

Village of Casselman 2016 Development Charges Background Study & Northwest Quadrant Capital Charges Study

For Public Circulation and Comment

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 Planning for growth

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List of Acronyms and Abbreviations

D.C.	Development Charge
D.C.A.	Development Charges Act
E.S.A.	Environmentally Safe Area
G.F.A.	Gross floor area
mm	Millimeters
N.F.P.O.W.	No fixed place of work
O.M.B.	Ontario Municipal Board
O.Reg.	Ontario Regulation
para.	Paragraph
P.P.U.	Persons per unit
R.S.O.	Revised Statute of Ontario
sq.ft.	Square foot
s.s.	Subsection

1. Introduction

1.1 Purpose of this Document

This background study has been prepared pursuant to the requirements of the Development Charges Act, 1997 (s.10), and accordingly, recommends new development charges and policies for the Village of Casselman.

The Village retained Watson & Associates Economists Ltd. (Watson) to undertake the development charges (D.C.) study process in January 2016. Watson worked with senior staff of the Village in preparing this development charge analysis and the policy recommendations.

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

This report has been prepared, in the first instance, to meet the statutory requirements applicable to the Village's D.C. background study, as summarized in Chapter 4. It also addresses the forecast amount, type and location of growth (Chapter 3), the requirement for "rules" governing the imposition of the charges (Chapter 7) and the proposed by-law to be made available as part of the approval process (Appendix D).

In addition, the report is designed to set out sufficient background on the legislation, the Village's current D.C. policy (Chapter 2) and the policies underlying the proposed by-law, to make the exercise understandable to interested parties. Finally, the D.C. background study addresses post-adoption implementation requirements (Chapter 8) which are critical to the successful application of the new policy.

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

1.2 Summary of the Process

The public meeting required under Section 12 of the Development Charges Act, 1997, has been scheduled for May 10, 2016. Its purpose is to present the study to the public and to solicit public input on the proposed D.C. by-law. The meeting is also being held

to answer any questions regarding the study's purpose, methodology and the proposed modifications to the Village's development charges by-law. Figure 1-1 outlines the proposed schedule to be followed with respect to the development charge by-law adoption process.

In accordance with the legislation, the DC Background Study has been posted on the Village's website on April 14, 2016 (i.e. no later than 60 days prior to by-law passage), along with the proposed DC by-law.

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

- consideration of responses received prior to, at or immediately following the public meeting; and
- finalization of the study and Council consideration of the by-law on June 14, 2016.

**Figure 1-1
Schedule of Key Development Charge Process Dates**

Process Steps	Dates
1. Project initiation meetings with Village staff	February 26, 2016
2. Data collection, staff interviews, preparation of D.C. calculations	March, 2016
3. Preparation of draft D.C. background study and review of draft findings with staff	Late March, 2016
4. Statutory notice of Public Meeting advertisement placed in newspaper(s) by	April 19, 2015
5. Council Workshop Presentation	April 12, 2016
6. D.C. background study and proposed D.C. by-law available to public	April 14, 2016
7. Public Meeting of Council	May 10, 2016
8. Council considers adoption of D.C. background study and passage of by-law	June 14, 2016
9. Newspaper notice given of by-law passage	By 20 days after passage
10. Last day for by-law appeal	40 days after passage
11. Village makes available D.C. pamphlet	by 60 days after in force date

2. Current Village of Casselman D.C. Policy

2.1 By-law Enactment

On June 28, 2011, the Village of Casselman passed By-law 2011-094 under the Development Charges Act, 1997. The by-law came into effect on July 1, 2011 and imposes municipal-wide development charges by service.

2.2 Services Covered

The following services are included under By-law 2011-094:

- Roads and Related;
- Fire Protection;
- Municipal Parking;
- Parks and Recreation;
- Library; and
- Administration.

The by-law provides for mandatory annual indexing of the charges. Table 2-1 provides the charges currently in effect, as well as a breakdown of the charges by service component.

Table 2-1
Village of Casselman Current Development Charges

Service	Residential				Non-Residential
	Single & Semi Detached	Multiples	Apartments with ≥ 2 Bedrooms	Apartments with < 2 Bedrooms	per ft ²
Roads and Related Services	\$ 2,268	\$ 1,687	\$ 1,541	\$ 913	\$ 1.75
Fire Protection Services	\$ 1,007	\$ 748	\$ 684	\$ 405	\$ 0.30
Municipal Parking	\$ 107	\$ 79	\$ 73	\$ 43	\$ 0.08
Parks and Recreation Services	\$ 172	\$ 129	\$ 117	\$ 68	\$ 0.01
Library Services	\$ 260	\$ 193	\$ 176	\$ 105	\$ 0.02
Administration Studies	\$ 268	\$ 199	\$ 181	\$ 108	\$ 0.20
Total	4,082	3,035	2,772	1,642	\$ 2.36

2.3 Timing of D.C. Calculation and Payment

Development charges are due and payable in full to the Village on the date a building permit is issued for any land, buildings or structures affected by the applicable development charge. The by-law also allows the Village to enter into payment agreements with owners.

2.4 Redevelopment Credit

The by-law provides DC credits for residential and non-residential redevelopments and/or conversion, provided the demolition/conversion occurs on a development that pre-exists 60 months prior to date of payment of the development charge.

2.5 Exemptions

The Village's existing D.C. by-law includes statutory exemptions from payment of development charges with respect to:

- Industrial additions of up to and including 50% of the existing gross floor area of the building – for industrial additions which exceed 50% of the existing gross floor area, only the portion of the addition in excess of 50% is subject to development charges;
- Land used for Municipal or Board of Education purposes; and
- Residential development that results in only the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units (as specified by O.Reg. 82/98).

The D.C. by-law also provides non-statutory exemptions from payment of development charges with respect to:

- The development of a non-residential farm building used for bona fide farm uses;
- A cemetery and burial ground exempt from taxation under section 3 of the Assessment Act; and
- Development creating or adding an accessory use or structure not exceeding 10 square metres of non-residential gross floor area.

3. Anticipated Development in the Village of Casselman

3.1 Requirements of the Act

Chapter 4 provides the methodology for calculating a development charge as per the Development Charges Act, 1997. Figure 4-1 presents this methodology graphically. It is noted in the first box of the schematic that in order to determine the development charge that may be imposed, it is a requirement of Section 5 (1) of the Development Charges Act that “the anticipated amount, type and location of development, for which development charges can be imposed, must be estimated.”

The growth forecast contained in this chapter (with supplemental tables in Appendix A) provides for the anticipated development for which the Village of Casselman will be required to provide services, over a 10-year and 20-year time horizon.

3.2 Basis of Population, Household, Employment, and Non-Residential Gross Floor Area Forecast

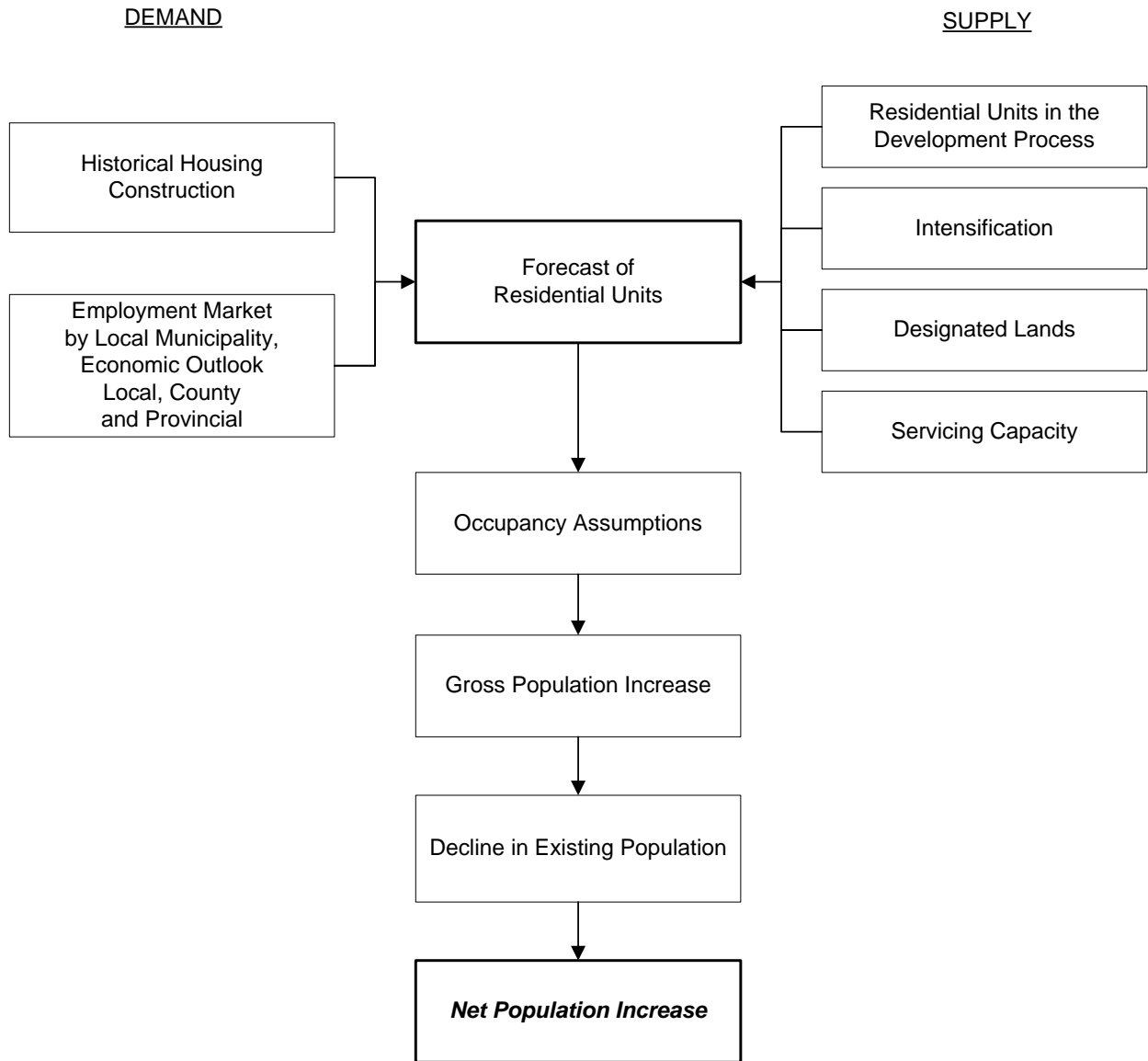
The D.C. growth forecast has been derived from the Growth Forecast and Land Needs Analysis for the United Counties of Prescott and Russell, 2012. In compiling the growth forecast, the following information sources were also relied on to help assess residential and non-residential development potential for the Village over the forecast period; including:

- A review of historical development activity as well as the supply of units identified in the development approvals process; and
- Discussions with County staff regarding the anticipated residential and non-residential development trends for the Village of Casselman.

3.3 Summary of Growth Forecast

A detailed analysis of the residential and non-residential growth forecasts are provided in Appendix A. The discussion provided herein summarizes the anticipated growth for the Village and describes the basis for the forecast. The results of the residential growth forecast analysis are summarized in Figure 3-1 below, and Schedule 1 in Appendix A.

Figure 3-1
Household Formation-Based Population and Household Forecast Model



As identified in Table 3-1 and Schedule 1, the Village's population is anticipated to reach approximately 4,255 by 2026 and 5,030 by 2036. This represents an increase of approximately 630 persons and 1,405 persons, respectively, over the 10-year and 20-year forecast periods. The population forecast summarized in Schedule 1 excludes the net Census undercount, which is estimated at approximately 4%. The Census undercount represents the net number of persons missed during Census enumeration. In calculating the D.C. for the Village of Casselman, the net Census undercount has been excluded from the growth forecast. Accordingly, all references provided herein to the population forecast exclude the net Census undercount.

1. Unit Mix (Appendix A – Schedules 1 through 6)

- The unit mix for the Village was derived from historical development activity (as per Schedule 6), active development applications (as per Schedule 5), and discussions with planning staff regarding anticipated development trends for the Village.

Based on the above, the long-term (2016-2036) household growth forecast is comprised of a housing unit mix of approximately 53% low density (single detached and semi-detached), 18% medium density (multiples except apartments) and 29% high density (bachelor, 1 bedroom and 2+ bedroom apartments).

**Table 3-1
Village of Casselman
Residential Growth Forecast Summary**

Year	Population (Excluding Census Undercount)	Population (Including Census Undercount) ¹	Housing Units						
			Singles & Semi- Detached	Multiple Dwellings ²	Apartments ³	Other	Total Households	Person Per Unit (PPU)	
Historical	<i>Mid 2001</i>	2,910	3,010	790	70	225	20	1,105	2.63
	<i>Mid 2006</i>	3,294	3,410	925	85	215	20	1,245	2.65
	<i>Mid 2011</i>	3,626	3,750	1,025	180	225	0	1,430	2.54
Forecast	<i>Mid 2016</i>	3,622	3,750	1,047	181	227	0	1,455	2.49
	<i>Mid 2026</i>	4,255	4,400	1,230	243	327	0	1,800	2.36
	<i>Mid 2036</i>	5,028	5,200	1,416	306	428	0	2,150	2.34
Incremental	Mid 2001 - Mid 2006	384	400	135	15	-10	0	140	
	Mid 2006 - Mid 2011	332	340	100	95	10	-20	185	
	Mid 2011 - Mid 2016	-4	0	22	1	2	0	25	
	Mid 2016 - Mid 2026	633	650	183	62	100	0	345	
	Mid 2016 - Mid 2036	1,406	1,450	369	125	202	0	695	

Source: Watson & Associates Economists Ltd., 2016. Derived based on United Counties of Prescott and Russell Growth Forecast and Land Needs Analysis Report, 2012

1. Census Undercount estimated at approximately 4%. Note: Population Including the Undercount has been rounded.
2. Includes townhomes and apartments in duplexes.
3. Includes bachelor, 1 bedroom and 2 bedroom+ apartments.

2. Planning Period

- Short- and longer-term time horizons are required for the D.C. process. The D.C.A. limits the planning horizon for certain services, such as parks, recreation and libraries, to a 10-year planning horizon. Roads and fire services utilize a 20-year forecast period.

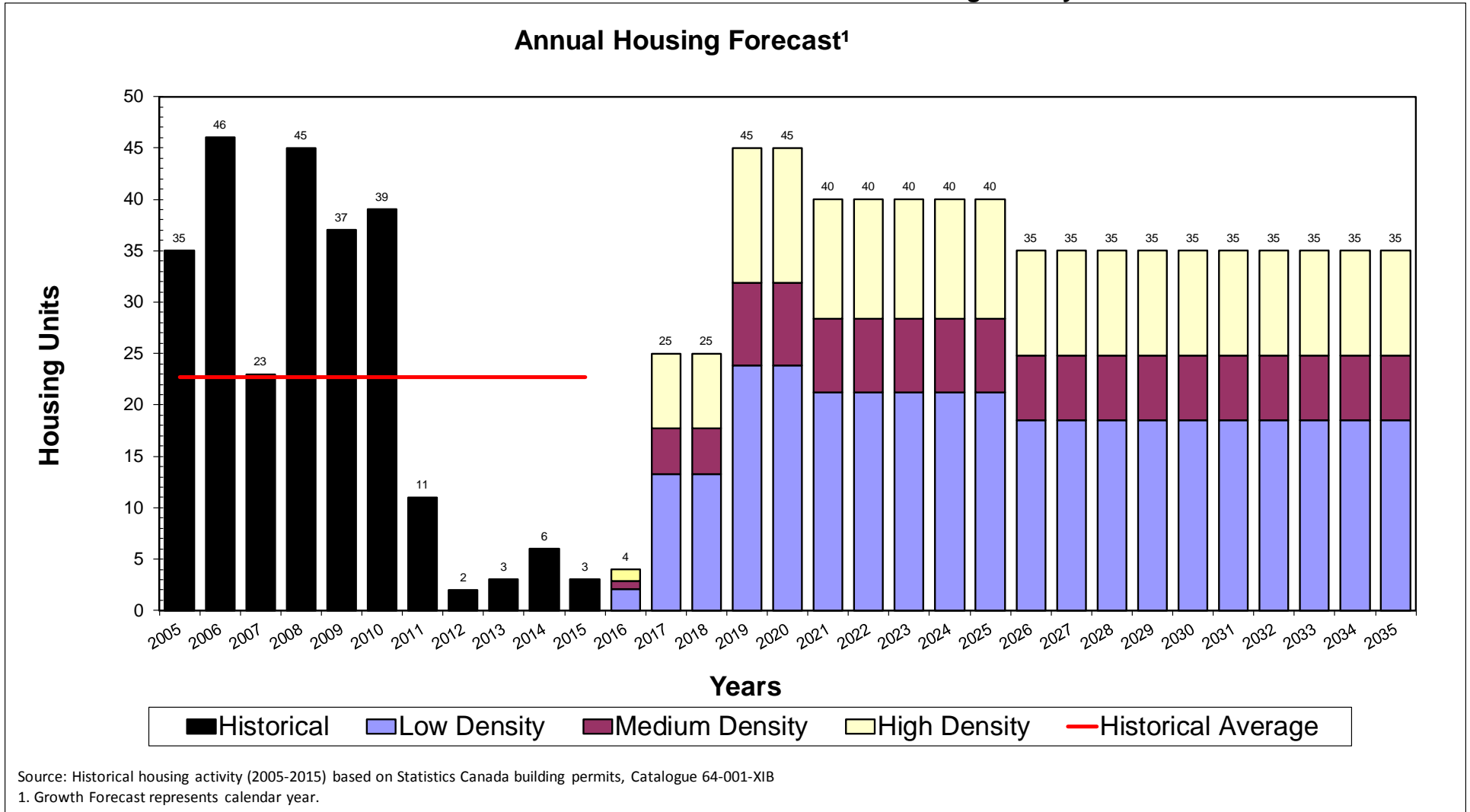
3. Population in New Units (Appendix A - Schedules 2 through 4)

- The number of housing units to be constructed in the Village of Casselman during the short-term and long-term periods is presented on Figure 3-2. Over the 20-year forecast periods, the Village is anticipated to average 35 new housing units per year.
- Population in new units is derived from Schedules 2, 3, and 4, which incorporate historical development activity, anticipated units (see unit mix discussion) and average persons per unit by dwelling type for new units.
- Schedule 7 summarizes the average number of persons per unit (P.P.U.) for the new housing units by age and type of dwelling, based on 2011 custom Census data for the Village. Due to data limitations, P.P.U.'s were derived from the United Counties of Prescott and Russel as outlined in Schedule 7. The total calculated P.P.U. for all density types has been adjusted to account for the downward P.P.U. trend which has been recently experienced in both new and older units, largely due to the aging of the population. Adjusted 20-year average P.P.U.'s by dwelling type are as follows:
 - Low density: 2.91
 - Medium density: 1.96
 - High density: 1.55

4. Existing Units and Population Change (Appendix A - Schedules 2, 3, and 4)

- Existing households as of 2016 are based on the 2011 Census households, plus estimated residential units constructed between 2011 and 2016, assuming a 6-month lag between construction and occupancy (see Schedule 2).
- The decline in average occupancy levels for existing housing units is calculated in Schedules 2 through 4, by aging the existing population over the forecast period. The forecast population decline in existing households over the 2016 to 2036 forecast period is estimated at approximately 222.

**Figure 3-2
Village of Casselman
2005-2035 Historical and Forecast Annual Housing Activity**



5. Employment (Appendix A, Schedules 10a through 12)

- Employment projections are largely based on the activity rate method, which is defined as the number of jobs in the Village divided by the number of residents. Key employment sectors include primary, industrial, commercial/ population-related, institutional, and work at home, which are considered individually below.
- The Village's 2011¹ employment base by place of work is outlined in Schedule 9a. The 2011 employment base is comprised of the following sectors:
 - 85 primary (approx. 4%);
 - 85 work at home employment (approx. 4%);
 - 293 industrial (approx. 14%);
 - 998 commercial/population-related (approx. 49%); and
 - 590 institutional (approx. 29%).
- The 2011 employment base by usual place of work, including work at home, is approximately 2,051 jobs. This figure is anticipated to reach approximately 2,275 by 2026 and 2,450 by 2036.
- Schedule 9b, Appendix A, summarizes the employment forecast, excluding work at home employment, which is the basis for the D.C.A. employment forecast. The impact on municipal services from work at home employees has already been included in the population forecast. Accordingly, work at home employees have been removed from the D.C.A. employment forecast and calculation.
- Total employment for the Village of Casselman (excluding work at home employment) is anticipated to reach approximately 2,175 by 2026 and 2,330 by 2036. This represents an employment increase of 140 and 290 additional jobs over the 10-year and 20-year forecast periods, respectively.

6. Non-Residential Sq.ft. Estimates (Gross Floor Area (G.F.A.)), Appendix A, Schedule 9b)

- Square footage estimates were calculated in Schedule 9b based on the following employee density assumptions:²
 - 1,100 sq.ft. per employee for industrial;

¹ 2011 Employment is based on Statistics Canada 2011 Places of Work Employment dataset.

² Based on Watson & Associates Economists Ltd. employment surveys.

- 550 sq.ft. per employee for commercial/population-related; and
- 900 sq.ft. per employee for institutional employment.
- The Municipal-wide incremental non-residential G.F.A. increase is anticipated to be approximately 113,100 sq.ft. over the 10-year forecast period and 233,100 sq.ft. over the 20-year forecast period.
- In terms of percentage growth, the 20-year incremental G.F.A. forecast by sector is broken down as follows:
 - industrial – approx. 47%;
 - commercial/population-related – approx. 34%; and
 - institutional – approx. 19%.

4. The Approach to the Calculation of the Charge

This chapter addresses the requirements of s.s.5(1) of the D.C.A., 1997 with respect to the establishment of the need for service which underpins the development charge calculation. These requirements are illustrated schematically in Figure 4-1.

4.1 Services Potentially Involved

Table 4-1 lists the full range of municipal service categories which are provided within the Village.

A number of these services are defined in s.s.2(4) of the D.C.A., 1997 as being ineligible for inclusion in development charges. These are shown as “ineligible” on Table 4-1. In addition, two ineligible costs defined in s.s.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 which are potentially eligible for inclusion in the Village’s development charge are indicated with a “Yes.”

4.2 Local Service Policy

The development charge 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, s.s.5(1)3, which requires that Municipal 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.

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.

Figure 4-1
The Process of Calculating a Development Charge under the Act

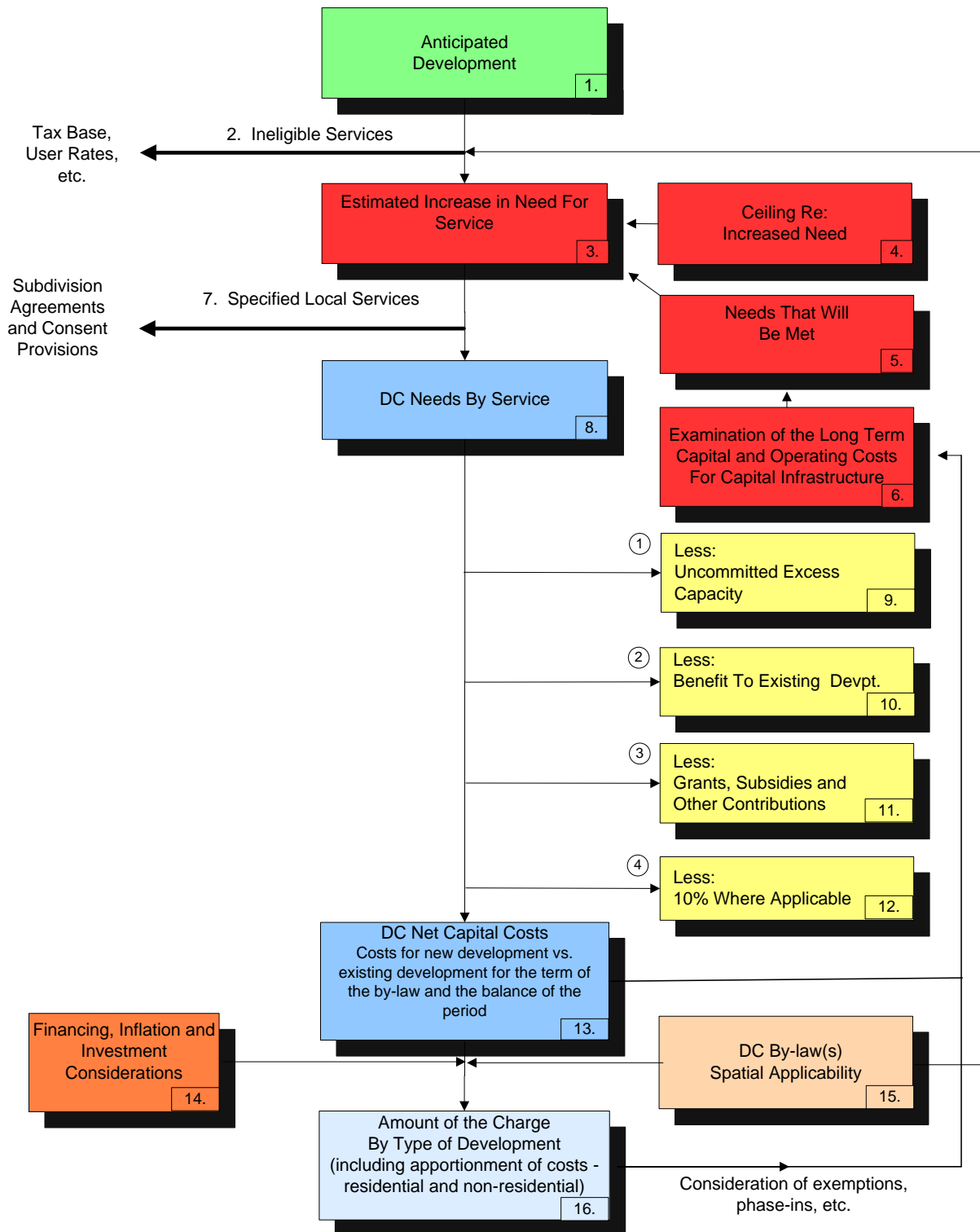


Table 4-1
Categories of Municipal Services
To Be Addressed as Part of the Calculation

Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
1. Services Related to a Highway	Yes	1.1 Arterial roads	100
	Yes	1.2 Collector roads	100
	Local Service	1.3 Local roads	100
	Yes	1.4 Intersections and Traffic signals	100
	Yes	1.5 Sidewalks and streetlights	100
2. Other Transportation Services	n/a	2.1 Transit vehicles	100
	n/a	2.2 Other transit infrastructure	100
	n/a	2.3 Municipal parking spaces - indoor	90
	Yes	2.4 Municipal parking spaces - outdoor	90
	Yes	2.5 Works Yards	100
	Yes	2.6 Rolling stock ¹	100
	n/a	2.7 Ferries	90
	n/a	2.8 Airport facilities	90
3. Storm Water Drainage and Control Services	No	3.1 Main channels and drainage trunks	100
	No	3.2 Channel connections	100
	Local Service	3.3 Retention/detention ponds	100
4. Fire Protection Services	Yes	4.1 Fire stations	100
	Yes	4.2 Fire pumpers, aerials and rescue vehicles	100
	Yes	4.3 Small equipment and gear	100
5. Outdoor Recreation Services (i.e. Parks and Open Space)	Ineligible	5.1 Acquisition of land for parks, woodlots and E.S.A.s	0
	Yes	5.2 Development of area municipal parks	90
	Yes	5.3 Development of district parks	90
	Yes	5.5 Development of special purpose parks	90
	Yes	5.6 Parks rolling stock ¹ and yards	90

¹with 7+ year life time

²same percentage as service component to which it pertains
computer equipment excluded throughout

Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
6. Indoor Recreation Services	Yes	6.1 Arenas, indoor pools, fitness facilities, community centres, etc. (including land)	90
	Yes	6.2 Recreation vehicles and equipment ¹	90
7. Library Services	Yes	7.1 Public library space (incl. furniture and equipment)	90
	Yes	7.2 Library materials	90
8. Electrical Power Services	Ineligible	8.1 Electrical substations	0
	Ineligible	8.2 Electrical distribution system	0
	Ineligible	8.3 Electrical system rolling stock ¹	0
9. Provision of Cultural, Entertainment and Tourism Facilities and Convention Centres	Ineligible	9.1 Cultural space (e.g. art galleries, museums and theatres)	0
	Ineligible	9.2 Tourism facilities and convention centres	0
10. Waste Water Services	No	10.1 Treatment plants	100
	No	10.2 Sewage trunks	100
	Local Service	10.3 Local systems	100
11. Water Supply Services	No	11.1 Treatment plants	100
	No	11.2 Distribution systems	100
	Local Service	11.3 Local systems	100
12. Waste Management Services	Ineligible	12.1 Collection, transfer vehicles and equipment	0
	Ineligible	12.3 Landfills and other disposal facilities	0
	n/a	12.3 Other waste diversion facilities	100
13. Police Services	No	13.1 Police detachments	100
	No	13.2 Police rolling stock ¹	100
	No	13.3 Small equipment and gear	100
	No	13.4 Policing Contract	100
14. Homes for the Aged	n/a	14.1 Homes for the aged space	90
15. Day Care	n/a	15.1 Day care space	90

Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
16. Health	n/a	16.1 Health department space	90
17. Social Services	n/a	17.1 Social service space	90
18. Ambulance	n/a n/a	18.1 Ambulance station space	90
		18.2 Vehicles ¹	90
19. Hospital Provision	Ineligible	19.1 Hospital capital contributions	0
20. Provision of Head-quarters for the General Administration of Municipalities and Area Municipal Boards	Ineligible Ineligible Ineligible	20.1 Office space (all services)	0
		20.2 Office furniture	0
		20.3 Computer equipment	0
21. Other Services	Yes	21.1 Studies in connection with acquiring buildings, rolling stock, materials and equipment, and improving land ² and facilities, including the D.C. background study cost	0-100
	No	21.2 Interest on money borrowed to pay for growth-related capital	0-100

Eligibility for Inclusion in the DC Calculation	Description
Yes	Municipality provides the service - service has been included in the DC Calculation
No	Municipality provides the service - service has not been included in the DC Calculation
n/a	Municipality does not provide the service
Ineligible	Service is ineligible for inclusion in the DC calculation

¹with 7+ year life time

²same percentage as service component to which it pertains
computer equipment excluded throughout

Local Service guidelines are summarized as follows:

1. Roads and Related

- 1.1 Collector roads internal to development are a direct developer responsibility under s.59 of the D.C.A. as a local service;
- 1.2 Arterial and collector roads external to a new development are a local service if the works are within the area to which the plan relates and, therefore, a direct development responsibility under s.59 of the D.C.A.; otherwise the works are included in the D.C. calculation to the extent permitted under s.5(1) of the D.C.A.

2. Intersection and Traffic Signals

- 2.1 New Arterial/Collector Roads and Arterial/Collector Road Improvements – Included as part of road costing funded through D.C.s
- 2.2 Local Streets/Private Entrances/Entrances to Specific Developments – Direct developer responsibility under s.59 of the D.C.A. (as a local service)

3. Land Acquisition for Road Allowances

- 3.1 Land Acquisition for Arterial/Collector Roads – Dedication under the Planning Act subdivision provisions (s.51) through development lands; in areas with limited or no development, include in area municipal DC (to the extent eligible)

4. Storm Water Management

- 4.1 Quality and Quantity Works – be direct developer responsibility through local service provisions (s.59 of the D.C.A.)

4.3 Capital Forecast

Paragraph 7 of s.s.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;
- e) interest on money borrowed to pay for the above-referenced costs;
- f) costs to undertake studies in connection with the above-referenced matters; and
- g) costs of the development charge background study.

In order for an increase in need for service to be included in the D.C. calculation, Municipal Council must indicate "...that it intends to ensure that such an increase in need will be met" (s.s.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 s.3). The capital program contained herein reflects the Village's approved and proposed capital budgets and master servicing/needs studies.

4.4 Treatment of Credits

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

The Village currently has no outstanding credit obligations.

4.5 Eligible Debt and Committed Excess Capacity

Section 66 of the D.C.A., 1997 states that for the purposes of developing a development charge by-law, a debt incurred with respect to an eligible service may be included as a capital cost, subject to any limitations or reductions in the Act. Similarly, s.18 of O.Reg.

82/98 indicates that debt with respect to an ineligible service may be included as a capital cost, subject to several restrictions.

In order for such costs to be eligible, two conditions must apply. First, they must have funded excess capacity which is able to meet service needs attributable to the anticipated development. Second, the excess capacity must be “committed,” that is, either before or at the time it was created, Council must have expressed a clear intention that it would be paid for by development charges or other similar charges. For example, this may have been done as part of previous development charge processes.

4.6 Existing Reserve Funds

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

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

There is no explicit requirement under the D.C.A. calculation method set out in s.s.5(1) to net the outstanding reserve fund balance as part of making the D.C. calculation; however, s.35 does restrict the way in which the funds are used in future.

The Village’s uncommitted Development Charge Reserve Funds balances, by service, as at December 31, 2015, are presented in Table 4-2 below. These balances have been applied against future spending requirements for all services.

Table 4-2
Village of Casselman
D.C. Reserve Funds Balances (as at December 31, 2015)

Service	Estimated Reserve Balances
Roads and Related Services	\$ 249,372
Fire Protection Services	\$ 129,928
Municipal Parking	\$ -
Parks and Recreation Services	\$ 28,707
Library Services	\$ 12,292
Administration Studies	\$ 26,362
Total	\$ 446,661

4.7 Deductions

The D.C.A., 1997 potentially requires that five deductions be made to the increase in the need for service. These relate to:

- the level of service ceiling;
- uncommitted excess capacity;
- benefit to existing development;
- anticipated grants, subsidies and other contributions; and
- a 10% reduction for certain services.

The requirements behind each of these reductions are addressed as follows:

4.7.1 Reduction Required by Level of Service Ceiling

This is designed to ensure that the increase in need included in 4.2 does "...not include an increase that would result in the level of service (for the additional development increment) exceeding the average level of the service provided in the Village over the 10-year period immediately preceding the preparation of the background study..." O.Reg. 82.98 (s.4) goes further to indicate that, "...both the quantity and quality of a service shall be taken into account in determining the level of service and the average level of service."

In many cases, this can be done by establishing a quantity measure in terms of units as floor area, land area or road length per capita, and a quality measure in terms of the average cost of providing such units based on replacement costs, engineering standards or recognized performance measurement systems, depending on circumstances. When the quantity and quality factor are multiplied together, they produce a measure of the level of service, which meets the requirements of the Act, i.e. cost per unit.

The average service level calculation sheets for each service component in the D.C. calculation are set out in Appendix B.

4.7.2 Reduction for Uncommitted Excess Capacity

Paragraph 5 of s.s.5(1) requires a deduction from the increase in the need for service attributable to the anticipated development that can be met using the Village's "excess capacity," other than excess capacity which is "committed" (discussed above in 4.6).

"Excess capacity" is undefined, but in this case must be able to meet some or all of the increase in need for service, in order to potentially represent a deduction. The deduction of uncommitted excess capacity from the future increase in the need for service, would normally occur as part of the conceptual planning and feasibility work associated with justifying and sizing new facilities, e.g. if a road widening to accommodate increased traffic is not required because sufficient excess capacity is

already available, then widening would not be included as an increase in need, in the first instance.

4.7.3 Reduction for Benefit to Existing Development

This step involves a further reduction to the need, by the extent to which such an increase in service would benefit existing development. The level of services cap in section 4.4 is related, but is not the identical requirement. Wastewater (sanitary), stormwater and water trunks are highly localized to growth areas and can be more readily allocated in this regard than other services such as roads which do not have a fixed service area.

Where existing development has an adequate service level which will not be tangibly increased by an increase in service, no benefit would appear to be involved. For example, where expanding existing library facilities simply replicates what existing residents are receiving, they receive very limited (or no) benefit as a result. On the other hand, where a clear existing service problem is to be remedied, a deduction should be made accordingly.

In the case of services such as recreation facilities, community parks, libraries, etc., the service is typically provided on a municipal-wide system basis. For example, facilities of the same type may provide different services (i.e. leisure pool vs. competitive pool), different programs (i.e. hockey vs. figure skating) and different time availability for the same service (i.e. leisure skating available on Wednesday in one arena and Thursday in another). As a result, residents will travel to different facilities to access the services they want at the times they wish to use them, and facility location generally does not correlate directly with residence location. Even where it does, displacing users from an existing facility to a new facility frees up capacity for use by others and generally results in only a very limited benefit to existing development. Further, where an increase in demand is not met for a number of years, a negative service impact to existing development is involved for a portion of the planning period.

4.7.4 Reduction for Anticipated Grants, Subsidies and Other Contributions

This step involves reducing the capital costs necessary to provide the increased services by capital grants, subsidies and other contributions made or anticipated by Council and in accordance with various rules such as the attribution between the share related to new vs. existing development O.Reg. 82.98, s.6. Where grant programs do not allow funds to be applied to growth-related capital needs, the proceeds can be applied to the non-growth share of the project exclusively. Moreover, Gas Tax

revenues are typically used to fund non-growth-related works or the non-growth share of D.C. projects, given that the contribution is not being made in respect of particular growth-related capital projects.

4.7.5 The 10% Reduction

Paragraph 8 of s.s.(1) of the D.C.A. requires that, “the capital costs must be reduced by 10 percent.” This paragraph does not apply to water supply services, wastewater services, stormwater drainage and control services, services related to a highway, police and fire protection services. The primary services that the 10% reduction does apply to include services such as parks and recreation, libraries, childcare/social services, ambulance, homes for the aged, health and transit.

The 10% is to be netted from the capital costs necessary to provide the increased services, once the other deductions have been made, as per the infrastructure cost sheets in Chapter 5.

5. Development Charge Eligible Cost Analysis by Service

This chapter outlines the basis for calculating development charge eligible costs for the development charges to be applied on a municipal-wide uniform basis. The required calculation process set out in s.5(1) paragraphs 2 to 8 in the D.C.A., 1997, and described in Chapter 4, was followed in determining D.C. eligible costs.

The nature of the capital projects and timing identified in this chapter reflects Council's current intention. However, over time, municipal projects and Council priorities change and, accordingly, Council's intentions may alter and different capital projects (and timing) may be required to meet the need for services required by new growth.

5.1 Service Levels and 20-Year Capital Costs for Municipal-wide D.C. Calculation

This section evaluates the development-related capital requirements for select services over the 20-year planning period (2016-2036). Each service component is evaluated on two format sheets: the average historical 10-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.

5.1.1 *Transportation Services*

The Village has a current inventory of 21 kilometres of arterial and collector roads and 12 kilometres of sidewalks. In addition, the Village has 310 street lights. This historical level of infrastructure investment equates to a level of service of \$12,981 per capita. When applied to the forecast population growth to 2036 (i.e. 1,406 population), a maximum D.C.-eligible cost of approximately \$18.25 million could be expected to meet the future increase in needs for service.

In addition to roads, the Village's public works department utilizes 9,664 square feet of facility space and operates a fleet consisting of six vehicles and equipment. In this regard, a historical average level of service of \$208 per capita has been provided, resulting in a D.C. eligible cap of approximately \$291,600.

The review of the Village's roads and related needs for the forecast period identified \$3.15 million in gross capital costs. These capital needs include various road projects as well as additional vehicles and equipment, and a 1-bay expansion at the public works

facility. Recognizing the benefit to existing development, approximately \$785,034 has been deducted, and a further \$297,232 has been deducted as post period benefit. Furthermore, an anticipated capital grant of \$90,732 has been applied against the La Fontaine Road Upgrade project. Approximately \$249,372 has been deducted for existing reserve fund balances, accounting for funds already secured towards these future needs. As a result, approximately \$1.73 million in capital needs has been included in the D.C. calculation.

The net growth-related costs for roads and related services have been allocated between future residential and non-residential development on the basis of incremental population to employment growth over the 20-year forecast period (i.e. 83% residential/ 17% non-residential).

5.1.2 Fire Protection Services

The Village currently has a single fire station, which provides 4,243 square feet of floor space. The fire department also has a current inventory of seven vehicles and provides various items of firefighter outfitting equipment and specialty equipment. In total, the inventory of fire protection assets provides an historical average level of service of approximately \$779 per capita. The historical level of investment in fire services provides for a D.C. eligible amount over the forecast period of approximately \$1.1 million.

Based on discussions with staff, the Village will require funds for a new, larger facility. The department will also require funds for an aerial truck with expanded service capacity and additional firefighter equipment. The gross capital cost estimates for these growth-related items total approximately \$3.28 million. In total, the growth-related capital costs for fire services over the forecast period are approximately \$693,000, after deductions of \$2.46 million and \$130,000 recognizing the benefit to existing development and existing reserve fund balance, respectively.

The allocation of net growth-related costs for fire protection services between residential and non-residential development is 83% residential and 17% non-residential, based on incremental population to employment growth over the 20-year forecast period.

5.2 Service Levels and 10-Year Capital Costs for Municipal-wide D.C. Calculation

This section evaluates the development-related capital requirements for select services over the 10-year planning period (2016-2026). Each service component is evaluated on two format sheets: the average historical 10-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.

5.2.1 Municipal Parking Services

The Village provides approximately 87 municipal parking spaces at the train station and centre core. The Village’s level of service over the historical 10-year period averaged \$67 per capita. As a result, the maximum D.C. eligible amount for municipal parking services over the 10-year forecast period is \$42,221 based on the established level of service standards.

Through discussions with Village staff it was determined that no additional parking spaces will be required over the 10-year forecast period. As such, the Village will no longer require a D.C. for this service.

5.2.2 Parks and Recreation Services

The Village currently maintains nine parks within its jurisdiction. Furthermore, the Village provides a variety of amenities (such as ball diamonds, tennis courts, playgrounds, pavilions, and splash pads) in its parks and operates 47,048 square feet of indoor recreation facility space. Furthermore, the Village maintains one pick-up truck, a Zamboni, and a tractor in providing parks and recreation services to the public. The Village’s level of service over the historical 10-year period averaged \$1,346 per capita. In total, the maximum D.C. eligible amount for parks and recreation services over the 10-year forecast period is \$852,069 based on the established level of service standards.

The 10-year capital needs for parks and recreation services to accommodate growth have a total gross capital cost of \$160,792. These capital needs include playground equipment and pavilion at Richelieu Park, acquisition of a gymnasium at Séfa school, and equipment for the gymnasium. The identified projects are deemed to be required strictly as a result of population growth in the community and, as such, no benefit-to-existing deduction has been made. The statutory 10% deduction applicable for parks and recreation services totals \$16,079 and a further \$28,707 has been deducted in

recognition of existing reserve fund balances resulting in net growth-related capital costs for inclusion in the calculation of \$116,006.

As the predominant users of parks and recreation services tend to be residents of the Village, the forecast growth-related costs have been allocated 95% to residential and 5% to non-residential.

5.2.3 Library Services

The Village provides library services to its residents through a single branch located at 764 Brebeuf St., where library services and collection materials can be accessed. The Village's level of service over the historical 10-year period averaged \$194 per capita. In total, the maximum D.C. eligible amount for library services over the 10-year forecast period is \$122,967 based on the established level of service standards.

The gross capital cost included in the development charge calculation is \$92,526 over the 10 year forecast period, reflective of additional collection materials that will need to be acquired to maintain existing service levels in light of a growing population. Deductions of \$9,253 for the required 10% deduction and \$12,292 for existing reserve fund balances have been applied. The resulting net capital cost of \$70,981 has been included in the calculation.

As the predominant users of library services tend to be residents of the Village, the forecast growth-related costs have been allocated 95% to residential and 5% to non-residential.

5.2.4 Administration Services (Growth-Related Studies)

The D.C.A. permits the inclusion of studies undertaken to facilitate the completion of the Village's capital works program. The Village has made provision for the inclusion of a new study undertaken to facilitate this D.C. process, as well as other studies which benefit growth, including hydraulic model updates for water and wastewater, various master plans (including roads, storm water management, fire services, and leisure services), an official plan update, zoning by-law update, and a traffic study for the Village core.

The cost of these projects totals approximately \$409,900 over the 10-year forecast period. Deductions of \$116,950 in recognition of the studies' benefits to the existing population and \$29,295 for the 10% statutory deduction have been applied. A further deduction of \$26,362 has been applied for existing reserve fund balances, resulting in the net growth-related capital costs included in the charge of \$237,293.

These costs have been allocated 82% residential and 18% non-residential based on the incremental growth in population to employment for the 10-year forecast period.

5.3 Annual Operating Costs and Asset Management Plan

5.3.1 Operating Cost Examination

As a requirement of the Development Charges Act, 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 development charge. As part of this analysis, it was deemed necessary to isolate the incremental operating expenditures directly associated with these capital projects, factor in cost savings attributable to economies of scale or cost sharing where applicable, and prorate the cost on a per unit basis (i.e. square foot of building space, per vehicle, etc.). This was undertaken through a review of the Village's 2014 Financial Information Return.

**Table 5-1
Operating Expenditure Impacts for Future Capital Expenditures**

SERVICE	NET GROWTH RELATED EXPENDITURES	ANNUAL OPERATING EXPENDITURES
1. Roads and Related Services	\$ 1,730,830	\$ 327,009
2. Fire Protection Services	\$ 692,936	\$ 111,786
3. Municipal Parking	\$ -	\$ -
4. Parks and Recreation Services	\$ 116,006	\$ 6,448
5. Library Services	\$ 70,981	\$ 31,391
6. Administration Services	\$ 237,293	\$ -

Table 5-1 depicts the annual operating impact resulting from the proposed gross capital projects at the time they are all in place. It is important to note that, while municipal program expenditures will increase with growth in population, the costs associated with the new infrastructure (i.e. facilities) would be delayed until the time these works are in place.

5.3.2 Asset Management Plan

The Village's 2014 Asset Management Plan (AMP) is contained in Appendix C. The Village's current AMP includes Roads, Water and Wastewater Services. The Plan

recommends an increase in annual capital funding for these services over the 10-year period to address the existing infrastructure deficits. For transportation services (including roads, street lighting, and maintenance of fleet and buildings), the Asset Management Plan identified an annual deficit of \$308,000. Based on the Village's current level of taxation and user fee revenue (excluding Environmental Services), the required increase represents 9% of current funding.

Table 5-2 summarizes the additional capital funding requirements for the growth-related capital needs to be funded from the D.C. by-law at full emplacement. Based on the annual lifecycle costs, the increase for roads and related services would be approximately \$156,096, and approximately \$74,289 for all other services. Based on forecast taxation and user fee revenues to 2036 (assuming no increase in tax rates or user fees) the additional annual lifecycle costs would not increase the amount of funding required beyond current AMP levels. Therefore, this higher level of lifecycle funding in the future would appear to be within sustainable levels.

Table 5-2
Village of Casselman
Annual Incremental Lifecycle Costs for D.C. Recoverable Capital Needs

Service	Incremental Capital Needs	Lifecycle Term (years)	Annual Lifecycle Costs	Village's AMP Infrastructure Deficit
<u>Fire Protection</u>				
Facilities	\$ 507,692	50	\$ 34,898	
Vehicles & Equipment	\$ 315,171	20	\$ 18,858	
Sub-total	\$ 822,864		\$ 53,756	n/a
<u>Roads & Related</u>				
Roads	\$ 1,613,402	20	\$ 133,510	
Facilities	\$ 71,800	50	\$ 4,935	
Vehicles & Equipment	\$ 295,000	20	\$ 17,651	
Sub-total	\$ 1,980,202		\$ 156,096	\$ 308,000
<u>Parks and Recreation</u>				
Facilities	\$ 83,502	50	\$ 5,740	
Vehicles & Equipment	\$ 77,290	20	\$ 4,625	
Sub-total	\$ 160,792		\$ 10,364	n/a
<u>Library</u>				
Collection Materials	\$ 92,526	10	\$ 10,169	
Sub-total	\$ 92,526		\$ 10,169	n/a
TOTAL	\$ 3,056,383		\$ 230,385	

6. Development Charge Calculation

Table 6-1 calculates the proposed development charge for roads and related services, and protection services to be imposed on anticipated development in the Village over the 20-year forecast period. Table 6-2 calculates the proposed development charges to be imposed on anticipated development in the Village over the 10-year planning horizon for all remaining services.

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, bachelor and 1 bedroom apartments, and other multiples). The non-residential development charge has been calculated on a per square foot of gross floor area basis for commercial, industrial and institutional development.

The D.C. eligible costs for each service component are provided in Chapter 5 for all municipal services, based on their proposed capital programs.

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible D.C. cost calculations 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) to calculate the charge.

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

Table 6-3 summarizes the calculated maximum development charges that could be imposed by Council by residential dwelling type and non-residential gross floor area. Table 6-4 compares the Village’s existing charges to the charges proposed herein, for single detached residential development and non-residential development. For single detached residential dwellings the calculated charge represents an increase of \$841 per unit or 21% higher than the current charge. For non-residential development the calculated charge would decrease by \$0.10 per square foot of gross floor area (or 4% of current rates).

**Table 6-1
Development Charge Calculation
Village-wide Services
2016-2036**

SERVICE	2016 \$ D.C. Eligible Cost		2016 \$ D.C. Eligible Cost	
	Residential	Non-Residential	SDU	per ft ²
1. Roads and Related Services	\$ 1,431,498	\$ 299,332	\$ 2,559	\$ 1.29
2. Fire Protection Services	\$ 573,099	\$ 119,837	\$ 1,024	\$ 0.51
Total D.C. Eligible Capital Cost	\$ 2,004,597	\$ 419,169		
20-year Gross Population/G.F.A. Growth (sq.ft.)	1,628	233,500		
Cost Per Capita/Non-residential G.F.A. (sq.ft.)	\$ 1,231	\$ 1.80		
<u>By Residential Unit Type</u>	<u>p.p.u</u>			
Single and Semi-Detached Dwelling	2.91	\$ 3,583		
Apartments - 2 Bedrooms +	1.73	\$ 2,130		
Apartments - Bachelor and 1 Bedroom	1.10	\$ 1,354		
Other Multiples	1.96	\$ 2,413		

**Table 6-2
Development Charge Calculation
Village-wide Services
2016-2026**

SERVICE	2016 \$ D.C. Eligible Cost		2016 \$ D.C. Eligible Cost	
	Residential	Non-Residential	SDU	per ft ²
3. Municipal Parking	\$ -	\$ -	\$ -	\$ -
4. Parks and Recreation Services	\$ 110,206	\$ 5,800	\$ 397	\$ 0.05
5. Library Services	\$ 67,432	\$ 3,549	\$ 243	\$ 0.03
6. Administration Studies	\$ 194,568	\$ 42,725	\$ 700	\$ 0.38
Total D.C. Eligible Capital Cost	\$ 372,206	\$ 52,074		
10-year Gross Population/G.F.A. Growth (sq.ft.)	808	113,500		
Cost Per Capita/Non-residential G.F.A. (sq.ft.)	\$ 461	\$ 0.46		
<u>By Residential Unit Type</u>	<u>p.p.u</u>			
Single and Semi-Detached Dwelling	2.91	\$ 1,340		
Apartments - 2 Bedrooms +	1.73	\$ 797		
Apartments - Bachelor and 1 Bedroom	1.10	\$ 507		
Other Multiples	1.96	\$ 903		

**Table 6-3
Schedule of Development Charges
Total All Services**

Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per ft ² of Gross Floor Area)
Municipal Wide Services:					
Roads and Related Services	\$ 2,559	\$ 1,521	\$ 967	\$ 1,724	\$ 1.29
Fire Protection Services	\$ 1,024	\$ 609	\$ 387	\$ 690	\$ 0.51
Municipal Parking	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation Services	\$ 397	\$ 236	\$ 150	\$ 267	\$ 0.05
Library Services	\$ 243	\$ 144	\$ 92	\$ 164	\$ 0.03
Administration Services	\$ 700	\$ 416	\$ 265	\$ 471	\$ 0.38
Total Municipal Wide Services	\$ 4,923	\$ 2,926	\$ 1,861	\$ 3,316	\$ 2.26

**Table 6-4
Comparison of Current and Calculated Development Charges**

Residential (Single Detached) Comparison

Service	Current	Calculated
Municipal Wide Services:		
Roads and Related Services	\$ 2,268	\$ 2,559
Fire Protection Services	\$ 1,007	\$ 1,024
Municipal Parking	\$ 107	\$ -
Parks and Recreation Services	\$ 172	\$ 397
Library Services	\$ 260	\$ 243
Administration Studies	\$ 268	\$ 700
Total Municipal Wide Services	\$ 4,082	\$ 4,923

Non-Residential (per ft².) Comparison

Service	Current	Calculated
Municipal Wide Services:		
Roads and Related Services	\$ 1.75	\$ 1.29
Fire Protection Services	\$ 0.30	\$ 0.51
Municipal Parking	\$ 0.08	\$ -
Parks and Recreation Services	\$ 0.01	\$ 0.05
Library Services	\$ 0.02	\$ 0.03
Administration Studies	\$ 0.20	\$ 0.38
Total Municipal Wide Services	\$ 2.36	\$ 2.26

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

This chapter outlines the development charge policy recommendations and by-law rules. The rules provided are based on the Village's existing policies; however, there are items under consideration at this time and these may be refined prior to adoption of the by-law.

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

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

Paragraph 10 of subsection 5(1) goes on to state that the rules may provide for exemptions, phasing in and/or indexing of development charges.

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

- the total of all development charges that would be imposed on anticipated development must not exceed the capital costs determined under 5(1) 2-8 for all services involved;
- if the rules expressly identify a type of development, they must not provide for it to pay development charges that exceed the capital costs that arise from the increase in the need for service for that type of development; however, this requirement does not relate to any particular development;
- if the rules provide for a type of development to have a lower development charge than is allowed, the rules for determining development charges may not provide for any resulting shortfall to be made up via other development; and
- with respect to “the rules,” subsection 6 states that a D.C. by-law must expressly address the matters referred to above re s.s.5(1) para. 9 and 10, as well as how the rules apply to the redevelopment of land.

7.1 Development Charge By-law Structure

It is recommended that:

- the Village impose a uniform municipal-wide development charge calculation for all municipal services; and

- one municipal development charge by-law be used for all services.

The use of area-specific charges and by-laws was considered as part of this process. However, given the location of anticipated development and the increase in needs, it was determined that maintaining the current Village-wide uniform charges is appropriate.

7.2 Development Charge By-law Rules

The following sets out the recommended rules governing the calculation, payment and collection of development charges in accordance with subsection 6 of the Development Charges Act, 1997.

It is recommended that the following provides the basis for the development charges:

7.2.1 Payment in any Particular Case

In accordance with the Development Charges Act, 1997, s.2(2), a development charge be calculated, payable and collected where the development requires one or more of the following:

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

7.2.2 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 decade. Costs allocated to non-residential uses will be assigned to industrial and commercial/institutional uses based on the gross floor area constructed.
- 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 in Chapter 5 herein.

7.2.3 Application to Redevelopment of Land (Demolition and Conversion)

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

- 1) the number of dwelling units demolished/converted multiplied by the applicable residential development charge in place at the time the development charge is payable; and/or
- 2) the gross floor area of the building demolished/converted multiplied by the current non-residential development charge in place at the time the development charge 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 60 months (5 years) prior to the issuance of a building permit. The credit can, in no case, exceed the amount of development charges that would otherwise be payable.

7.2.4 Exemptions (full or partial)

- a) Statutory exemptions
 - Industrial building additions of up to and including 50% of the existing gross floor area (defined in O.Reg. 82/98, s.1) of the building; for industrial building additions which exceed 50% of the existing gross floor area, only the portion of the addition in excess of 50% is subject to development charges (s.4(3));
 - Buildings or structures owned by and used for the purposes of any Village, local board or Board of Education (s.3); and

- Residential development that results in only the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units (based on prescribed limits set out in s.2 of O.Reg. 82/98).

b) Non-statutory exemptions

- The development of a non-residential farm building used for bona fide farm uses;
- A cemetery and burial ground exempt from taxation under section 3 of the Assessment Act; and
- Development creating or adding an accessory use or structure not exceeding 10 square metres of non-residential gross floor area.

7.2.5 Phase in Provision(s)

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

7.2.6 Timing of Collection

The development charges for all 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 Village and an owner under s.27 of the D.C.A., 1997.

7.2.7 Indexing

All development charges will be subject to mandatory indexing annually on the anniversary date of the by-law, in accordance with provisions under the Development Charges Act.

7.3 Other Development Charge By-law Provisions

7.3.1 Categories of Services for Reserve Fund and Credit Purposes

It is recommended that the Village's development charge collections be contributed into five (5) separate reserve funds, including: Transportation (Roads and Related); Fire Protection, Parks and Recreation; Library; and Administration.

7.3.2 By-law In-force Date

The proposed by-law under D.C.A., 1997 will come into force on the date of by-law passage.

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

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

7.4 Other Recommendations

It is recommended that Council:

“Approve the capital project listing set out in Chapter 5 of the Development Charges Background Study dated April 14, 2016, subject to further annual review during the capital budget process;”

“Approve the Development Charges Background Study dated April 14, 2016;”

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

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

8. By-law Implementation

8.1 Public Consultation

This chapter addresses the mandatory, formal public consultation process (subsection 8.1.2), as well as the optional, informal consultation process (subsection 8.1.3). The latter is designed to seek the co-operation and involvement of those involved, in order to produce the most suitable policy. Section 8.2 addresses the anticipated impact of the development charge on development, from a generic viewpoint.

8.1.1 Public Meeting of Council

Section 12 of the DCA, 1997 indicates that before passing a development charge by-law, the background study must be made available on the municipality's website 60-days prior to the passage of the by-law. Also, Council must hold at least one public meeting, giving at least 20 clear days' notice thereof, in accordance with the Regulation. Council must also ensure that the proposed by-law and background report are made available to the public at least two weeks prior to the (first) public meeting.

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

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

8.1.2 Other Consultation Activity

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

1. The residential development community, consisting of land developers and builders, who are typically responsible for generating the majority of the development charge revenues. Others, such as realtors, are directly impacted by development charge policy. They are, therefore, potentially interested in all aspects of the charge, particularly the quantum by unit type, projects to be

funded by the D.C. and the timing thereof, and municipal policy with respect to development agreements, D.C. credits and front-ending requirements.

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

8.2 Anticipated Impact of the Charge on Development

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

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

8.3 Implementation Requirements

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

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

The following provides an overview of the requirements in each case.

8.3.1 Notice of Passage

In accordance with s.13 of the D.C.A., when a D.C. by-law is passed, the municipal clerk shall give written notice of the passing and of the last day for appealing the by-law (the day that is 40 days after the day it was passed). Such notice must be given not later than 20 days after the day the by-law is passed (i.e. as of the day of newspaper publication or the mailing of the notice).

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

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

8.3.2 By-law Pamphlet

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

- a description of the general purpose of the development charges;
- the "rules" for determining if a charge is payable in a particular case and for determining the amount of the charge;
- the services to which the development charges relate; and
- a general description of the general purpose of the Treasurer's statement and where it may be received by the public.

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

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

8.3.3 Appeals

Sections 13 to 19 of the D.C.A., 1997 set out requirements relative to making and processing a D.C. by-law appeal and an O.M.B. Hearing in response to an appeal. Any person or organization may appeal a D.C. by-law to the O.M.B. by filing a notice of appeal with the municipal clerk, setting out the objection to the by-law and the reasons supporting the objection. This must be done by the last day for appealing the by-law, which is 40 days after the by-law is passed.

8.3.4 Complaints

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

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

Sections 20 to 25 of the D.C.A., 1997 set out the requirements that exist, including the fact that a complaint may not be made later than 90 days after a D.C. (or any part of it) is payable. A complainant may appeal the decision of Municipal Council to the O.M.B.

8.3.5 Credits

Sections 38 to 41 of the D.C.A., 1997 set out a number of credit requirements, which apply where a Village agrees to allow a person to perform work in the future that relates to a service in the D.C. by-law.

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

8.3.6 Front-Ending Agreements

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

Part III of the D.C.A., 1997 (Sections 44 to 58) addresses front-ending agreements and removes some of the obstacles to their use which were contained in the D.C.A., 1989. Accordingly, the Village assesses whether this mechanism is appropriate for its use, as part of funding projects prior to municipal funds being available.

8.3.7 Severance and Subdivision Agreement Conditions

Section 59 of the D.C.A., 1997 prevents a Village from imposing directly or indirectly, a charge related to development or a requirement to construct a service related to development, by way of a condition or agreement under s.51 or s.53 of the Planning Act, except for:

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

It is also noted that s.s.59(4) of the D.C.A., 1997 requires that the municipal approval authority for a draft plan of subdivision under s.s.51(31) of the Planning Act, use its power to impose conditions to ensure that the first purchaser of newly subdivided land is informed of all the development charges related to the development, at the time the land is transferred.

In this regard, if the municipality in question is a commenting agency, in order to comply with subsection 59(4) of the Development Charges Act, 1997 it would need to provide to the approval authority, information regarding the applicable municipal development charges related to the site.

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

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

9. Northwest Quadrant Capital Charge Calculation

9.1 Introduction

The Municipal Act, 2001, came into force January 1, 2003. Part XII Fees and Charges, gives municipalities the statutory authority to recover the costs of services, including capital costs, through by-law. Municipalities have used these types of charges to recover infrastructure costs associated with the extension of municipal services to private service users, to recover capital improvement costs from existing developments, and to recover growth-related costs of service extension. These by-laws are typically used where development charges would not be applicable (e.g. recovery from existing developments) or where existing and growth-related cost recovery would be simplified under the administration of one by-law.

The following subsections provide reference to the relevant statutory provisions of the Municipal Act and associated regulation.

9.1.1 *Municipal Act – Part XII*

“By-laws re: fees and charges

391. (1) Without limiting sections 9, 10 and 11, those sections authorize a municipality to impose fees or charges on persons,
- (a) for services or activities provided or done by or on behalf of it;
 - (b) for costs payable by it for services or activities provided or done by or on behalf of any other municipality or any local board; and
 - (c) for the use of its property including property under its control.

Local board

- (1.1) A local board may impose fees or charges on persons,
- (a) for services or activities provided or done by or on behalf of it;
 - (b) for costs payable by it for services or activities provided or done by or on behalf of any municipality or other local board; and
 - (c) for the use of its property including property under its control.

Deferred benefit

- (2) A fee or charge imposed for capital costs related to services or activities may be imposed on persons not receiving an immediate benefit from the services or activities but who will receive a benefit at some later point in time.

Costs related to administration, etc.

- (3) The costs included in a fee or charge may include costs incurred by the municipality or local board related to administration, enforcement and the establishment, acquisition and replacement of capital assets.”

The above referenced sections of the Municipal Act indicate that it is permissible for municipalities to impose charges for the recovery of capital costs associated with services that are provided either directly or on its behalf. These capital costs can include costs associated with the initial establishment or acquisition of capital or for the replacement of existing capital assets. Moreover, the Act permits the imposition of capital charges on persons who receive an immediate benefit or a benefit at some later point (i.e. deferred benefit).

Section 391 of the Municipal Act does not define a methodology for calculating the fee or charge quantum, nor for determining its distribution among the benefiting landowners. As such, fees and charges may be determined at the reasonable discretion of Council following some general restrictions.

“Restriction, poll tax

393. No fee or charge by-law shall impose a poll tax or similar fee or charge, including a fee or charge which is imposed on an individual by reason only of his or her presence or residence in the municipality or part of it.

Restriction, fees and charges

394. (1) No fee or charge by-law shall impose a fee or charge that is based on, is in respect of or is computed by reference to,
- (a) the income of a person, however it is earned or received, except that a municipality or local board may exempt, in whole or in part, any class of persons from all or part of a fee or charge on the basis of inability to pay;
 - (b) the use, purchase or consumption by a person of property other than property belonging to or under the control of the municipality or local board that passes the by-law;
 - (c) the use, consumption or purchase by a person of a service other than a service provided or performed by or on behalf of

- or paid for by the municipality or local board that passes the by-law;
- (d) the benefit received by a person from a service other than a service provided or performed by or on behalf of or paid for by the municipality or local board that passes the by-law; or
 - (e) the generation, exploitation, extraction, harvesting, processing, renewal or transportation of natural resources.”

There are no public process requirements under Part XII for adopting a charge by-law (although it is a prudent process recommendation). Part XII charges cannot be appealed to the O.M.B. on the grounds that the fees or charges are unfair or unjust. However they may be challenged in court on the basis that the municipality is not operating within its statutory authority.

9.1.2 Ontario Regulation 584/06

Ontario Regulation 584/06 governs the fees and charges provision of the Municipal Act. The fees and charges regulation was revised in 2006 by the Municipal Statute Law Amendment Act. The regulation in its present form is less prescriptive than its predecessor. The previous regulation (i.e. O.Reg. 244/02) limited by-laws for water and waste services to a 1-year period, required public process notification and meetings to substantiate any charges and expressly limited any charges to the costs of service. Furthermore, the previous restrictions whereby a municipality did not have the power to impose fees or charges under Part XII of the Act relating to the allocation of sewage and water capacity have been removed. These changes to the fees and charges regulation provide municipalities with greater flexibility in determining its use.

It should be noted that in applying Section 391 of the Municipal Act for the recovery of capital costs a municipality must have regard for the associated regulation. Section 2(1) of the regulation indicates that a fee under the Act cannot be imposed to recover capital costs that are also included in a development charge or front-ending agreement which is in effect before the imposition of the fee. This clause is provided to avoid a duplication of fees and charges for the same works. As these costs are not included in the City’s D.C. By-laws and, based on our review, payments have not been made towards these costs under prior D.C. By-laws, no duplication in cost recovery exists.

“Capital costs

2. (1) A municipality and a local board do not have power under the Act to impose fees or charges to obtain revenue to pay capital costs, if as a result of development charges by-laws or front-ending agreements under the Development Charges Act, 1997 or a

predecessor of that Act that was passed or entered into before the imposition of the fees or charges, payments have been, will be or could be made to the municipality or local board to pay those costs.”

9.1.3 Ontario Regulation 581/06

Ontario Regulation 581/06 provides priority lien status for fees and charges imposed for certain services. Under this regulation, fees and charges imposed for the use of a sewage system may be added to the tax roll, as a debt to the municipality, and will have priority lien status. These powers allow the treasurer of the municipality to add fees and charges to the tax roll and collect them in the same manner as taxes. Priority lien status provides for the recovery of interest costs associated with the debt from the assessed owner at the time of the fee or charge being imposed or from a subsequent property owner, and may be included in the cancellation price.

“Certain public utility fees and charges

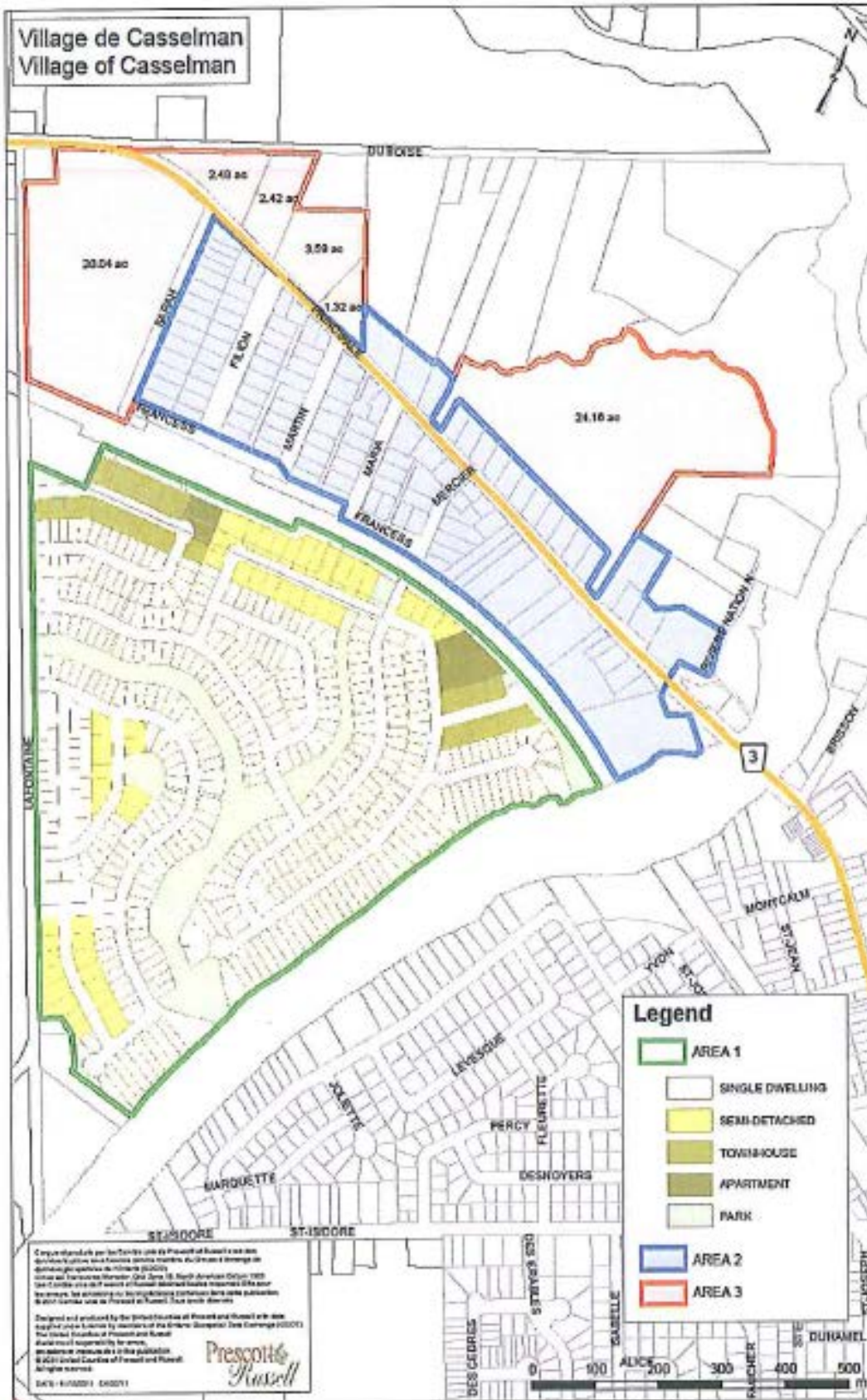
1. Fees and charges that are imposed by a municipality or local board under the Act for the following services and added to the tax roll under subsection 398(2) of the Act have priority lien status as described in section 1 of the Act:
 1. For the supply of water.
 2. For the supply of artificial or natural gas.
 3. For the supply of steam or hot water.
 4. For the use of a sewage system.
 5. For the use of a waste management system.”

9.2 Capital Needs

On January 25, 2012 the Village entered into a front ending agreement with Casselman Developments Ltd. (the Developer) for the construction and installation of a sanitary sewage system on the North West side of the South Nation River.

The agreement specifies that the Developer will install a new subarea pumping station and the extension of a forcemain to across the South Nation River connecting to an existing municipal pumping station and associated works in accordance with the Conceptual Design Brief prepared by J.L. Richards dated October 2011. These Services will ultimately be assumed as part of the Village’s sanitary sewage system, and will provide benefits to three distinct areas. Area 1 refers to the Developer’s lands, Area 2 contains existing developed properties, and Area 3 contains properties where future development is anticipated to occur. Map 9-1 illustrates the benefiting areas within the front ending agreement.

Map 9-1 Benefiting Areas



The cost estimate for the Northwest Quadrant pumping station and forcemain works is currently estimated at \$1.25 million (Areas 1, 2, and 3). Under the terms of the agreement, the Developer would install these works and would be reimbursed by Areas 2 and 3 for their respective shares. The proposed capital charges provided herein represent the mechanism for that recovery, in part.

Furthermore, additional servicing costs have been identified for Area 2, including a share of sewermain that will ultimately benefit Area 3. These additional servicing costs have been estimated at \$4.5 million.

9.3 Calculated Charges

The calculation of the capital charge for the defined Northwest Quadrant of the Village of Casselman has been developed utilizing capital cost information outlined in the Village of Casselman Northwest Quadrant Pumping Station and Forcemain Conceptual Design Brief prepared by J.L. Richards & Associates Limited, and updates provided by Village staff.

Costs pertaining to the Northwest Quadrant pumping station and forcemain works have been apportioned based on the relative share of population in each benefiting area. The additional servicing costs benefiting areas 2 and 3 have been apportioned one third to Area 3 and two thirds to Area 2, reflecting the shared cost of the sewermain between the two areas, and the additional internal services required for Area 2. It should be noted that Area 3 will have additional internal services to be constructed at the time of development and these would be recovered as local service conditions at that time. Furthermore, an OCIF grant in the amount of \$2 million is anticipated by the Village for these works and has been applied against the internal servicing costs in Area 2.

The tables below provide for the detailed capital charge calculation.

Northwest Quadrant Pumping Station & Forcemain

Area	Description	Population	Population Share	Cost Share
Area 1	Casselman Developments	1,983	60%	\$ 753,039
Area 2	Existing	384	12%	\$ 145,899
Area 3	Future Growth	924	28%	\$ 351,061
Total		3,292	100%	\$ 1,250,000

Area 2 and 3 Local Servicing

	Area 2	Area 3	Total
Local Servicing Costs	\$ 3,000,000	\$ 1,500,000	\$ 4,500,000
OCIF Grant	\$ (2,000,000)	\$ -	\$ (2,000,000)
Net Local Servicing Costs	\$ 1,000,000	\$ 1,500,000	\$ 2,500,000

Capital Charge Calculation

Area	Total Costs	Units (SDU Equivalents)	Capital Charge per Unit	Annual Capital Charge (20 year term)
Area 1	\$ 753,039		Front-Ended	
Area 2	\$ 1,145,899	113	\$ 10,141	\$ 814
Area 3	\$ 1,851,061	272	\$ 6,808	\$ 546

The total cost share pertaining to Area 1 is \$753,039 which was front-ended by Casselman Developments Ltd. as per the aforementioned front ending agreement. The cost share pertaining to Area 2 (existing properties) is approximately \$1.15 million and the resultant capital charge is \$10,141 per single detached equivalent. The cost share pertaining to Area 3 (future growth area) is approximately \$1.85 million and the resultant capital charge is \$6,808 per single detached equivalent. Furthermore, to provide greater flexibility in recovering the capital charges from properties in Areas 2 and 3, an annual installment payment option has been calculated. These annual installment payments would be \$814 and \$546 for Areas 2 and 3, respectively, and would be paid over a period of 20 years.

9.4 Municipal Act Charge By-law Policy Recommendations

The following recommendations are provided for Council's consideration.

It is recommended that the costs associated with the Northwest Quadrant Pumping Station and Forcemain as well as additional servicing costs be recovered from Areas 2 and 3 using a by-law passed under the authority of Section 391 of the *Municipal Act*. Moreover, it is recommended that the Municipal Act charges presented in Section 9.3 be updated to reflect actual capital costs before the Municipal Act charge by-law is imposed. The charges per single detached equivalent unit are to be implemented

through the by-law and levied on each benefiting owner, based on the existing lots in Area 2 and anticipated development for each parcel in Area 3.

There are a number of options available to the Village in administering the Municipal Act Charge. These options are presented below for Council's consideration:

- Collecting the total charge at the time of system connection;
- Collecting the total charge immediately from benefiting land owners at the time of project completion, regardless of connection status;
- Collecting the Municipal Act Charge from new development (i.e. severance or subdivision) at the time of planning approval; and
- Collecting the total charge in annual instalments over a defined period (e.g. 20-years).

Two payment options are recommended for imposing the charges on the benefiting landowners:

1. Commuted Charge – Within a specified period from project completion, the landowner would apply to pay the total charge (i.e. \$10,141 per unit in Area 2 and \$6,808 per unit in Area 3)
2. 20-Year Instalment Charge – Where the commuted charge option is not elected, an annual charge will be imposed on the benefiting landowners. For landowners electing to pay the charges on an instalment basis, including interest (i.e. \$814 per unit in Area 2 and \$546 per unit in Area 3).

For purposes of illustrating the 20-year instalment charge (i.e. annual capital charge) a 5% interest rate has been assumed.

Under the instalment charge option:

- Benefiting landowners would be allowed to commute the annual charge at any time during the term, with the sum of the remaining annual charges discounted at a rate to be established in the by-law (i.e. the difference in the interest rate of the debt incurred and the Village's investment rate);
- If within the benefiting lands a part or parcel of land is created the annual charges for the new part, parcel or lot being created will be commuted and full payment required. The amount of the total charge to be commuted will be calculated based on the proportion of the new land area being created and the total land area of the parcel identified in the by-law.

Appendix A – Background Information on Residential and Non-residential Growth Forecast

Appendix A – Background Information on Residential and Non-residential Growth Forecast

The following appendix contains the tables outlining the detailed growth forecast calculations as follows:

- Page A-3 Residential Growth Forecast Summary and Annual Housing Forecast
- Page A-4 Current Year Growth Forecast
- Page A-5 Ten Year Growth Forecast
- Page A-6 Twenty Year Growth Forecast
- Page A-7 Summary of Units in the Development Process
- Page A-8 Historical Residential Building Permits
- Page A-9 Persons Per Unit by Age and Type of Dwelling (United Counties of Prescott and Russell)
- Page A-10 Graphical Presentations of Persons Per Unit by Age and Type of Dwelling
- Page A-11 Employment Forecast, 2016 to 2036
- Page A-12 Employment & Gross Floor Area (G.F.A.) Forecast, 2016 to 2036
- Page A-13 Non-residential Construction Value, Years 2002-2015
- Page A-14 Employment to Population Ratio by Major Employment Sector, 2001 to 2011

Appendix B – Level of Service

Appendix B – Level of Service

The following appendix contains the tables outlining the detailed service standard calculations as follows:

- Page B-3 Roads
- Page B-4 Public Works Facilities
- Page B-5 Public Works Vehicles and Equipment
- Page B-6 Fire Facilities
- Page B-7 Fire Vehicles
- Page B-8 Fire Small Equipment and Gear
- Page B-9 Parkland Amenities
- Page B-10 Indoor Recreation Facilities
- Page B-11 Recreation Vehicles and Equipment
- Page B-12 Library Facilities
- Page B-13 Library Collection Materials

Appendix C – Asset Management Plan

The Village of Casselman Asset Management Plan is provided under separate cover.

Appendix D – Proposed Development Charge By-law

Appendix D – Proposed Development Charge By-law

The Corporation of the Village of Casselman

By-Law No. 2016-____

Being a By-law With Respect to Development Charges

WHEREAS the Village of Casselman will experience growth through development and re-development;

AND WHEREAS development and re-development requires the provision of physical and social services by the Village of Casselman;

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

AND WHEREAS the Development Charges Act, 1997 (the “Act”) provides that the Council of a Village may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services;

AND WHEREAS a development charge background study has been completed in accordance with the Act;

AND WHEREAS the Council of The Corporation of the Village of Casselman has given notice of and held a public meeting on the 10th day of May, 2016 in accordance with the Act and the regulations thereto;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE Village OF CASSELMAN ENACTS AS FOLLOWS:

1. Interpretation

1.1 In this By-law the following items shall have the corresponding meanings:

“accessory use” means a use, including a building or structure, which is commonly incidental, subordinate and exclusively devoted to the main use or main building situated on the same lot;

“Act” means the Development Charges Act, 1997, as amended, or any successor thereof;

“apartment unit” means any residential unit within a building containing four or more dwelling units, all having a common entrance from the outside or a common hall or halls, but shall not include a townhouse or row dwellings;

“bedroom” means a habitable room which can be used as sleeping quarters, but does not include a bathroom, living room, dining room or kitchen;

“board of education” has the same meaning as set out in the Education Act, R.S.O. 1990, Chap. E.2, as amended, or any successor thereof;

“bona fide farm uses” means the proposed development that will qualify as a farm business operating with a valid Farm Business Registration Number issued by the Ontario Ministry of Agriculture, Food and Rural Affairs and be assessed in the Farmland Realty Tax Class by the Ontario Property Assessment Corporation;

“Building Code Act” means the Building Code Act, S.O. 1992, as amended, or any successor thereof;

“capital cost” means costs incurred or proposed to be incurred by the Village or a local board thereof directly or by others on behalf of and as authorized by the Village or local board,

- (a) to acquire land or an interest in land, including a leasehold interest,
- (b) to improve land,
- (c) to acquire, lease, construct or improve buildings and structures,
- (d) to acquire, construct or improve facilities including,
 - (i) rolling stock with an estimated useful life of seven years or more,
 - (ii) furniture and equipment other than computer equipment,
 - (iii) material acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act, R.S.O. 1990, Chap. P.44, as amended, or any successor thereof;
- (e) to undertake studies in connection with any matter under the Act and any of the matters in clauses (a) to (d) above, including the development charge background study required for the provision of services designated in this By-law within or outside the Village, including interest on borrowing for those expenditures under clauses (a) to (e) above that are growth-related; and

- (f) for interest on money borrowed to pay for costs described in clauses (a) to (d) above;

“commercial” means any use of land, structures or buildings for the purposes of buying, renting or selling commodities and services, but does not include industrial or agricultural uses, but does include hotels, motels, motor inns and boarding, lodging and rooming houses;

“Council” means the Council of the Village of Casselman;

“Demolition permit” means a permit allowing demolition as required by the Building Code Act;

“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 increases the size of, usability thereof, or change of use thereof, and includes redevelopment;

“development charge” means a charge imposed with respect to this By-law;

“dwelling unit” means a room or rooms located within a building or structure which are occupied or designed or intended to be occupied by one or more persons as a single housekeeping unit and for which a separate private entrance (from outdoors or a common hallway), bathroom and kitchen facilities are provided; but does not mean or include tent, trailer, or a room or a suite of rooms in a boarding house, hotel, motel, motor home or tourist home;

“existing” means the number, use and size that existed as of the date this by-law was passed;

“farm building” means that part of a bona fide farming operation encompassing barns, silos and other ancillary development to an agricultural use, but excludes residential uses;

“gross floor area” means:

- (a) in the case of a residential building or structure, 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 any other dwelling unit or other portion of a building; and

- (b) in the case of a non-residential building or structure, or in the case of a mixed-use building or structure in respect of the non-residential 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 non-residential use and a residential use, except for:
- (i) a room or enclosed area within the building or structure above or below that is used exclusively for the accommodation of heating, cooling, ventilating, electrical, mechanical or telecommunications equipment that service the building;
 - (ii) loading facilities above or below grade; and
 - (iii) a part of the building or structure below grade that is used for the parking of motor vehicles or for storage or other accessory use;

“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 and the supplying of personal services or as otherwise defined in the zoning by-law;

“institutional” means land, buildings, structures or any part thereof used by any organization, group or association for promotion of charitable, educational or benevolent objectives and not for profit or gain;

“Local Board” means a school board, municipal service board, transportation commission, public library board, board of health, police services board, 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 a Village or of two or more municipalities or parts thereof;

“local services” means those services, facilities or things which are under the jurisdiction of the Village of Casselman and are related to a plan of subdivision or within the area to which the plan relates in respect of the lands under Sections 41, 51 or 53 of the Planning Act, R.S.O. 1990, Chap. P.13, as amended, or any successor thereof;

“multiple dwellings” means all dwellings other than single detached, semi-detached and apartment unit dwellings;

“municipality” means the Corporation of the Village of Casselman;

“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;

“Official Plan” means the Official Plan adopted by the Village, as amended and approved;

“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;

“place of worship” means that part of a building or structure that is exempt from taxation as a place of worship under the Assessment Act, R.S.O. 1990, Chap. A.31, as amended, or any successor thereof;

“Rate” means the interest rate established weekly by the Bank of Canada based on Treasury Bills having a term of 91 days;

“regulation” means any regulation made pursuant to the Act;

“Residential Dwelling” means a building, occupied or capable of being occupied as a home, residence or sleeping place by one or more persons, containing one or more dwelling units but not including motels, hotels, tents, truck campers, tourist trailers, mobile camper trailers, or boarding, lodging or rooming houses;

“Residential use” means the use of a building or structure or portion thereof for one or more dwelling units; this also includes a dwelling unit on land that is used for an agricultural use;

“row 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;

“semi-detached dwelling” means a dwelling unit in a residential building consisting of two dwelling units having one vertical wall or one horizontal wall, but not other parts, attached or another dwelling unit where the residential units are not connected by an interior corridor;

“service” means a service designed in Schedule “A” to this By-law, and “services” shall have a corresponding meaning;

“servicing agreement” means an agreement between a landowner and the municipality relative to the provision of municipal services to specified land within the municipality;

“single detached dwelling unit” means a residential building consisting of one dwelling unit and not attached to another structure;

“Village” means the area within the geographic limits of the Village of Casselman; and

“Zoning By-Law” means the Zoning By-Law of the Village of Casselman or any successor thereof passed pursuant to Section 34 of the Planning Act, S.O. 1998.

2. Designation of Services

2.1 The categories of services for which development charges are imposed under this By-law are as follows:

- (a) Roads and Related Services;
- (b) Fire Protection Services;
- (c) Parks and Recreation Services;
- (d) Library Services; and
- (e) Administration Services.

2.2 The components of the services designated in Section 2.1 are described in Schedule A.

3. Application of By-law Rules

3.1 Development charges shall be payable in the amounts set out in this By-law where:

- (a) the lands are located in the area described in Section 3.2; and
- (b) the development of the lands requires any of the approvals set out in subsection 3.4(a).

Area to Which By-law Applies

3.2 Subject to Section 3.3, this By-law applies to all lands in the Village of Casselman whether or not the land or use thereof is exempt from taxation under s.13 of the Assessment Act.

3.3 Notwithstanding clause 3.2 above, this By-law shall not apply to lands that are owned by and used for the purposes of:

- (a) the municipality or a local board thereof; or
- (b) a board of education as defined in Section 1(1) of the Education Act.

Approvals for Development

- 3.4 (a) Development charges shall be imposed on all lands, buildings or structures that are developed for residential or non-residential uses if the development requires:
- (i) the passing of a zoning by-law or of an amendment to a zoning by-law under Section 34 of the Planning Act;
 - (ii) the approval of a minor variance under Section 45 of the Planning Act;
 - (iii) a conveyance of land to which a by-law passed under subsection 50(7) of the Planning Act applies;
 - (iv) the approval of a plan of subdivision under Section 51 of the Planning Act;
 - (v) a consent under Section 53 of the Planning Act;
 - (vi) the approval of a description under Section 50 of the Condominium Act, R.S.O. 1990, Chap. C.26, as amended, or any successor thereof; or
 - (vii) the issuing of a permit under the Building Code Act in relation to a building or structure.
- (b) No more than one development charge for each service designated in Section 2.1 shall be imposed upon any lands, buildings or structures to which this By-law applies, even though two or more of the actions described in subsection 3.4(a) are required before the lands, buildings or structures can be developed.
- (c) Despite subsection 3.4(b), if two or more of the actions described in subsection 3.4(a) occur at different times, additional development charges shall be imposed if the subsequent action has the effect of increasing the need for services.

Exemptions

3.5 Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to:

- (a) an enlargement to a dwelling unit;
 - (b) one or two additional dwelling units in an existing single detached dwelling; or
 - (c) one additional dwelling unit in any other existing residential building.
- 3.6 Notwithstanding subsection 3.5(b), development charges shall be imposed if the total gross floor area of the additional one or two units exceeds the gross floor area of the existing dwelling unit.
- 3.7 Notwithstanding Section 3.5(c), 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.
- 3.8 **Exemption for Industrial Development:**
- (a) Notwithstanding any other provision of this By-law, no development charge is payable with respect to an enlargement of the gross floor area of an existing industrial building where the gross floor area is enlarged by 50 percent or less.
 - (b) If the gross floor area of an existing industrial building is enlarged by greater than 50 percent, the amount of the development charge payable 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 subsection 3.8(a)(i) by the amount of the enlargement.
 - (c) For the purpose of Section 3.8 herein, “existing industrial building” is used as defined in the Regulation made pursuant to the Act.
- 3.9 **Other Exemptions:**

Notwithstanding the provision of this By-law, development charges shall not be imposed with respect to:

- (a) The development of a non-residential farm building used for bona fide farm uses;
- (b) A cemetery and burial ground exempt from taxation under section 3 of the Assessment Act; and
- (c) Development creating or adding an accessory use or structure not exceeding 10 square metres of non-residential gross floor area.

Amount of Charges

Residential

3.10 The 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 non-residential use and, in the case of a mixed-use building or structure, on the residential uses in the mixed-use building or structure, according to the type of residential unit, and calculated with respect to each of the services according to the type of residential use.

Non-Residential

3.11 The 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, and calculated with respect to each of the services according to the total floor area of the non-residential use.

Reduction of Development Charges for Redevelopment

3.13 Despite any other provisions of this By-law, where, as a result of the redevelopment of land, a building or structure existing on the same land within 60 months (5 years) prior to the date of payment of development charges in regard to such redevelopment was or is to be demolished in whole or in part, or converted from one principal use to another principal use on the same land in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

- (a) in the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under subsection 3.10 by the number, according to type, of

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

- (b) in the case of a non-residential building or structure or, in the case of a mixed-use building or structure, the non-residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charges under Section 3.11, by the gross floor area 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.

Time of Payment of Development Charges

- 3.14 Development charges shall be calculated and payable in money or by provision of service as may be agreed upon, or by credit granted under the Act, on the date that the building permit is issued in relation to a building or structure on land to which the development charge applies.
- 3.15 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.
- 3.16 This shall not be deemed to limit the authority of the Council to enter into an agreement for payment of the development charges before or after the date of building permit issuance subject to Section 27 of the Development Charges Act, 1997.

4. Payment of Services

- 4.1 Despite the payment required under Sections 3.10 and 3.11, Council may, by agreement, give a credit towards a development charge in exchange for work that relates to a service to which a development charge relates under this By-law.

5. Indexing

- 5.1 Development charges imposed pursuant to this By-law shall be adjusted annually on the anniversary date of the By-law, without amendment to this By-law, in accordance with the prescribed index in the Act.

6. **Front-end Financing**

- 6.1 The Village may enter into front-end agreements with owners in accordance with the provisions of the Act.

7. **Accountability**

- 7.1 All monies paid pursuant to this By-law shall be maintained separately from all other revenues or receipts of the Village. The Treasurer of the Village shall establish separate reserve funds, pursuant to the categories of services designated in Section 2.1.
- 7.2 The Treasurer of the Village shall provide to the Council an annual financial statement related to this By-law and the development charge reserve funds established under Section 7.1 of this By-law. This annual statement shall be provided on a date directed by Council.
- 7.3 The Village shall pay interest on a refund under subsections 18(3), 18(5) and 25(2) or Section 36 of the Act at a rate equal to the Bank of Canada rate on the date this By-law comes into force, updated on the first business day of every January, April, July and October thereafter.

8. **Schedules**

- 8.1 The following schedules shall form part of this By-law:

Schedule A – Components of Services Designated in Section 2.1; and
Schedule B – Schedule of Development Charges.

9. **Conflicts**

- 9.1 Where the Village and an owner or former owner have entered into an agreement with respect to land within the area to which this By-law applies, and a conflict exists between the provisions of this By-law and such agreement, the provisions of the agreement shall prevail to the extent that there is a conflict.
- 9.2 Notwithstanding Section 9.1, where a development which is the subject of an agreement to which Section 9.1 applies, is subsequently the subject of one or more of the actions described in subsection 3.4(a), an additional development charge in respect of the development permitted by the action shall be calculated, payable and collected in accordance with the provisions of this By-law if the

development has the effect of increasing the need for services, unless such agreement provides otherwise.

10. **Severability**

10.1 If, for any reason, any provision of this By-law is held to be invalid, it is hereby declared to be the intention of Council that all the remainder of this By-law shall continue in full force and effect until repealed, re-enacted, amended or modified.

11. **Date By-law In Force**

11.1 This By-law shall come into effect at 12:01 AM on _____, 2016.

12. **Date By-law Expires**

12.1 This By-law will expire at 12:01 AM on _____, 2021 unless it is repealed by Council at an earlier date.

13. **Existing By-law Repealed**

13.1 By-law No. 2011-094 is hereby repealed upon the enforcement of this By-law.

PASSED THIS ___ day of _____, 2016

Mayor – Conrad Lamadeleine

Village Clerk – Marielle Dupuis

**Schedule “A”
To By-law 2016-____
Components of Services Designated in Section 2.1**

100% Eligible Services

Roads and related Services

Roads

Public Works Facilities

Public Works Vehicles and Equipment

Fire Protection Services

Fire Facilities

Fire Vehicles

Fire Small Equipment and Gear

90% Eligible Services

Parks and Recreation Services

Parkland Amenities

Recreation Facilities

Recreation Vehicles and Equipment

Library Services

Library Facilities

Library Collection Materials

Administration Services

Growth-related Studies

**Schedule “B”
To By-law 2016-____
Schedule of Development Charges**

Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per ft ² of Gross Floor Area)
Municipal Wide Services:					
Roads and Related Services	\$ 2,559	\$ 1,521	\$ 967	\$ 1,724	\$ 1.29
Fire Protection Services	\$ 1,024	\$ 609	\$ 387	\$ 690	\$ 0.51
Municipal Parking	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation Services	\$ 397	\$ 236	\$ 150	\$ 267	\$ 0.05
Library Services	\$ 243	\$ 144	\$ 92	\$ 164	\$ 0.03
Administration Services	\$ 700	\$ 416	\$ 265	\$ 471	\$ 0.38
Total Municipal Wide Services	\$ 4,923	\$ 2,926	\$ 1,861	\$ 3,316	\$ 2.26