	2019	36,778	-	36,778	-		36,778	32,732	4,046
3	Communications System	2019	75,000	-	75,000	66,571		8,429	7,501	927
4	Pumper/Tanker	2019	451,000	-	451,000	304,000		147,000	130,830	16,170
5	Pumper/Tanker	2025	451,000	-	451,000	304,000		147,000	130,830	16,170
	Growth-Related Studies									
6	Fire Master Plan	2019-2028	50,000	-	50,000	12,500		37,500	33,375	4,125
	Reserve Fund Adjustment							(124,747)	(111,025)	(13,722)
	Total		1,375,878	-	1,375,878	687,071	-	564,060	502,013	62,047



4. Revised D.C. Calculation and Schedule of Charges

The calculation of the maximum D.C. that could be imposed by Council have been undertaken using a cash-flow approach for the growth-related capital costs for all service and classes of service. The cash-flow calculations account for the timing of revenues and expenditures and the resultant financing needs and have been undertaken, by service or class of service, for each forecast development type (i.e. residential and non-residential). D.C. cash flow calculation tables reflecting the amended calculation of the charge are provided in Appendix B and have been undertaken to account for 1% earnings on D.C. reserve fund balances and 3% interest charged for reserve fund borrowing.

The D.C. cash-flow calculations are summarized in Table 4-1 for all services and classes of service over the 10-year planning horizon (presented in 2019\$).

The calculation for residential development is generated on a per capita basis and is based upon four forms of housing types (single and semi-detached, apartments 2+ bedrooms, apartment's bachelor and 1 bedroom, and all other multiples). Special care/special needs facilities would be considered residential dwelling units and charged the small apartment D.C. The non-residential D.C. has been calculated uniformly on a per sq.m. of G.F.A. basis.

Wind Turbine developments would be defined as industrial development within the growth forecast. As these developments do not produce G.F.A. similar to other industrial developments, a charging mechanism is deemed. For each Wind Turbine, a charge is deemed equivalent to a residential single detached unit, as it relates to Roads and Related Services, Fire Services and Growth-Related Studies only.

Table 4-2 summarizes the calculated schedule of charges, reflecting the maximum D.C.s by residential dwelling type, per sq.m. of G.F.A. for non-residential development and per wind turbine development, denoted in 2019\$ values. The calculated rates are also presented in Table 4-3 indexed to 2021\$ to reflect anticipated implementation timing of April 1, 2021. The D.C.s in Table 4-3 are presented based on estimated indexing that would be applied on April 1, 2021 (i.e. +2.3% estimated indexing). Actual



indexing will be based on the most recent twelve month change in the Statistics Canada Quarterly, “Construction Price Statistics” on April 1, 2021.

Table 4-4 compares the Township’s existing charges (indexed to 2021\$ values) to the charges proposed herein (as presented in Table 4-3), for a single detached residential dwelling unit and per sq.m. of G.F.A. for non-residential development. The calculated charges are \$5,403 for a single detached residential dwelling unit and \$22.40 per sq.m. of non-residential G.F.A. The proposed residential charge for a single detached dwelling unit represents a 5.3% increase (+\$272/unit) from the current charges (in 2021\$ values). The proposed charge for non-residential development represents a 4.5% increase (+\$0.96/sq.m.) over the current charges (in 2021\$ values).

Table 4-1
Township of East Zorra-Tavistock
Amended D.C. Calculation – 10-year Services (2019\$)

SERVICE/CLASS	2019\$ D.C.-Eligible Cost		2019\$ D.C.-Eligible Cost	
	Residential	Non-Residential	SDU	per m ²
	\$	\$	\$	\$
1. Fire Services	502,013	62,047	1,214	5.07
2. Roads Roads and Related	1,431,160	176,885	3,605	15.06
3. Parks & Recreation	21,092	1,110	66	0.12
4. Growth-Related Studies				
4.1 Fire Services	18,770	2,320	46	0.19
4.2 Roads and Related	53,510	6,614	131	0.55
4.3 Parks & Recreation	789	42	2	0.00
4.4 Stormwater Services	28,495	3,522	70	0.29
Subtotal	101,563	12,497	249	1.03
TOTAL	\$2,055,828	\$252,538	\$5,133	\$21.28
Financing Costs	\$60,556.19	\$7,059.78		
D.C.-Eligible Capital Cost	\$2,116,384	\$259,598		
10-Year Gross Population/GFA Growth (m ²)	1,262	12,200		
Cost Per Capita/Non-Residential GFA (m²)	\$1,677.01	\$21.28		
By Residential Unit Type	P.P.U.			
Single and Semi-Detached Dwelling	3.061	\$5,133		
Apartments - 2 Bedrooms +	1.632	\$2,737		
Apartments - Bachelor and 1 Bedroom	1.104	\$1,851		
Other Multiples	1.923	\$3,225		



Table 4-2
Township of East Zorra-Tavistock
Amended Schedule of Development Charges (2019\$)

Service/Class	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per m ² of Gross Floor Area)	(per wind turbine)
Municipal Wide Services/Classes of Service:						
Fire Services	1,214	647	438	762	5.07	1,214
Roads and Related	3,605	1,922	1,300	2,265	15.06	3,605
Parks & Recreation	66	35	24	41	0.12	
Growth-Related Studies	249	133	90	156	1.03	249
Total Municipal Wide Services/Class of Services	5,133	2,737	1,852	3,224	21.28	5,068

Table 4-3
Township of East Zorra-Tavistock
Amended Schedule of Development Charges (2021\$)

Service/Class	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per m ² of Gross Floor Area)	(per wind turbine)
Municipal Wide Services/Classes of Service:						
Fire Services	1,277	681	461	803	5.34	1,277
Roads and Related	3,795	2,023	1,369	2,384	15.85	3,795
Parks & Recreation	69	37	25	43	0.12	-
Growth-Related Studies	262	140	94	165	1.09	262
Total Municipal Wide Services/Class of Services	5,403	2,881	1,949	3,395	22.40	5,334

Table 4-4
Township of East Zorra-Tavistock
Comparison of Current and Amended D.C.s (2021\$)

Service/Class	Current	2020 D.C. By-law Amendment	Change (%)
<i>Residential Single and Semi-Detached Dwelling</i>			
Municipal Wide Services/Classes of Service:			
Fire Services	1,193	1,277	7.1%
Roads and Related	3,712	3,795	2.2%
Parks & Recreation	-	69	n/a
Growth-Related Studies	226	262	15.9%
Total Municipal Wide Services/Class of Services	5,131	5,403	5.3%
<i>Non-Residential (per sq. m. of Gross Floor Area)</i>			
Municipal Wide Services/Classes of Service:			
Fire Services	4.98	5.34	7.2%
Roads and Related	15.50	15.85	2.2%
Parks & Recreation	-	0.12	n/a
Growth-Related Studies	0.95	1.09	14.8%
Total Municipal Wide Services/Class of Services	21.43	22.40	4.5%



Section 7.3.4 of the 2019 D.C. Background Study identifies that for the purposes of funding non-statutory exemptions for Farm Buildings, a separate lower charge has been calculated. This lower charge being reflective of the lower demand for service and density of development. Through this amendment process, the charge for Farm Buildings has been calculated as \$0.60 per sq.m. of G.F.A. in 2019\$ values.



5. D.C. Policy Recommendations and D.C. By-law Rules

The Township's current D.C. by-law provides for the uniform Township-wide recovery of growth-related costs for all services. D.C.s are imposed for all services through one by-law. The intent of the amendment does not alter the Township's policy for the imposition of Township-wide D.C.s.

Other than those policies revisions identified in Sections 5.1 and 5.2, all other rules and policies contained within By-law 2019-30 remain unchanged.

5.1 D.C. Calculation and Collection Policies

The recent amendments to the D.C.A. provide for mandatory installments payments of D.C.s for rental housing, non-profit housing, and institutional development as follows:

- Rental housing and institutional developments will pay D.C.s in six equal annual installments, with the first payment commencing at the date of occupancy. Non-profit housing developments will pay D.C.s in 21 equal annual installments. Interest may be charged on the installments, and any unpaid amounts may be added to the property and collected as taxes.

Furthermore, the D.C.s for development proceeding through the site plan or zoning by-law amendment planning approvals processes will be calculated on the date the planning application is received and will be payable at building permit issuance.

- The D.C. amount for all developments occurring within two years of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted on or after January 1, 2020) shall be determined based on the D.C. charge in effect on the date of Site Plan or Zoning By-law Amendment planning application. If the development is not proceeding via these planning approvals, or if the building permit is issued after the two-year period of application approval, then the amount is determined the earlier of the date of issuance of a building permit or occupancy.



The D.C.A. also provides that municipalities may charge interest on the installment payments, and charges calculated where the planning application is received in specific circumstances outlined above. The Township will be charging interest equal to the Bank of Canada Prime Interest Rate plus 2%. The interest will be the rate in place on April 1st immediately prior to:

- The date of building permit issuance for installment payments under Section 26.1 of the D.C.A. for rental housing, institutional development, and non-profit housing; or
- The date an application for an approval of development was made under subsection 41(4) or 34 of the *Planning Act* regarding the determination of the charge under Section 26.2 of the D.C.A.

5.2 Statutory Exemptions

The amendments to the D.C.A. provide for the following additional statutory exemptions to the payment of D.C.s.

Residential intensification exemptions have been expanded to allow for the creation of additional dwelling units within ancillary structures to existing residential dwellings without the payment of D.C.s. Section 2(3)(b) of the D.C.A. provides that D.C.s are not payable for residential development that results only in the creation of up to two additional dwelling units in prescribed classes of existing residential buildings or prescribed structures ancillary to existing residential buildings, subject to the prescribed restrictions set out in section 2(1) of O.Reg. 82/98 (see Table 5-1).

To provide additional clarity in interpreting the application of the exemptions under S.2(3)(b) of the D.C.A. it is proposed that an “existing residential building” is defined as:

- A residential building/dwelling, containing at least one dwelling unit, that existed on a parcel of land as of April 1, 2021 and which was not exempt from the payment of development charges pursuant to Section 2(3)(b) of the Act; or
- The first residential building/dwelling, containing at least one dwelling unit, constructed on a vacant parcel of land after April 1, 2021, and for which development charges were paid.



Table 5-1
Prescribed Classes of Existing Residential Buildings, Prescribed Additional Dwelling Units, and Restrictions

tem	Name of Class of Existing Residential Building	Description of Class of Existing Residential Buildings	Maximum Number of Additional Dwelling Units	Restrictions
1	Existing single detached dwellings	Existing residential buildings, each of which contains a single dwelling unit, that are not attached to other buildings.	Two	The total gross floor area of the additional dwelling unit or units must be less than or equal to the gross floor area of the dwelling unit already in the building.
2	Existing semi-detached dwellings or row dwellings	Existing residential buildings, each of which contains a single dwelling unit, that have one or two vertical walls, but no other parts, attached to other buildings.	One	The gross floor area of the additional dwelling unit must be less than or equal to the gross floor area of the dwelling unit already in the building.
3	Existing rental residential buildings	Existing residential rental buildings, each of which contains four or more dwelling units.	Greater of one and 1% of the existing units in the building	None
4	Other existing residential buildings	An existing residential building not in another class of residential building described in this table.	One	The gross floor area of the additional dwelling unit must be less than or equal to the gross floor area of the smallest dwelling unit already in the building.

The creation of a second dwelling unit in prescribed classes of proposed new residential buildings, including structures ancillary to dwellings are now also exempt from the payment of D.C.s, subject to the prescribed restrictions set out in section 2(3) of O.Reg. 82/98 (see Table 5-2).

To provide additional clarity in interpreting the application of the exemption for a second dwelling that would be ancillary to a proposed new detached dwelling, semi-detached dwelling, or row dwelling, the proposed new principal dwelling and one ancillary dwelling unit must be located on parcel of land on which no other detached dwelling, semi-detached dwelling, or row dwelling would be located.



**Table 5-2
Prescribed Classes of Proposed New Residential Buildings, and Restrictions**

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



6. Asset Management Plan and Long-Term Capital and Operating Costs

6.1 Introduction

The changes to the D.C.A. (new section 10(c.2)) through Bill 73, require that the background study must include an Asset Management Plan (A.M.P) related to new infrastructure. Section 10 (3) of the D.C.A. provides:

The A.M.P. shall,

(a) deal with all assets whose capital costs are proposed to be funded under the development charge by-law;

(b) demonstrate that all the assets mentioned in clause (a) are financially sustainable over their full life cycle;

(c) contain any other information that is prescribed; and

(d) be prepared in the prescribed manner.

The A.M.P. analysis included in the 2019 D.C. Background Study, which found that the capital plan was deemed to be financially sustainable, has been updated to account for the capital cost revisions described herein.

The updated A.M.P. analysis contained in Table 6-1 identifies:

- \$1.6 million in total annualized expenditures; and
- Incremental operating revenues of \$584,500 and existing operating revenues of \$8.1 million, totaling \$8.7 million by the end of the period.

In consideration of the above changes, the capital plan is still deemed to be financially sustainable.



Table 6-1
Township of East Zorra-Tavistock
Asset Management – Future Expenditures and Associated Revenues (2019\$)

	2029 (Total)
Expenditures (Annualized)	
Annual Debt Payment on Non-Growth Related Capital	927,553
Annual Debt Payment on Post Period Capital ¹	-
Lifecycle:	
Annual Lifecycle - Township Wide Services	175,876
Incremental Operating Costs (for D.C. Services)	467,573
Total Expenditures	1,571,003
Revenue (Annualized)	
Total Existing Revenue ²	8,094,741
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	584,531
Total Revenues	8,679,272

¹ Interim Debt Financing for Post Period Benefit

² As per Sch. 10 of FIR

As a requirement of the D.C.A., 1997 under subsection 10(2)(c), an analysis must be undertaken to assess the long-term capital and operating cost impacts for the capital infrastructure projects identified within the D.C.

Table 6-2 summarizes the changes to the incremental annual operating costs associated with the D.C. eligible costs at full emplacement.



Table 6-2
Township of East Zorra-Tavistock
Operating and Capital Expenditure Impacts for Future Capital Expenditures

SERVICE	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
1. Roads and Related	139,670	269,066	408,736
2. Fire Services	34,446	106,913	141,359
3. Parks & Recreation	1,760	91,595	93,355
4. Growth-Related Studies		-	-
Total	175,876	467,573	643,449



7. Process for Adoption of the Amending Development Charges By-law

If approved, the changes provided herein will form part of the 2019 D.C. Background Study. Appendix A to this D.C. Update Study includes the draft Amending D.C. By-law being presented for Council's consideration. The D.C. Update Study and draft Amending D.C. By-law will be presented to the public at a public meeting of Council to solicit public input on the proposed D.C. by-law.

It is anticipated that Council will consider for adoption the proposed amending by-law at a subsequent meeting of Council on March 17, 2021, witnessing the 60-day period between the release of the D.C. Background Study and the passage of the D.C. By-law. It is proposed that the Amending D.C. By-law will come into effect on April 1, 2021.

If Council is satisfied with the proposed changes to the D.C. Background Study and D.C. By-Law, it is recommended that Council:

“Approve the Development Charges Update Study dated January 15, 2021, subject to further annual review during the capital budget process;”

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

“Approve the Amending Development Charge By-law as set out herein.



Appendix A

Draft Amending Development Charge By-law

TOWNSHIP OF EAST ZORRA-TAVISTOCK
BY-LAW NO. 2021-XX

Township of East Zorra-Tavistock

By-Law No. 2021-XX

A By-law to Amend Development Charges By-law 2019-30 for the Township of East Zorra-Tavistock

WHEREAS Section 19 of the Development Charges Act, 1997, S.O. 1997, c27 (“the Act”) provides for amendments to be made to development charges by-laws;

AND WHEREAS the Council of the Corporation of the Township of East Zorra-Tavistock (hereinafter called “the Council”) has determined that certain amendments should be made to the Development Charge By-law of the Corporation of the Township of East Zorra-Tavistock, being By-law 2019-30;

AND WHEREAS, in accordance with the Act, a development charges background study has been completed in respect of the proposed amendment;

AND WHEREAS the Council of the Corporation of the Township of East Zorra-Tavistock has given notice and held a public meeting in accordance with the Act; and

AND WHEREAS the Council, at its meeting of March 17, 2021, approved a report dated January 15, 2021 entitled “2021 Development Charge Update Study”.

NOW THEREFORE THE COUNCIL OF THE TOWNSHIP OF EAST ZORRA-TAVISTOCK ENACTS AS FOLLOWS:

1. By-law 2019-30 is hereby amended as follows

a. Section 4 is deleted and replaced with the following:

(1) Notwithstanding Section 3 above, no Development Charges shall be imposed with respect to Developments or portions of Developments as follows:

(a) The enlargement of an existing dwelling unit;

(b) the creation of a maximum of two additional dwelling units in an existing single detached dwelling or structure ancillary to such dwelling. The total gross floor area of the additional dwelling unit or units must be less than or equal to the gross floor area of the dwelling unit already in the existing residential building/dwelling;

(c) the creation of additional dwelling units equal to the greater of one or 1% of the existing dwelling units in an existing residential rental building containing four or more dwelling units or within a structure ancillary to such residential building;

TOWNSHIP OF EAST ZORRA-TAVISTOCK
BY-LAW NO. 2021-XX

- (d) the creation of one additional dwelling unit in any other existing residential building/dwelling or within a structure ancillary to such residential building/dwelling. The gross floor area of the additional dwelling unit must be less than or equal to the gross floor area of the smallest dwelling unit already in the existing residential building/dwelling; or
- (e) the creation of a second dwelling unit in a proposed new Single Detached, Semi-Detached or Row Townhouse dwelling or in a building ancillary to such dwelling, subject to the following restrictions:

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

- (2) For the purposes of Subsection 4(1) “existing residential building/dwelling”, means:
 - (a) A residential building/dwelling, containing at least one dwelling unit, that existed on a parcel of land as of April 1, 2021 and which was not exempt from the payment of development charges pursuant to Section 2(3)(b) of the Act; or
 - (b) The first residential building/dwelling, containing at least one dwelling unit, constructed on a vacant parcel of land after April 1, 2021, and for which development charges were paid
- (3) In addition to the restrictions outlined in Subsection 4(1)(e), for the purposes of the exemption for an additional residential unit in a building ancillary to a proposed new Single Detached, Semi-Detached or Row Townhouse Dwelling, the proposed new Single Detached, Semi-Detached or Row

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Townhouse Dwelling must be located on a parcel of land on which no other Single Detached, Semi-Detached or Row Townhouse dwelling is or would be located.

- (4) For the purposes of Subsection 4(1)(e), “parcel of land” means a lot or block within a registered plan of subdivision or draft plan of subdivision or any land that may be legally conveyed under the exemption provided in clause 50 (3) (b) or clause 50 (5) (a) of the *Planning Act*.
- b. The following Subsections are added to Section 5 of the by-law:
- (5) Notwithstanding Subsection 5(1), 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, payable on the anniversary date each year thereafter.
 - (6) Notwithstanding Subsection 5(1), development charges for non-profit housing developments are due and payable in 21 installments commencing with the first installment payable on the date of occupancy, and each subsequent installment, including interest, payable on the anniversary date each year thereafter.
 - (7) Notwithstanding subsections 5(1) and 5(3), where the development of land results from the approval of a Site Plan or Zoning By-law Amendment application received on or after January 1, 2020, 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 under Section 2 shall be calculated on the rates, including interest, set out in Schedule “B” on the date of the later planning application.
 - (8) Interest for the purposes of Subsections 5(5), 5(6), and 5(7) shall be determined as the Bank of Canada Prime Interest Rate plus 2% as at the April 1st immediately prior to:
 - (a) The date of building permit issuance for installment payments under Section 26.1 of the Act for rental housing, institutional development, and non-profit housing; or
 - (b) The date a Site Plan or Zoning By-law Amendment application for an approval of development was made under subsection 41(4) or

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34 of the *Planning Act* regarding the determination of the charge under Section 26.2 of the Act.

- (9) Notwithstanding Subsection 5(8), the interest rate shall not be less than 0%.
- (10) For the purposes of Subsection 5(5) “institutional development” means development of a building or structure intended for use:
 - (a) as a long-term care home within the meaning of Subsection 2 (1) of the *Long Term Care Homes Act, 2007*;
 - (b) as a retirement home within the meaning of Subsection 2(1) of the *Retirement Homes Act, 2010*.
 - (c) 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
 - (iii) an Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institute Act, 2017*;
 - (d) as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion; or
 - (e) as a hospice to provide end of life care;
- (11) For the purposes of Subsection 5(5) “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;
- (12) For the purposes of Subsection 5(6) “Non-profit housing development” means development of a building or structure intended for use as residential premises by:
 - (a) a corporation without share capital to which the *Corporations Act*

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applies, that is in good standing under that Act and whose primary objective is to provide housing;

(b) 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

(c) a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act*;

c. Schedule "A" is deleted and the attached Schedule "A" substitutes therefore.

d. Schedule "B" is deleted and the attached Schedule "B" substitutes therefore.

e. This By-law shall come into force and effect on April 1, 2021.

READ a first and second time this 17th day of March, 2021.

READ a third time and finally passed in Open Council this 17th day of March, 2021.

MAYOR

CLERK

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SCHEDULE "A"

TO BY-LAW NO. 2021-XX

DESIGNATED MUNICIPAL SERVICES UNDER THIS BY-LAW

- (1) Roads and Related
- (2) Fire Services
- (3) Parks & Recreation

DESIGNATED MUNICIPAL CLASSES OF SERVICES UNDER THIS BY-LAW

- (1) Growth-Related Studies

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SCHEDULE “B”

TO BY-LAW NO. 2021-XX

SCHEDULE OF DEVELOPMENT CHARGES

Service/Class	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per m ² of Gross Floor Area)	(per wind turbine)
Municipal Wide Services/Classes of Service:						
Fire Services	1,214	647	438	762	5.07	1,214
Roads and Related	3,605	1,922	1,300	2,265	15.06	3,605
Parks & Recreation	66	35	24	41	0.12	
Growth-Related Studies	249	133	90	156	1.03	249
Total Municipal Wide Services/Class of Services	5,133	2,737	1,852	3,224	21.28	5,068



Appendix B

Cash-Flow Calculation



Cash Flow Calculation – Fire Services

Cash Flow Calculation - Fire - Residential

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Population Growth	\$396.49	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3% D.C. Reserve Fund Interest Earnings/ (Cost)	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		Per Capita per Year Inflated at (3%) Starting in 2020				
2019	111,025	305,231	305,231		126	396.49	50,037	(144,169)	(497)	(144,666)
2020	(144,666)	3,338	3,438		126	408.39	51,538	(96,566)	(3,618)	(100,184)
2021	(100,184)	281,107	298,226		126	420.64	53,084	(345,326)	(6,683)	(352,008)
2022	(352,008)	3,338	3,647		126	433.26	54,677	(300,978)	(9,795)	(310,773)
2023	(310,773)	3,338	3,756		126	446.25	56,317	(258,212)	(8,535)	(266,747)
2024	(266,747)	3,338	3,869		126	459.64	58,007	(212,609)	(7,190)	(219,799)
2025	(219,799)	3,338	3,985		126	473.43	59,747	(164,037)	(5,758)	(169,795)
2026	(169,795)	3,338	4,105		126	487.63	61,539	(112,360)	(4,232)	(116,593)
2027	(116,593)	3,338	4,228		126	502.26	63,386	(57,435)	(2,610)	(60,045)
2028	(60,045)	3,338	4,355		126	517.33	65,287	887	(887)	0
Total		613,038	634,839	-	1,262		573,621		(49,806)	

Note: Numbers may not add due to rounding

Cash Flow Calculation - Fire - Non-Residential

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Sq. m. of Gross Floor Area	\$5.069	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3% D.C. Reserve Fund Interest Earnings / (Cost)	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		per sq.m. per Year Inflated at (3%) Starting in 2020				
2019	13,722	37,725	37,725		1,220	5.069	6,184	(17,819)	(61)	(17,880)
2020	(17,880)	413	425		1,220	5.221	6,370	(11,935)	(447)	(12,382)
2021	(12,382)	34,744	36,859		1,220	5.378	6,561	(42,681)	(826)	(43,507)
2022	(43,507)	413	451		1,220	5.539	6,758	(37,200)	(1,211)	(38,410)
2023	(38,410)	413	464		1,220	5.705	6,961	(31,914)	(1,055)	(32,969)
2024	(32,969)	413	478		1,220	5.877	7,169	(26,278)	(889)	(27,166)
2025	(27,166)	413	493		1,220	6.053	7,384	(20,274)	(712)	(20,986)
2026	(20,986)	413	507		1,220	6.234	7,606	(13,887)	(523)	(14,410)
2027	(14,410)	413	523		1,220	6.421	7,834	(7,099)	(323)	(7,421)
2028	(7,421)	413	538		1,220	6.614	8,069	110	(110)	(0)
Total		75,769	78,463	-	12,200		70,897		(6,156)	

Note: Numbers may not add due to rounding



Cash Flow Calculation – Roads and Related Services

Cash Flow Calculation - Roads and Related - Residential

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Population Growth	\$1,177.76	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3% D.C. Reserve Fund Interest Earnings/ (Cost)	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		Per Capita per Year Inflated at (3%) Starting in 2020				
2019	530,974	183,445	183,445	17,660	126	1,177.76	148,634	478,503	5,047	483,550
2020	483,550	183,445	188,948	17,660	126	1,213.10	153,093	430,035	4,568	434,603
2021	434,603	183,445	194,617	17,660	126	1,249.49	157,685	380,011	4,073	384,085
2022	384,085	183,445	200,455	17,660	126	1,286.97	162,416	328,386	3,562	331,948
2023	331,948	183,445	206,469	17,660	126	1,325.58	167,288	275,108	3,035	278,143
2024	278,143	183,445	212,663	17,660	126	1,365.35	172,307	220,127	2,491	222,619
2025	222,619	183,445	219,043	17,660	126	1,406.31	177,476	163,393	1,930	165,323
2026	165,323	183,445	225,614	17,660	126	1,448.50	182,801	104,849	1,351	106,200
2027	106,200	183,445	232,382	17,660	126	1,491.95	188,285	44,443	753	45,196
2028	45,196	183,445	239,354		126	1,536.71	193,933	(225)	225	0
Total		1,834,448	2,102,989	158,939	1,262		1,703,917		27,036	

Note: Numbers may not add due to rounding

Cash Flow Calculation - Roads and Related - Non-Residential

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Sq. m. of Gross Floor Area	\$15.058	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3% D.C. Reserve Fund Interest Earnings / (Cost)	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		per sq.m. per Year Inflated at (3%) Starting in 2020				
2019	65,626	22,673	22,673	2,183	1,220	15,058	18,370	59,141	624	59,765
2020	59,765	22,673	23,353	2,183	1,220	15,509	18,922	53,150	565	53,715
2021	53,715	22,673	24,054	2,183	1,220	15,975	19,489	46,968	503	47,471
2022	47,471	22,673	24,775	2,183	1,220	16,454	20,074	40,587	440	41,027
2023	41,027	22,673	25,519	2,183	1,220	16,948	20,676	34,002	375	34,377
2024	34,377	22,673	26,284	2,183	1,220	17,456	21,296	27,207	308	27,515
2025	27,515	22,673	27,073	2,183	1,220	17,980	21,935	20,195	239	20,433
2026	20,433	22,673	27,885	2,183	1,220	18,519	22,593	12,959	167	13,126
2027	13,126	22,673	28,721	2,183	1,220	19,075	23,271	5,493	93	5,586
2028	5,586	22,673	29,583		1,220	19,647	23,969	(28)	28	0
Total		226,729	259,920	19,644	12,200		210,597		3,342	

Note: Numbers may not add due to rounding



Cash Flow Calculations – Parks and Recreation Services

Cash Flow Calculation - Parks and Recreation - Residential

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Population Growth	\$21.45	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3% D.C. Reserve Fund Interest Earnings/ (Cost)	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		Per Capita per Year Inflated at (3%) Starting in 2020				
2019	169,600	11,875	11,875	6,644	126	21.45	2,707	153,788	1,617	155,405
2020	155,405	80,290	82,699	6,644	126	22.09	2,788	68,849	1,121	69,970
2021	69,970	11,875	12,598	6,644	126	22.75	2,872	53,599	618	54,217
2022	54,217	1,665	1,820	6,644	126	23.44	2,958	48,711	515	49,225
2023	49,225	16,666	18,757	6,644	126	24.14	3,047	26,870	380	27,251
2024	27,251	9,609	11,139	6,644	126	24.86	3,138	12,605	199	12,805
2025	12,805	-	-	6,644	126	25.61	3,232	9,392	111	9,503
2026	9,503	-	-	6,644	126	26.38	3,329	6,188	78	6,266
2027	6,266	-	-	6,644	126	27.17	3,429	3,051	47	3,097
2028	3,097	-	-	6,644	126	27.99	3,532	(15)	15	0
Total		131,980	138,888	66,444	1,262		31,031		4,702	

Note: Numbers may not add due to rounding

Cash Flow Calculation - Parks and Recreation - Non-Residential

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Sq. m. of Gross Floor Area	\$0.117	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3% D.C. Reserve Fund Interest Earnings / (Cost)	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		per sq.m. per Year Inflated at (3%) Starting in 2020				
2019	8,926	625	625	350	1,220	0.117	142	8,094	85	8,179
2020	8,179	4,226	4,353	350	1,220	0.120	147	3,624	59	3,683
2021	3,683	625	663	350	1,220	0.124	151	2,821	33	2,854
2022	2,854	88	96	350	1,220	0.128	156	2,564	27	2,591
2023	2,591	877	987	350	1,220	0.131	160	1,414	20	1,434
2024	1,434	506	586	350	1,220	0.135	165	663	10	674
2025	674	-	-	350	1,220	0.139	170	494	6	500
2026	500	-	-	350	1,220	0.144	175	326	4	330
2027	330	-	-	350	1,220	0.148	180	161	2	163
2028	163	-	-	350	1,220	0.152	186	(1)	1	(0)
Total		6,946	7,310	3,497	12,200		1,633		247	

Note: Numbers may not add due to rounding



Cash Flow Calculations – Growth-Related Studies

Cash Flow Calculation - Growth-Related Studies - Residential

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt Existing Debt Payments	Population Growth	\$81.31	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3% D.C. Reserve Fund Interest Earnings/ (Cost)	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Per Capita per Year Inflated at (3%) Starting in 2020						
2019	17,395	10,841	10,841		126	81.31	10,261	16,815	171	16,986
2020	16,986	6,337	6,527		126	83.75	10,569	21,028	190	21,218
2021	21,218	32,274	34,239		126	86.26	10,886	(2,136)	95	(2,040)
2022	(2,040)	4,840	5,289		126	88.85	11,212	3,883	9	3,892
2023	3,892	22,653	25,496		126	91.51	11,549	(10,055)	(92)	(10,147)
2024	(10,147)	4,840	5,611		126	94.26	11,895	(3,864)	(210)	(4,074)
2025	(4,074)	4,840	5,780		126	97.08	12,252	2,398	(25)	2,373
2026	2,373	4,840	5,953		126	100.00	12,619	9,040	57	9,097
2027	9,097	4,840	6,132		126	103.00	12,998	15,963	125	16,088
2028	16,088	22,653	29,556		126	106.09	13,388	(80)	80	(0)
Total		118,958	135,424	-	1,262		117,629		400	

Note: Numbers may not add due to rounding

Cash Flow Calculation - Growth-Related Studies - Non-Residential

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt Existing Debt Payments	Sq. m. of Gross Floor Area	\$1.035	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3% D.C. Reserve Fund Interest Earnings / (Cost)	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	per sq.m. per Year Inflated at (3%) Starting in 2020						
2019	2,140	1,334	1,334		1,220	1.035	1,263	2,069	21	2,090
2020	2,090	781	804		1,220	1.066	1,300	2,586	23	2,609
2021	2,609	3,967	4,208		1,220	1.098	1,339	(260)	12	(248)
2022	(248)	597	652		1,220	1.131	1,380	479	1	480
2023	480	2,785	3,134		1,220	1.165	1,421	(1,233)	(11)	(1,244)
2024	(1,244)	597	692		1,220	1.200	1,464	(473)	(26)	(499)
2025	(499)	597	713		1,220	1.236	1,508	296	(3)	293
2026	293	597	734		1,220	1.273	1,553	1,111	7	1,118
2027	1,118	597	756		1,220	1.311	1,599	1,961	15	1,977
2028	1,977	2,785	3,634		1,220	1.350	1,647	(10)	10	(0)
Total		14,637	16,663	-	12,200		14,474		49	

Note: Numbers may not add due to rounding