



 **Watson
& Associates**
ECONOMISTS LTD.

Addendum # 1 to the June 28, 2019 Development Charges Background Study

Township of Cavan Monaghan

September 6, 2019

Watson & Associates Economists Ltd.
905-272-3600
info@watsonecon.ca



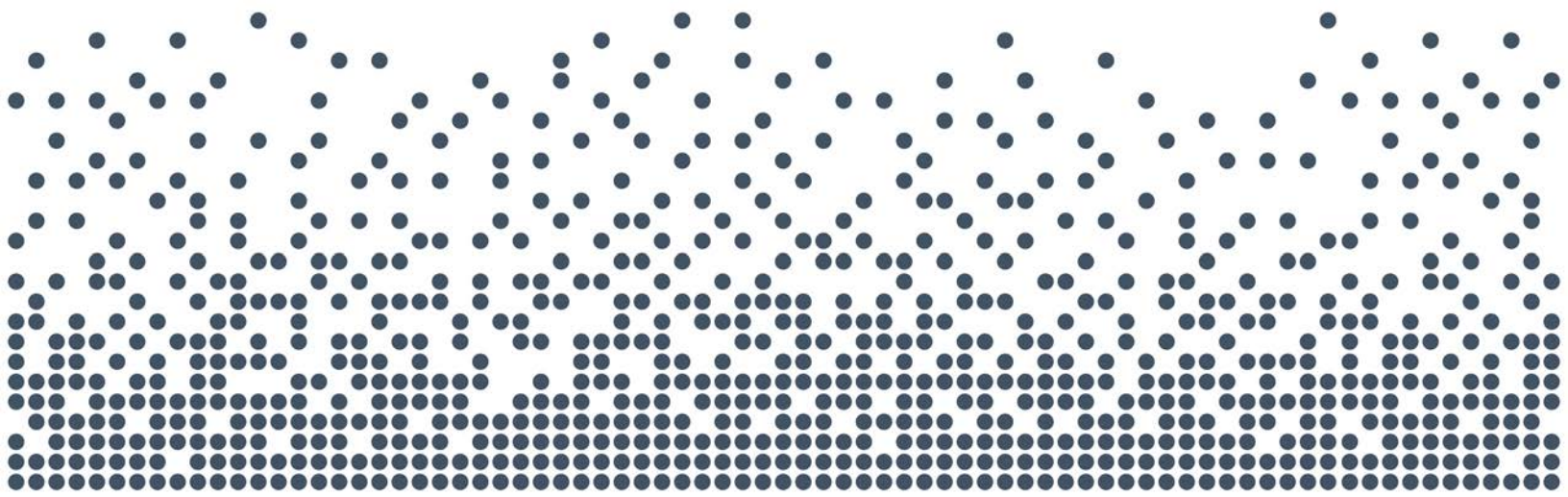
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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
A.M.P.	Asset management plan
CANSIM	Canadian Socio-Economic Information Management System (Statistics Canada)
D.C.	Development charge
D.C.A.	Development Charges Act, 1997, as amended
F.I.R.	Financial Information Return
G.F.A.	Gross floor area
L.P.A.T.	Local Planning Appeal Tribunal
M.O.E.C.P.	Ministry of the Environment, Conservation and Parks
N.F.P.O.W.	No Fixed Place of Work
O.M.B.	Ontario Municipal Board
O.P.A.	Official Plan Amendment
O.Reg.	Ontario Regulation
P.O.A.	Provincial Offences Act
P.P.U.	Persons per unit
S.D.E.	Single detached equivalent
S.D.U.	Single detached unit
S.W.M.	Stormwater management
sq.ft.	square foot
sq.m	square metre



Addendum Report to
the June 28, 2019
Development
Charges Background
Study



1. Background

Commensurate with the provisions of the Development Charges Act, 1997, as amended (D.C.A.), the Township has undertaken a Development Charges (D.C.) Background Study and released the study in accordance with the D.C.A. The following provides a summary of the key dates in the development charge by-law process:

- April to June 2019 - Meetings with Township staff, growth forecast development, and policy review
- June 17, 2019 – Preliminary Findings presentation to Council
- June 28, 2019 – Draft Background Study and By-law released to public
- August 6, 2019 – Public Meeting of Council
- September 3, 2019 – Council Meeting to present addendum calculations
- September 6, 2019 – Addendum Report released to public
- October 21, 2019 – Public Meeting #2/ By-law passage

Subsequent to comments received during the public meeting, some refinements have been made to the development charge calculations. These changes separate the water and wastewater capital projects between supply/treatment infrastructure vs. distribution/transmission (linear) infrastructure.

Additionally, it was noted that a number of projects and studies were missing from the calculations. These have been included as per this addendum report.

Further, it was noted that an exemption should be considered for non-profit organizations. As a result, this addendum report and the updated draft by-law include a definition of non-profit organizations as well as an exemption for these uses.

These refinements will form part of the D.C. background study provided prior to by-law adoption.

2. Discussion

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



2.1 Refinements to the Water and Wastewater Calculations

Based on comments at the public meeting it was discussed that most of the projects identified in the background study for water and wastewater related to linear infrastructure, however, the growth forecast utilized was based on the available capacity of the treatment plant (approximately 2,000 single-detached units). The linear capital projects identified only relate to the buildout of Millbrook based on the Official Plan. This growth is estimated to be approximately 1,100 single-detached units. The previous background study utilized this growth forecast. As a result, the treatment-related projects for wastewater have now been applied to the capacity buildout growth and the linear projects have now been applied to the vacant-supply buildout growth. All projects for water are related to linear infrastructure needs.

2.2 Addition of Missing Projects

A number of projects were missing from the capital project listing that was included in the background study. These projects are as follows:

- Studies required to service the potential development areas were also identified to be included in the amended calculations:
 - Water Servicing Studies Future Development Areas - \$100,000
 - Wastewater Servicing Studies Future Development Areas - \$150,000
 - Stormwater & Storm Sewer Studies Future Development Areas - \$160,000
- Additional linear infrastructure projects were identified to be included as follows:
 - Future Sanitary Pumping Station - Sewage \$1,100,000
 - Future Watermain Booster Pumping Station \$650,000
 - Future Trunk Sanitary Sewer Costs Including Oversizing \$620,000
 - Future Trunk Watermain Costs Including Oversizing \$450,000

Further, it was noted that the actual tender price for water project number 5 (Watermain Extension – Fallis Line across County Road 10) was \$32,000. This is slightly higher than the \$25,000 that was included in the background study. This has been updated as per this addendum report.



2.3 Addition of Exemptions and Definition for Non-profit Organizations

As a result of comments/discussions at the public meeting on August 6, 2019, it was requested that exemptions be provided for non-profit organizations and affordable housing. These exemptions have been incorporated in the revised draft by-law along with definitions for non-profit organizations and affordable housing. Council is also considering a possible reduction for the charges to be imposed on industrial development. An adjustment to the draft by-law has been made to accommodate this request.

2.4 Overall Changes in the D.C. Calculation

Based on the changes noted above, the calculated development charge (single/semi-detached unit) has increased from \$16,508 to \$18,557 per unit for the Millbrook area and from \$11,240 to \$11,445 per unit in the rest of the Township. The non-residential charge has increased from \$3.62 to \$4.92 per sq.ft. in the Millbrook area and from \$2.45 to \$2.53 per sq. ft. in the rest of the Township.

The above changes have been incorporated into the calculations. The summary below outlines the current charges vs. the charges as calculated in the June 28, 2019 D.C. Background Study and the charges calculated in this addendum report.



Residential (Single Detached) Comparison

Service	Current	Calculated June 28, 2019	Calculated Addendum
Township-wide Services:			
Services Related to a Highway	3,066	3,250	3,250
Fire Protection Services	958	1,487	1,487
Police Services	75	71	71
Indoor & Outdoor Recreation Services	4,836	5,291	5,292
Library Services	755	917	918
Administration Studies - Engineering-related	1,536	71	274
Administration Studies - Community Benefit-related		153	153
Total Township-wide Services	11,226	11,240	11,445
Millbrook Area-specific Services:			
Water Services	2,387	1,391	2,119
Wastewater Services - Treatment	6,466	3,877	2,901
Wastewater Services - Sewers			2,092
Total Millbrook Area-specific Services	8,853	5,268	7,112
Grand Total - Urban Area	20,079	16,508	18,557

Non-Residential (per sq.ft.) Comparison

Service	Current*	Calculated June 28, 2019	Calculated Addendum
Township-wide Services:*			
Services Related to a Highway	0.66	1.23	1.23
Fire Protection Services	0.26	0.56	0.56
Police Services	0.02	0.03	0.03
Indoor & Outdoor Recreation Services	0.25	0.46	0.46
Library Services	0.04	0.08	0.08
Administration Studies - Engineering-related	0.34	0.03	0.11
Administration Studies - Community Benefit-related		0.06	0.06
Total Township-wide Services	1.57	2.45	2.53
Millbrook Area-specific Services:			
Water Services	0.68	0.31	0.88
Wastewater Services - Treatment	1.84	0.86	0.65
Wastewater Services - Sewers			0.86
Total Millbrook Area-specific Services	2.52	1.17	2.39
Grand Total - Urban Area	4.09	3.62	4.92

*Note: Municipal-wide services for non-residential development discounted by 50% from the calculated amount

2.5 Changes to Background Report

Based on the above, the following revisions are made to the pages within the background study (new pages are appended to this report):



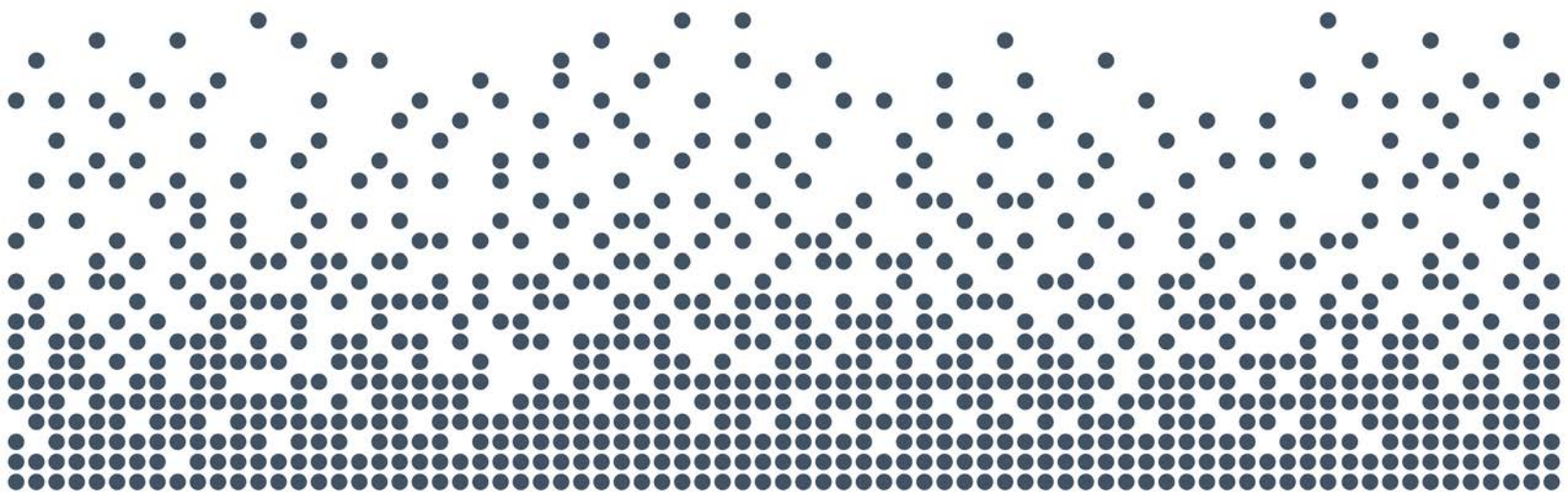
Page Reference	Description of Revisions
ES (ii)	Growth forecast summary changed to include the linear urban buildout
ES (iii)	Updated date for anticipated by-law passage, updated calculated development charges, and summary of costs to be incurred over the life of the by-law
ES (iv)	Updated summary of costs to be incurred over the life of the by-law
v	Updated Table ES-1
1-2	Updated Figure 1-1 to include the release of the addendum report and revised council meeting schedule
3-10	Additional write-up to describe the variation in the urban area growth forecast
5-7	Revised wording to include stormwater study required for future growth areas
5-8	Updated table for Administration Studies – Engineering-related capital project listing
5-18	Updated writeup for water capital costs to include additional study and water projects. Additionally, costs for the “Watermain extension -Fallis Line across County Road 10” project have been updated based on actual tender price.
5-19	Updated table for Water Services capital project listing
5-20	Updated writeup to separate capital costs between linear and treatment related. Also, added additionally study and wastewater projects.
5-21	Updated table for Wastewater Services capital to separate out linear vs. treatment costs
6-1 to 6-6	Updated writeup and tables to reflect changes to the calculations for water, wastewater, and administration services
7-4	Added non-profit organizations and affordable housing to list of non-statutory exemptions
7-8	Revised recommendation to include reference to September 6, 2019 addendum report
C-3	Updated Table C-1 to reflect revised calculations



F-4	Updated asset management summary amounts
F-5	Updated asset management summary table to reflect revised calculations
Appendix G	Revised Draft By-law

3. Process for Adoption of the Development Charges By-law

Sections 1 & 2 provide for a summary of the revisions to the Township's D.C. Background Study. If Council is satisfied with the above changes to the Background Study and based on the public submissions made at the public meeting, this addendum report will be considered for approval by Council along with the Background Study.



Amended Pages



- 5) Net costs are then allocated between residential and non-residential benefit; and
 - 6) Net costs divided by growth to provide the development charge.
3. A number of changes to the D.C. process need to be addressed as a result of the “*Smart Growth for our Communities Act, 2015*” (Bill 73). These changes have been incorporated throughout the report and in the updated draft by-law, as necessary. These items include:
- a. Area-rating: Council must consider the use of area-specific charges.
 - b. Asset Management Plan for New Infrastructure: The D.C. background study must include an asset management plan that deals with all assets proposed to be funded, in whole or in part, by D.C.s. The asset management plan must show that the assets are financially sustainable over their full lifecycle.
 - c. 60-day Circulation Period: The D.C. background study must be released to the public at least 60-days prior to passage of the D.C. by-law.
 - d. Timing of Collection of Development Charges: The D.C.A. now requires D.C.s to be collected at the time of the first building permit.
4. The growth forecast (Chapter 3) on which the Township-wide D.C. is based, projects the following population, housing and non-residential floor area for the 10-year (2019 to 2028), buildout (2019 to buildout), and urban buildout (2019 to urban buildout) periods.

Measure	10-year	Buildout	Urban Buildout Treatment	Urban Buildout Linear
	2019-2028	2019-Buildout	2019-Urban Buildout	2019-Urban Buildout
(Net) Population Increase	1,722	3,812	3,670	3,388
Residential Unit Increase	729	1,578	1,454	1,373
Non-Residential Gross Floor Area Increase (sq.ft.)	384,900	799,100	620,300	315,000

Source: Watson & Associates Economists Ltd. Forecast 2019



5. On June 22, 2015, the Township of Cavan Monaghan passed By-law 2015-38 under the D.C.A. The by-law imposes D.C.s on residential and non-residential uses. This by-law was amended on April 3, 2018 via By-law 2018-18 based on updated calculations in the January 31, 2018 Update Study. By-law 2015-38, as amended, will expire on June 22, 2020. The Township is undertaking a D.C. public process and anticipates passing a new by-law in advance of the expiry date. The mandatory public meeting has been set for August 6, 2019 with a second public meeting and adoption of the by-law scheduled for October 21, 2019.
6. The Township's D.C.s currently in effect are \$20,079 for single-detached dwelling units for full services. Non-residential charges are \$4.09 per square foot for full services. This report has undertaken a recalculation of the charge based on future identified needs (presented in Schedule ES-1 for residential and non-residential). Charges have been provided on a Township-wide basis for all services except water and wastewater. The corresponding single-detached unit charge is \$18,557. The non-residential charge is \$4.92 per square foot of building area. These rates are submitted to Council for its consideration.
7. The D.C.A. requires a summary be provided of the gross capital costs and the net costs to be recovered over the life of the by-law. This calculation is provided by service and is presented in Table 6-5. A summary of these costs is provided below:

Total gross expenditures planned over the next five years	\$ 31,339,815
Less:	
Benefit to existing development	\$ 14,262,693
Post planning period benefit	\$ 1,419,667
Ineligible re: Level of Service	\$ -
Mandatory 10% deduction for certain services	\$ 559,675
Grants, subsidies and other contributions	\$ 2,539,800
Net Costs to be recovered from development charges	\$ 12,557,980

This suggests that for the non-D.C. costs over the five-year D.C. by-law (benefit to existing development, mandatory 10% deduction, and the grants, subsidies and other contributions), \$18.78 million (or an annual amount of \$3.76 million) will need to be contributed from taxes and rates, or other sources. With respect to the post-period benefit amount of \$1.42 million, it will be included in



subsequent D.C. study updates to reflect the portion of capital that benefits growth outside of the forecast periods.

Based on the above table, the Township plans to spend \$31.34 million over the next five years, of which \$12.56 million (40%) is recoverable from D.C.s. Of this net amount, \$11.07 million is recoverable from residential development and \$1.49 million from non-residential development. It is noted also that any exemptions or reductions in the charges would reduce this recovery further.

8. Considerations by Council – The background study represents the service needs arising from residential and non-residential growth over the forecast periods.

The following services are calculated based on an urban buildout forecast:

- Wastewater Services; and
- Water Services.

The following services are calculated based on a buildout forecast:

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

All other services are calculated based on a 10-year forecast. These include:

- Indoor and Outdoor Recreation Services;
- Library Services; and
- Administration Studies.

Council will consider the findings and recommendations provided in the report and, in conjunction with public input, approve such policies and rates it deems appropriate. These directions will refine the draft D.C. by-law which is appended in Appendix G. These decisions may include:

- adopting the charges and policies recommended herein;
- considering additional exemptions to the by-law; and
- considering reductions in the charge by class of development (obtained by removing certain services on which the charge is based and/or by a general reduction in the charge).



**Table ES-1
Township of Cavan Monaghan
Schedule of Development Charges**

Service	RESIDENTIAL					NON-RESIDENTIAL			
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)	Wind Turbines/ Telecommunications Towers (per unit)	Solar Farms (per sq.ft. of Gross Floor Area of Panels)	
Township-wide Services:									
Services Related to a Highway	3,250	2,203	2,055	1,262	1,223	1.23	3,250	1.23	
Fire Protection Services	1,487	1,008	940	577	560	0.56	1,487	0.56	
Police Services	71	48	45	28	27	0.03	71	0.03	
Indoor & Outdoor Recreation Services	5,292	3,587	3,346	2,055	1,992	0.46	-	-	
Library Services	918	622	580	356	345	0.08	-	-	
Administration Studies - Engineering-related	274	186	173	106	103	0.11	274	0.11	
Administration Studies - Community Benefit-related	153	104	97	59	58	0.06	153	0.06	
Total Township-wide Services	11,445	7,758	7,236	4,443	4,308	2.53	5,235	1.99	
Millbrook Area-specific Services									
Wastewater Services - Treatment	2,901	1,966	1,834	1,126	1,092	0.65	-	-	
Wastewater Services - Sewers	2,092	1,418	1,323	812	787	0.86	-	-	
Water Services	2,119	1,436	1,340	823	797	0.88	-	-	
Total Millbrook Area-specific Services	7,112	4,820	4,497	2,761	2,676	2.39	-	-	
GRAND TOTAL RURAL AREA	11,445	7,758	7,236	4,443	4,308	2.53	5,235	1.99	
GRAND TOTAL MILLBROOK AREA	18,557	12,578	11,733	7,204	6,984	4.92	5,235	1.99	



1.2 Summary of the Process

The public meeting required under section 12 of the D.C.A., has been scheduled for August 6, 2019. Its purpose is to present the study to the public and to solicit public input. The meeting is also being held to answer any questions regarding the study's purpose, methodology and the proposed modifications to the Township's D.C.s.

In accordance with the legislation, the background study and proposed D.C. by-law will be available for public review on June 28, 2019.

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

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

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

Figure 1-1
Schedule of Key D.C. Process Dates for the Township of Cavan Monaghan

1. Data collection, staff review, D.C. calculations and policy work	March to June 2019
2. Council Workshop	June 17, 2019
3. Background study and proposed by-law available to public	June 28, 2019
4. Public meeting advertisement placed in newspaper(s)	No later than July 16, 2019
5. Public meeting of Council	August 6, 2019
6. Council Meeting	September 3, 2019
7. Addendum Report available to public	September 6, 2019
8. Public meeting #2/ Council considers adoption of background study and passage of by-law	October 21, 2019
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. Township makes pamphlet available (where by-law not appealed)	By 60 days after in force date



Development Location	Percentage of Non-Residential G.F.A., 2019 to buildout
Urban serviced area of Millbrook ¹	78%
Township of Cavan Monaghan Excluding Millbrook	22%
Township Total	100%

¹ Employment growth in the urban serviced area of Millbrook is based on buildout potential from current opportunities as of May 2019.

9. Millbrook Urban Serviced Area Buildout

- The residential and non-residential development in Millbrook has been provided separately for water/wastewater supply/treatment infrastructure and water/wastewater linear infrastructure.
- Urban buildout of the Millbrook area as discussed above was estimated based on the available capacity of the wastewater treatment plant.
- The linear infrastructure costs included in the D.C. calculations in Chapter 5 relate to a lower level of growth.
- Through discussions with staff, a review of the vacant land supply, and applications in the planning process, the following table provides the anticipated residential development in Millbrook:

Development Areas	Low Density	Medium Density	High Density	Total Units
Registered Not Built	279	65	-	344
Draft Plans Approved	32	-	-	32
Application Under Review	528	259	210	997
Total	839	324	210	1,373
Persons Per Unit Assumptions (as per Appendix A, Schedule 5)	2.923	1.981	1.550	
Estimated Population Growth in Millbrook	2,452	642	326	3,420

Based on Appendix A, Schedule 6

- Through discussions with staff, a review of the vacant land supply, and applications in the planning process, the following table provides the anticipated non-residential development in Millbrook:



30% Overall coverage assumption

Vacant Development Areas	Gross Land Area (acres)	Building Site (acres)	Building Site (sq.ft.)
Community Commercial	23.00	6.90	301,000
Downtown Mixed Use	1.00	0.30	14,000
Total	24.00	7.20	315,000

- The following table summarizes the anticipated residential and non-residential growth associated with the water and wastewater linear infrastructure needs identified in Chapter 5:

Growth Forecast Measure	2019 to Urban Buildout Treatment	2019 to Urban Buildout Linear
Gross Population Increase	3,636	3,420
Non-residential Gross Floor Area Increase (sq.ft.)	620,300	315,000



5.2.3 Administration

The D.C.A. permits the inclusion of studies undertaken to facilitate the completion of the Township capital works program. The Township has made provision for the inclusion of new studies undertaken to facilitate this D.C. process, as well as other studies which benefit growth (in whole or in part). The list of studies includes such studies as the following:

Engineering-related:

- Fire master plan;
- Development charge studies; and
- Stormwater servicing studies.

The cost of these studies totals \$266,600. A deduction in the amount of \$44,614 has been made to reflect the balance in the reserve fund, prorated for the share of the D.C. costs associated with engineering-related studies. The net growth-related capital cost, after the mandatory 10% deduction is \$56,326. This amount has been included in the D.C. calculations.

Community Benefit-related:

- Downtown Millbrook studies;
- Parks and recreation master plan;
- Official plan update;
- Trails master plan;
- Zoning by-law review;
- Development impact model; and
- Employment Lands Strategy.

The cost of these studies totals \$412,100, of which \$171,900 is attributable to existing benefit. A deduction in the amount of \$95,547 has been made to reflect the balance in the reserve fund, prorated for the share of the D.C. costs associated with community benefit-related studies. The net growth-related capital cost, after the mandatory 10% deduction is \$120,633. This amount has been included in the D.C. calculations.

Costs for all studies have been allocated 81% residential and 19% non-residential based on the incremental growth in population to employment for the 10-year forecast period.



Infrastructure Costs Included in the Development Charges Calculation

Township of Cavan Monaghan

Service: Administration Studies - Engineering-related

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Subtotal	Less:	Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development		Other (e.g. 10% Statutory Deduction)	Total	Residential Share	Non-Residential Share
2019-2028											81%	19%	
1	Development Charges Study	2019	28,300	-		28,300	-		28,300	2,830	25,470	20,631	4,839
2	Fire Master Plan	2019	50,000	-		50,000	-		50,000		50,000	40,500	9,500
3	Development Charge Study	2024	28,300	-		28,300	-		28,300	2,830	25,470	20,631	4,839
4	Stormwater Servicing Studies - Future Development Areas	2020-2028	160,000	-		160,000	-		160,000		160,000	129,600	30,400
	Reserve Fund Adjustment						44,614		(44,614)		(44,614)	(36,137)	(8,477)
	Total		266,600	-	-	266,600	44,614	-	221,986	5,660	216,326	175,224	41,102



5.4 Service Levels and Urban Buildout Capital Costs for Cavan Monaghan's D.C. Calculation

This section evaluates the development-related capital requirements for those services with urban buildout capital costs.

5.4.1 Water Services

Based on anticipated growth over the forecast period, the Township has identified the need for watermains on Duke Street and King Street, as well as a watermain extension from Fallis Line across County Road 10. In addition, the Township has issued debt for recently constructed growth-related water and wastewater projects. The total debt was issued for approximately \$4.85 million, of which 22% relates to water and 78% relates to wastewater. This debt was issued over a 20-year period at 3.15% interest. The outstanding growth-related principal and discounted growth-related interest costs have been included in the calculations. The total cost of the debt payments and the capital projects equates to approximately \$1.45 million. Further, the Township has identified a future watermain booster pumping station, a water servicing study for future development areas, and oversizing costs for a watermain through a future development area. Additionally, \$475,330 has been added to the calculations for recovery of the deficit in the reserve fund. In total, the gross capital costs are identified at \$3,129,656. As the debt relates to the growth-related portion only and the capital projects reflect only the growth-related costs, no benefit to existing deduction is required. A deduction in the amount of \$375,000 has been made for the local service component of the future trunk watermain. Therefore, the total net growth-related capital cost included in the D.C. calculations is \$2,754,656.

The D.C. eligible costs have been shared 90%/10% between residential and non-residential development based on the servicing capacity of the plants in the Township.



Infrastructure Costs Included in the Development Charges Calculation

Township of Cavan Monaghan
Service: Water Services - Linear

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 90%	Non-Residential Share 10%
2019-Urban Buildout											
1	Outstanding Debt - Growth-related Principal	2019-2037	887,760	-		887,760	-	-	887,760	798,984	88,776
2	Outstanding Debt - Discounted Growth-related Interest	2019-2037	334,566	-		334,566	-	-	334,566	301,110	33,457
3	Duke Street from King Street Southwards	2025-2030	150,000	-		150,000	-	-	150,000	135,000	15,000
4	King Street from Queen Street to IO Property	2025-2030	50,000	-		50,000	-	-	50,000	45,000	5,000
5	Watermain Extension - Fallis Line across County Road 10	2025-2030	32,000	-		32,000	-	-	32,000	28,800	3,200
6	Water Servicing Studies - Future Development Areas	2025-2030	100,000	-		100,000	-	-	100,000	90,000	10,000
7	Future Watermain Booster Pumping Station	2025-2030	650,000	-		650,000	-	-	650,000	585,000	65,000
8	Future Trunk Watermain Costs (Oversizing)	2025-2030	450,000	-		450,000	-	375,000	75,000	67,500	7,500
	Reserve Fund Adjustment		475,330	-		475,330	-	-	475,330	427,797	47,533
	Total		3,129,656	-	-	3,129,656	-	375,000	2,754,656	2,479,191	275,466



5.4.2 Wastewater Services

5.4.2.1 Linear

Based on anticipated growth over the forecast period, the Township has identified the need for sanitary trunk works, the sewer relining program, related studies, infiltration solutions, a pump station and forcemain, sanitary sewer oversizing for Nina Court, and sanitary mains for Duke Street and King Street. In addition, wastewater servicing studies for future development areas, a sanitary pump station, and a future trunk sewer have been included in the calculations. A deduction in the amount of \$720,000 has been made to reflect the share of the sewer relining program that benefits existing development and a deduction in the amount of \$500,000 was made to reflect the share of the future trunk sanitary sewer that reflects the local service component of the costs. A further deduction in the amount of \$190,618 has been made to reflect the balance in the reserve fund (related to linear wastewater services). The resulting net growth-related capital cost included in the D.C. calculations is \$2,719,382.

The D.C. eligible costs have been shared 90%/10% between residential and non-residential development based on the servicing capacity of the plants in the Township.

5.4.2.2 Treatment

As noted in the previous section, the Township has issued debt for recently constructed growth-related water and wastewater projects. The wastewater portion of this debt relates to the wastewater treatment plant work previously undertaken. The total debt was issued for approximately \$4.85 million, of which 22% relates to water and 78% relates to wastewater. This debt was issued over a 20-year period at 3.15% interest. The outstanding growth-related principal and discounted growth-related interest costs have been included in the calculations. The total cost of the debt payments is approximately \$4.33 million. As the debt payments reflect the growth-related share, no deductions for benefit to existing development are required. A deduction in the amount of \$324,566 has been made to reflect the balance in the reserve fund (related to treatment wastewater services). The resulting net growth-related capital cost included in the D.C. calculations is \$4,009,137.

The D.C. eligible costs have been shared 90%/10% between residential and non-residential development based on the servicing capacity of the plants in the Township.



Infrastructure Costs Included in the Development Charges Calculation

Township of Cavan Monaghan
Service: Wastewater Services - Linear

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 90%	Non-Residential Share 10%
2019-Urban Buildout											
1	Sanitary Sewer Trunk (East of County Road 10)	2023-2025	200,000	-		200,000	-	-	200,000	180,000	20,000
2	Sewer Relining Program	2019-2022	900,000	-		900,000	720,000	-	180,000	162,000	18,000
3	Cambium Studies	2019-2025	100,000	-		100,000	-	-	100,000	90,000	10,000
4	Infiltration Solutions	2019-2025	100,000	-		100,000	-	-	100,000	90,000	10,000
5	Pump Station and Forcemain between property north of Municipal Office and Larmer Line	2025-2028	500,000	-		500,000	-	-	500,000	450,000	50,000
6	Duke Street from King Street Southwards	2025-2030	250,000	-		250,000	-	-	250,000	225,000	25,000
7	King Street from Queen Street to IO Property	2025-2030	100,000	-		100,000	-	-	100,000	90,000	10,000
8	Nina Court Extension Sanitary Sewer Oversizing	2025-2030	110,000	-		110,000	-	-	110,000	99,000	11,000
9	Wastewater Servicing Studies - Future Development Areas	2025-2030	150,000	-		150,000	-	-	150,000	135,000	15,000
10	Future Sanitary Pumping Station - Sewage	2025-2030	1,100,000	-		1,100,000	-	-	1,100,000	990,000	110,000
11	Future Trunk Sanitary Sewer (oversizing)	2025-2030	620,000	-		620,000	-	500,000	120,000	108,000	12,000
	Reserve Fund Adjustment						190,618		(190,618)	(171,556)	(19,062)
	Total		4,130,000	-	-	4,130,000	910,618	500,000	2,719,382	2,447,444	271,938



Infrastructure Costs Included in the Development Charges Calculation

Township of Cavan Monaghan
 Service: Wastewater Services - Treatment

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 90%	Non-Residential Share 10%
2019-Urban Buildout											
1	Outstanding Debt - Growth-related Principal	2019-2037	3,147,513	-		3,147,513	-	-	3,147,513	2,832,761	314,751
2	Outstanding Debt - Discounted Growth-related Interest	2019-2037	1,186,190	-		1,186,190	-	-	1,186,190	1,067,571	118,619
	Reserve Fund Adjustment						324,566		(324,566)	(292,109)	(32,457)
	Total		4,333,703	-	-	4,333,703	324,566	-	4,009,137	3,608,223	400,914



6. D.C. Calculation

Table 6-1 calculates the proposed uniform D.C.s to be imposed for infrastructure services based upon an urban buildout time horizon (wastewater – Capacity-based buildout). Table 6-2 calculates the proposed uniform D.C.s to be imposed for infrastructure services based upon an urban buildout time horizon (water and wastewater – vacant supply-based buildout). Table 6-3 calculates the proposed uniform D.C. to be imposed on anticipated development in the Township for Township-wide services over a buildout planning horizon. Table 6-4 calculates the proposed uniform D.C. to be imposed on anticipated development in the Township for Township-wide services over a 10-year planning horizon

The calculation for residential development is generated on a per capita basis and is based upon five forms of housing types (singles and semi-detached, apartments 2+ bedrooms, apartments bachelor and 1 bedroom, all other multiples and special care/special dwelling units). The non-residential D.C. has been calculated on a per sq.ft. of gross floor area basis for all types of non-residential development (industrial, commercial and institutional).

The D.C.-eligible costs for each service component were developed in Chapter 5 for all Township 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 set out in Chapter 5 are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units (Appendix A, Schedule 5) to calculate the charges in Tables 6-1, 6-2, 6-3, and 6-4.

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

Table 6-5 summarizes the total D.C. that is applicable for municipal-wide services and Table 6-6 summarizes the gross capital expenditures and sources of revenue for works to be undertaken during the 5-year life of the by-law.



Table 6-1
Township of Cavan Monaghan
Development Charge Calculation
2019 to Urban Buildout
Capacity-based Buildout

SERVICE	2019\$ D.C.-Eligible Cost		2019\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
1. <u>Wastewater Services</u>	\$	\$	\$	\$
1.1 Treatment	3,608,223	400,914	2,901	0.65
	3,608,223	400,914	2,901	0.65
TOTAL	\$3,608,223	\$400,914	\$2,901	\$0.65
D.C.-Eligible Capital Cost	\$3,608,223	\$400,914		
Urban Buildout Gross Population/GFA Growth (sq.ft.)	3,636	620,300		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$992.36	\$0.65		
<u>By Residential Unit Type</u>	<u>P.P.U.</u>			
Single and Semi-Detached Dwelling	2.923	\$2,901		
Apartments - 2 Bedrooms +	1.848	\$1,834		
Apartments - Bachelor and 1 Bedroom	1.135	\$1,126		
Other Multiples	1.981	\$1,966		
Special Care/Special Dwelling Units	1.100	\$1,092		



Table 6-2
Township of Cavan Monaghan
Development Charge Calculation
2019 to Buildout
Vacant Supply-based Buildout

SERVICE	2019\$ D.C.-Eligible Cost		2019\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
2. <u>Wastewater Services</u>				
2.1 Sewers	2,447,444	271,938	2,092	0.86
	2,447,444	271,938	2,092	0.86
3. <u>Water Services</u>				
3.1 Distribution	2,479,191	275,466	2,119	0.88
	2,479,191	275,466	2,119	0.88
TOTAL	\$4,926,635	\$547,404	\$4,211	\$1.74
D.C.-Eligible Capital Cost	\$4,926,635	\$547,404		
Urban Buildout Gross Population/GFA Growth (sq.ft.)	3,420	315,000		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$1,440.54	\$1.74		
<u>By Residential Unit Type</u>				
	<u>P.P.U.</u>			
Single and Semi-Detached Dwelling	2.923	\$4,211		
Apartments - 2 Bedrooms +	1.848	\$2,662		
Apartments - Bachelor and 1 Bedroom	1.135	\$1,635		
Other Multiples	1.981	\$2,854		
Special Care/Special Dwelling Units	1.100	\$1,585		



Table 6-3
Township of Cavan Monaghan
Development Charge Calculation
2019 to Buildout

SERVICE	2019\$ D.C.-Eligible Cost		2019\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
4. <u>Services Related to a Highway</u>				
4.1 Roads	3,441,632	755,480	2,518	0.95
4.2 Public Works Facilities and Fleet	1,001,220	219,780	732	0.28
	4,442,852	975,260	3,250	1.23
5. <u>Fire Protection Services</u>				
5.1 Fire facilities, vehicles & equipment	2,032,951	446,258	1,487	0.56
	2,032,951	446,258	1,487	0.56
6. <u>Police Services</u>				
6.1 Police facilities, vehicles and equipment	96,924	21,276	71	0.03
	96,924	21,276	71	0.03
TOTAL	\$6,572,727	\$1,442,794	\$4,808	\$1.82
D.C.-Eligible Capital Cost	\$6,572,727	\$1,442,794		
Buildout Gross Population/GFA Growth (sq.ft.)	3,996	799,100		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$1,644.83	\$1.81		
<u>By Residential Unit Type</u>	<u>P.P.U.</u>			
Single and Semi-Detached Dwelling	2.923	\$4,808		
Apartments - 2 Bedrooms +	1.848	\$3,040		
Apartments - Bachelor and 1 Bedroom	1.135	\$1,867		
Other Multiples	1.981	\$3,258		
Special Care/Special Dwelling Units	1.100	\$1,809		



Table 6-4
Township of Cavan Monaghan
Development Charge Calculation
2019 to 2028

SERVICE	2019\$ D.C.-Eligible Cost		2019\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
7. <u>Indoor & Outdoor Recreation Services</u>				
7.1 Parkland development, amenities, trails, vehicles & equipment, and recreation facilities	3,389,497	178,395	5,292	0.46
	3,389,497	178,395	5,292	0.46
8. <u>Library Services</u>				
8.1 Library facilities	427,500	22,500	668	0.06
8.2 Library materials	159,885	8,415	250	0.02
	587,385	30,915	918	0.08
9. <u>Administration</u>				
9.1 Administration Studies - Engineering-related	175,224	41,102	274	0.11
9.2 Administration Studies - Community Benefit-related	97,712	22,920	153	0.06
	272,937	64,022	427	0.17
TOTAL	\$4,249,819	\$273,332	\$6,637	\$0.71
D.C.-Eligible Capital Cost	\$4,249,819	\$273,332		
10-Year Gross Population/GFA Growth (sq.ft.)	1,872	384,900		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$2,270.20	\$0.71		
<u>By Residential Unit Type</u>				
	<u>P.P.U.</u>			
Single and Semi-Detached Dwelling	2.923	\$6,636		
Apartments - 2 Bedrooms +	1.848	\$4,195		
Apartments - Bachelor and 1 Bedroom	1.135	\$2,577		
Other Multiples	1.981	\$4,497		
Special Care/Special Dwelling Units	1.100	\$2,497		



Table 6-5
Township of Cavan Monaghan
Development Charge Calculation
Total All Services

	2019\$ D.C.-Eligible Cost		2019\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
Urban-wide Services Build out - Treatment	3,608,223	400,914	2,901	0.65
Urban-wide Services Build out - Linear	4,926,635	547,404	4,211	1.74
Municipal-wide Services Buildout	6,572,727	1,442,794	4,808	1.82
Municipal-wide Services 10 Year	4,249,819	273,332	6,637	0.71
TOTAL	19,357,404	2,664,443	18,557	4.92



Table 6-6
Township of Cavan Monaghan
Gross Expenditures and Sources of Revenue Summary for Costs to be Incurred Over the Life of the By-law

Service	Total Gross Cost	Sources of Financing						
		Tax Base or Other Non-D.C. Source				Post D.C. Period Benefit	D.C. Reserve Fund	
		Other Deductions	Benefit to Existing	Other Funding	Legislated Reduction		Residential	Non-Residential
1. Wastewater Services 1.1 Treatment	1,140,448	-	-	-	-	-	1,026,403	114,045
2. Wastewater Services 2.1 Sewers	1,109,524	-	720,000	-	-	-	350,571	38,952
3. Water Services 3.1 Distribution	321,665	-	-	-	-	-	289,498	32,166
4. Services Related to a Highway 4.1 Roads	3,064,500	-	60,727	400,000	-	-	2,135,094	468,679
4.2 Public Works Facilities and Fleet	2,507,000	-	1,286,000	-	-	-	1,001,220	219,780
5. Fire Protection Services 5.1 Fire facilities, vehicles & equipment	3,389,167	-	876,667	-	-	818,667	1,388,943	304,890
6. Police Services 6.1 Police facilities, vehicles and equipment	29,550	-	-	-	-	-	24,231	5,319
7. Indoor & Outdoor Recreation Services 7.1 Parkland development, amenities, trails, vehicles & equipment	18,860,950	-	11,147,400	2,139,800	497,275	601,000	4,251,701	223,774
8. Library Services 8.1 Library facilities	250,000	-	-	-	25,000	-	213,750	11,250
8.2 Library materials	105,500	-	-	-	10,550	-	90,203	4,748
9. Administration 9.1 Administration Studies - Engineering-related	149,411	-	-	-	2,830	-	118,731	27,850
9.2 Administration Studies - Community Benefit-related	412,100	-	171,900	-	24,020	-	175,106	41,074
Total Expenditures & Revenues	\$31,339,815	\$0	\$14,262,693	\$2,539,800	\$559,675	\$1,419,667	\$11,065,452	\$1,492,528



- 2) the gross floor area of the building demolished/converted multiplied by the current non-residential D.C. in place at the time the D.C. is payable.

The credit is allowed only where, as a result of the redevelopment of land, a building or structure existing on the same land within five 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.

7.3.4 Exemptions (full or partial)

a) Statutory exemptions:

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

b) Non-statutory exemptions:

- lands, buildings or structures used or to be used for a place of worship or for the purposes of a cemetery or burial ground exempt from taxation under the *Assessment Act*;
- a public hospital receiving aid under the *Public Hospitals Act*, R.S.O. 1990, Chap. P.40, as amended, or any successor thereof;
- the development of non-residential farm buildings constructed for bona fide farm uses, which qualify as a farm business, being that which operates with a valid Farm Business Registration Number and is assessed in the Farmland Realty Tax Class;
- Non-profit Organization; and
- Affordable housing.



skate is available each night, but at a different arena; hence usage of any one facility at any given time is based on programming availability).

For the reasons noted above, it is recommended that Council continue the D.C. approach to calculate the charges for water and wastewater services on an area-specific basis and the charges for all other services on a uniform Township-wide basis.

7.5 Other Recommendations

It is recommended that Council:

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

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

“Continue the D.C. approach to calculate the charges on a uniform Municipal-wide basis for all services, except water and wastewater, and on a uniform urban-area basis for water and wastewater services;”

“Approve the capital project listing set out in Chapter 5 of the D.C.s Background Study dated June 28, 2019, subject to further annual review during the capital budget process;”

“Approve the D.C.s Background Study dated June 28, 2019, as amended on September 6, 2019;”

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

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



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.

Table C-1
Township of Cavan Monaghan
Operating and Capital Expenditure Impacts for Future Capital Expenditures

SERVICE	GROSS COST LESS BENEFIT TO EXISTING	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
1. Wastewater Services				
1.1 Treatment	4,009,137	-	303,498	303,498
2. Wastewater Services				
2.1 Sewers	3,219,382	168,148	243,713	411,861
3. Water Services				
3.1 Distribution	3,129,656	69,036	179,251	248,287
4. Services Related to a Highway				
4.1 Roads	4,597,112	270,453	493,614	764,067
4.2 Public Works Facilities and Fleet	1,221,000	99,235	131,105	230,340
5. Fire Protection Services				
5.1 Fire facilities, vehicles & equipment	3,707,209	222,978	180,043	403,021
6. Police Services				
6.1 Police facilities, vehicles and equipment	118,200	13,775	261,262	275,037
7. Indoor & Outdoor Recreation Services				
7.1 Parkland development, amenities, trails, vehicles & equipment, and recreation facilities	6,908,652	417,230	123,459	540,689
8. Library Services				
8.1 Library facilities	500,000	27,000	47,311	74,311
8.2 Library materials	187,000	22,956	17,694	40,650
9. Administration				
9.1 Administration Studies - Engineering-related	221,986	-	-	-
9.2 Administration Studies - Community Benefit-related	144,653	-	-	-
Total	27,963,987	1,310,811	1,980,949	3,291,760



made a concerted effort to integrate the A.M.P. with financial planning and municipal budgeting and are making full use of all available infrastructure financing tools.

Commensurate with the above, the Township prepared an A.M.P. in 2013 for its existing assets, however, did not take into account future growth-related assets. As a result, the asset management requirement for the D.C. must be undertaken in the absence of this information.

In recognition to the schematic above, the following table (presented in 2019 \$) has been developed to provide the annualized expenditures and revenues associated with new growth. Note that the D.C.A. does not require an analysis of the non-D.C. capital needs or their associated operating costs so these are omitted from the table below. As well, as all capital costs included in the D.C.-eligible capital costs are not included in the Township's A.M.P., the present infrastructure gap and associated funding plan have not been considered at this time. Hence the following does not represent a fiscal impact assessment (including future tax/rate increases) but provides insight into the potential affordability of the new assets:

1. The non-D.C. recoverable portion of the projects which will require financing from municipal financial resources (i.e. taxation, rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 2019 D.C. capital works have been presented based on a sinking fund basis. The assets have been considered over their estimated useful lives.
3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are \$4.45 million.
5. Consideration was given to the potential new taxation and user fee revenues which will be generated as a result of new growth. These revenues will be available to finance the expenditures above. The new operating revenues are \$3.78 million. This amount, totalled with the existing operating revenues of \$14.72 million, provide annual revenues of \$18.50 million by the end of the period.



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

Township of Cavan Monaghan
 Asset Management – Future Expenditures and Associated Revenues
 2019\$

Asset Management Summary	Sub-Total	2038 (Total)
Expenditures (Annualized)		
Annual Debt Payment on Non-Growth Related Capital ¹		1,125,246
Annual Debt Payment on Post Period Capital ²		133,183
Lifecycle:		
Annual Lifecycle - Township-wide Services	\$1,164,291	
Sub-Total - Annual Lifecycle	\$1,164,291	\$1,164,291
Incremental Operating Costs (for D.C. Services)		\$1,980,949
Total Expenditures		\$4,270,486
Revenue (Annualized)		
Total Existing Revenue ³		\$14,722,794
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)		\$3,777,471
Total Revenues		\$18,500,265

¹ Non-Growth Related component of Projects including 10% mandatory deduction on soft services

² Interim Debt Financing for Post Period Benefit

³ As per Sch. 10 of FIR



Appendix G: Proposed D.C. By-law

The Corporation of the Township of Cavan Monaghan By-law Number 2019 - ___

A By-law to establish development charges for the Corporation of the Township of Cavan Monaghan

Whereas the Township of Cavan Monaghan will experience growth through development and re-development;

And Whereas development and re-development requires the provision of capital works by the Township of Cavan Monaghan;

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 Township of Cavan Monaghan 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 municipality 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 Council has provided consideration of area-rating of the development charges;

And Whereas the Council of The Corporation of the Township of Cavan Monaghan has given notice of and held a public meeting on the 6th of August, 2019 in accordance with the Act and the regulations thereto;

And Whereas an addendum to the development charge background study has been released in accordance with the Act;



And Whereas the Council of The Corporation of the Township of Cavan Monaghan has given notice of and held a second public meeting on the 21st of October 2019 in accordance with the Act and the regulations thereto;

Now Therefore the Council of the Corporation of the Township of Cavan Monaghan Enacts as Follows:

1. Interpretation

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

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

“affordable housing” means dwelling units within assisted or social housing programs including Habitat for Humanity and assisted living;

“apartment unit” means any residential unit within a building containing more than four dwelling units where the units are connected by an interior corridor;

“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 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 municipality or a local board thereof directly or by others on behalf of and as authorized by the municipality or local board,

(a) to acquire land or an interest in land, including a leasehold interest,



- (b) to improve land,
- (c) to acquire, lease, construct or improve buildings and structures,
- (d) to acquire, construct or improve facilities including,
 - (i) furniture and equipment other than computer equipment, and
 - (ii) 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; and
 - (iii) rolling stock with an estimated useful life of seven years or more, and;
- (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 municipality, including interest on borrowing for those expenditures under clauses (a) to (e) above that are growth-related;

“commercial” means any use of land, structures or buildings for the purposes of buying 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 municipality;

“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 the effect of increasing the size of usability thereof, and includes redevelopment;

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

“dwelling unit” means any part of a building or structure used, designed or intended to be used as a domestic establishment in which one or more persons may sleep and are provided with culinary and sanitary facilities for their exclusive use;

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



“existing industrial building” means a building or buildings existing on a site in the Township of Cavan Monaghan on July 5, 2010 or the buildings or structures constructed and occupied on a vacant site pursuant to site plan approval under section 41 of the Planning Act, R.S.O. 1990, c. P.13 (the “Planning Act”) subsequent to July 5, 2010 for which full development charges were paid, and is used for or in connection with,

- a) the production, compounding, processing, packaging, crating, bottling, packaging or assembling of raw or semi-processed goods or materials (“manufacturing”) in not less than seventy-five per cent of the total gross floor area of the building or buildings on a site (“manufacturing”) or warehousing related to the manufacturing use carried on in the building or buildings,
- b) research or development in connection with manufacturing in not less than seventy-five per cent of the total gross floor area of the building or buildings on a site,
- c) retail sales by a manufacturer, if the retail sales are at the site where the manufacturing is carried out, such retail sales are restricted to goods manufactured at the site, and the building or part of a building where such retail sales are carried out does not constitute greater than twenty-five per cent of the total gross floor area of the building or buildings on the site, or
- d) office or administrative purposes, if they are,
 - (i) carried out with respect to the manufacturing or warehousing; and,
 - (ii) in or attached to the building or structure used for such manufacturing or warehousing;

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



“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
- (c) 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 to the general public through a warehouse club;



“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, public utility, commission, transportation commission, public library board, board of park management, local board of health, board of commissioners of police, planning board, or any other board, commission, committee, body or local authority established or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes, including school purposes, of the Township of Cavan Monaghan or any part or parts thereof;

“local services” means those services, facilities or things which are under the jurisdiction of the municipality and are related to a plan of subdivision or within the area to which the plan relates 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 Township of Cavan Monaghan;

“non-profit organization” means:

- i) a "registered charity" as defined in subsection 248(1) of the Income Tax Act, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- ii) a corporation that is a non-profit organization for the purposes of paragraph 57(1)(b) of the Corporations Tax Act, R.S.O. 1990, c. C.40; or

“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 for the Township, 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;

“public hospital” means a public hospital receiving aid under the *Public Hospitals Act*, 1990, Chap. P.40, 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 building divided vertically into two dwelling units each of which has a separate entrance and access to grade;

“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;



“solar farm” means any solar energy system comprised of one or more solar panels and associated control or conversion electronics that converts sunlight into electricity. A solar farm may be connected to the electricity grid in circuits at a substation to provide electricity off-site for sale to an electrical utility or other intermediary;

“special care/special dwelling” means:

- a) a building containing two or more dwelling units, which units have a common entrance from street level:
 - i) where the occupants have the right to use in common, halls, stairs, yards, common rooms and accessory buildings;
 - ii) which may or may not have exclusive sanitary and/or culinary facilities;
 - iii) that is designed to accommodate persons with specific needs, including, but not limited to, independent permanent living arrangements; and
 - iv) where support services such as meal preparation, grocery shopping, laundry, housekeeping, nursing, respite care and attendant services are provided at various levels;

and includes but is not limited to, retirement homes or lodges, nursing homes, charitable dwellings, group homes (including correctional group homes) and hospices;

- b) a building that is a student residence.

“telecommunications tower” – means any tower, apparatus, structure or other thing that is used or is capable of being used for telecommunications or for any operation directly connected with telecommunications, and includes a transmission facility, as defined in the Telecommunications Act;

“township” means the area within the geographic limits of the Township of Cavan Monaghan;



“wind turbine” means a part of a system that converts energy into electricity, and consists of a wind turbine, a tower and associated control of conversion electronics. A wind turbine and energy system may be connected to the electricity grid in circuits at a substation to provide electricity of site for sale to an electrical utility or other intermediaries.

“Zoning By-Law” means the Zoning By-Law of the Township of Cavan Monaghan, 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) Water Services (Millbrook);
- (b) Wastewater Services (Millbrook);
- (c) Services Related to a Highway;
- (d) Fire Protection Services;
- (e) Police Services
- (f) Library;
- (g) Outdoor Recreation;
- (h) Indoor Recreation; and
- (i) Administration (Studies);

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 Township of Cavan Monaghan whether or not the land or use thereof is exempt from taxation under s. 13 or 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;
 - (b) a board of education; or
 - (c) the Corporation of the County of Peterborough or a local board thereof.

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 subsection 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
- (d) 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 an existing 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 section 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, development charges shall be imposed if the additional unit has a gross floor area greater than:

- i. in the case of a semi-detached or row dwelling, the gross floor area of the existing dwelling unit; and
- ii. in the case of any other residential building, the gross floor area of the smallest dwelling unit contained in the residential building.



3.8 Exemption for Industrial Development:

3.8.1 Notwithstanding any other provision of this By-law, there shall be an exemption from the payment of development charges for one or more enlargements of an existing industrial building on its site, where attached to the existing industrial building, up to a maximum of fifty per cent of the gross floor area before the first enlargement for which an exemption from the payment of development charges was granted pursuant to the Development Charges Act or this section. Development charges shall be imposed in accordance with this By-law with respect to the amount of the floor area of an enlargement that results in the gross floor area of the industrial building being increased by greater than fifty per cent of the gross floor area of the existing industrial building.

3.8.2 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:

- 1) determine the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement;
- 2) divide the amount determined under subsection 1) by the amount of the enlargement

3.9 For the purpose of section 3.8 herein, “existing industrial building” is used as defined in the Regulation made pursuant to the Act.

3.10 Other Exemptions:

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

- a) lands, buildings or structures used or to be used for the purposes of a cemetery or burial ground exempt from taxation under the *Assessment Act*,
- b) a public hospital receiving aid under the *Public Hospitals Act*, R.S.O. 1990, Chap. P.40, as amended, or any successor thereof; and



- c) the development of non-residential farm buildings constructed for bona fide farm uses, which qualify as a farm business, being that which operates with a valid Farm Business Registration Number and is assessed in the Farmland Realty Tax Class;
- d) Non-profit Organization; and
- e) Affordable Housing.

Amount of Charges Residential

3.11.1 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

3.12.1 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.

3.12.2 Notwithstanding subsection 3.12.1 of this By-law, the following percentages of each service for industrial uses, as provided below, shall be imposed for the period of October 22, 2019 to October 21, 2024.

Percentage of Schedules "B-1" and "B-2" Non-residential Charges to be Imposed for Industrial Uses					
Service	October 22, 2019 to October 21, 2020	October 22, 2020 to October 21, 2021	October 22, 2021 to October 21, 2022	October 22, 2022 to October 21, 2023	October 22, 2023 to October 21, 2024
Township-wide Services:					
Services Related to a Highway	100%	100%	100%	100%	100%
Fire Protection Services	100%	100%	100%	100%	100%
Police Services	100%	100%	100%	100%	100%
Indoor & Outdoor Recreation Services	100%	100%	100%	100%	100%
Library Services	100%	100%	100%	100%	100%
Administration Studies - Engineering-related	100%	100%	100%	100%	100%
Administration Studies - Community Benefit-related	100%	100%	100%	100%	100%
Millbrook Area-specific Services					
Wastewater Services - Treatment	100%	100%	100%	100%	100%
Wastewater Services - Sewers	100%	100%	100%	100%	100%
Water Services	100%	100%	100%	100%	100%



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 five 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 3.11 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 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 subsection 3.12, 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 imposed under this By-law are calculated, payable, and collected upon issuance of a building permit for the development.

3.15 Despite section 3.14, Council from time to time, and at any time, may enter into agreements providing for all or any part of a development charge to be paid before or after it would otherwise be payable, in accordance with section 27 of the Act.

4. Payment by Services



4.1 Despite the payment required under subsections 3.11 and 3.12, 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, without amendment to this By-law, commencing on the 1st of January, 2020 and each year thereafter, in accordance with the prescribed index in the Act.

6. Schedules

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

Schedule A - Components of Services Designated in section 2.1

Schedule B-1 - Residential and Non-Residential Development Charges for Engineering-related Services

Schedule B-2 - Residential and Non-Residential Development Charges for Community benefit-related Services

Schedule C - Map of Millbrook Urban Area

7. Conflicts

7.1 Where the Township 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.

7.2 Notwithstanding section 7.1, where a development which is the subject of an agreement to which section 7.1 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.

8. Severability

8.1 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.

9. Date By-law in Force

9.1 This By-law shall come into effect at 12:01 AM on October 22, 2019.

10. Date By-law Expires

10.1 This By-law will expire at 12:01 AM on September 4, 2024 unless it is repealed by Council at an earlier date.

11. Existing By-laws Repealed

11.1 By-law numbered 2015-38 is hereby repealed as of the date and time of this By-law coming into effect.

Passed this 21st day of October 2019.

Mayor Scott McFadden

Clerk Elana Arthurs



Schedule A
To By-law No. 2019-__
Township of Cavan Monaghan Components of Services Designated in
Subsection 2.1

100% Eligible Services

Services Related to a Highway

Roads, Sidewalks & Streetlights

Depots and Domes

PW Rolling Stock

Fire Protection Services

Fire Facilities

Fire Vehicles

Fire Small Equipment and Gear

Police Services

Police Facilities

Police Small Equipment and Gear

Millbrook Area-Specific Services

Water Services

Wastewater Services

90% Eligible Services

Outdoor Recreation Services

Parkland Development, Amenities and Trails

Recreation Rolling Stock and Equipment

Indoor Recreation Services

Recreation Facilities

Library Services

Library Facilities

Library Materials



Administration Services

Growth Related Studies – Engineering Related

Growth Related Studies – Community Benefit Related



SCHEDULE "B-1"
BY-LAW NO. 2019 – __
SCHEDULE OF DEVELOPMENT CHARGES
ENGINEERING-RELATED SERVICES

Service	RESIDENTIAL					NON-RESIDENTIAL			
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)	Wind Turbines/Telecommunications Towers (per unit)	Solar Farms (per sq.ft. of Gross Floor Area of Panels)	
Township-wide Services:									
Services Related to a Highway	3,250	2,203	2,055	1,262	1,223	1.23	3,250	1.23	
Fire Protection Services	1,487	1,008	940	577	560	0.56	1,487	0.56	
Police Services	71	48	45	28	27	0.03	71	0.03	
Administration Studies - Engineering-related	274	186	173	106	103	0.11	274	0.11	
Total Township-wide Services	5,082	3,445	3,213	1,973	1,913	1.93	5,082	1.93	
Millbrook Area-specific Services									
Wastewater Services - Treatment	2,901	1,966	1,834	1,126	1,092	0.65	-	-	
Wastewater Services - Sewers	2,092	1,418	1,323	812	787	0.86	-	-	
Water Services	2,119	1,436	1,340	823	797	0.88	-	-	
Total Millbrook Area-specific Services	7,112	4,820	4,497	2,761	2,676	2.39	-	-	
GRAND TOTAL RURAL AREA	5,082	3,445	3,213	1,973	1,913	1.93	5,082	1.93	
GRAND TOTAL MILLBROOK AREA	12,194	8,265	7,710	4,734	4,589	4.32	5,082	1.93	

SCHEDULE "B-2"
BY-LAW NO. 2019 – __
SCHEDULE OF DEVELOPMENT CHARGES
COMMUNITY BENEFIT-RELATED SERVICES

Service	RESIDENTIAL					NON-RESIDENTIAL			
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)	Wind Turbines/Telecommunications Towers (per unit)	Solar Farms (per sq.ft. of Gross Floor Area of Panels)	
Township-wide Services:									
Indoor & Outdoor Recreation Services	5,292	3,587	3,346	2,055	1,992	0.46	-	-	
Library Services	918	622	580	356	345	0.08	-	-	
Administration Studies - Community Benefit-related	153	104	97	59	58	0.06	153	0.06	
Total Township-wide Services	6,363	4,313	4,023	2,470	2,395	0.60	153	0.06	



SCHEDULE "C"
BY-LAW NO. 2019 – ___
MAP DESIGNATING WATER AND WASTEWATER DEVELOPMENT CHARGE AREA
FOR MILLBROOK

