



TOWNSHIP OF NORTH DUNDAS

DRAFT Development Charges Background Study

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2016/10/26

DRAFT DEVELOPMENT CHARGES STUDY UNDER THE DEVELOPMENT CHARGES ACT

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DEVELOPMENT CHARGES STUDY

TOWNSHIP OF NORTH DUNDAS

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Executive Summary

1. Council must prepare a Development Charge Study to prior to passing a new or amended Development Charge By-law. A Development Charge By-law must be passed within 1 year of the completion of the study.
2. This study calculates development charges for new growth in the Township of North Dundas in accordance with the provisions of the *Development Charges Act* and associated regulation *Ontario Regulation 82/98* and *428/15*.
3. Population projections for the Township are for the population to increase by 780 people or 375 dwelling units over the next ten years (2017-2026).
4. Non-residential growth projections are estimated at 6.93% of residential growth over the next ten years (2017-2026).
5. The apportionment between residential and non-residential growth was derived using the current available assessment base.
6. The following eligible municipal services have been considered in the development charge analysis:
 - a. General Government (growth-related studies)
 - b. Public Works
 - c. Transportation
 - d. Fire Protection
 - e. Recreation
7. Each eligible municipal service was examined and the preceding 10 year average service levels were established from municipal records. These average service levels form the “benchmark” for calculating the maximum eligible development charge.
8. Based on the anticipated development and growth projections, growth-related capital forecast tables were prepared for each service. These tables form the basis for the new more systematic calculation of the development charge in accordance with the legislation.
9. A Township wide average cost approach is used to calculate each development charge. The result is uniform development charges throughout the Township.
10. Exceptions and exemptions to the charge will be established within the development charge by-law. Should Council reduce any portion of the charge (example: phase in the charge, reduce or eliminate the non-residential charge, or exempt a specific class of buildings), the shortfall in development charge revenues must be derived from sources other than development charges (ie. the general tax base).

11. A summary of the growth related capital cost forecast for the next ten years is as follows:

Township of North Dundas Summary of Net Growth Related Capital Costs					
	Municipal Service	Residential Growth Portion	Non-Residential Growth Portion	Municipal (Non-growth) Portion	Total Capital Cost
1	Administrative (Studies)	\$9,675	\$720	\$1,155	\$11,550
2	<u>Public Works</u>	<u>\$227,349</u>	<u>\$20,651</u>	-	<u>\$298,000</u>
	Public Works Garage	\$35,367	\$2,633		\$38,000
	Equipment & Furniture	\$23,268	\$1,733		\$25,000
	Unlicenced Vehicles	\$80,971	\$6,029		\$87,000
	Licenced Vehicles	\$137,744	\$10,256		\$148,000
3	<u>Transportation</u>	<u>\$558,420</u>	<u>\$41,580</u>	-	<u>\$600,000</u>
	Sidewalks	\$93,070	\$6,930		\$100,000
	Roads	\$465,350	\$34,650		\$500,000
4	<u>Fire Protection</u>	<u>\$353,666</u>	<u>\$26,334</u>	-	<u>\$380,000</u>
	Fire Station	\$164,734	\$12,266		\$177,000
	Furniture/Contents/Equip.	\$35,367	\$2,633		\$38,000
	Vehicles	\$153,566	\$11,435		\$165,000
5	<u>Recreation</u>	<u>\$355,860</u>	-	<u>\$39,540</u>	<u>\$395,400</u>
	Arena Contents	\$58,500		\$6,500	\$65,000
	Rec. Vehicle	\$6,660		\$740	\$7,400
	Rec. Buildings/Facilities	\$163,800		\$18,200	\$182,000
	Recreation Equipment	\$126,900		\$14,100	\$141,000
	Total	\$1,554,969	\$62,952	\$40,695	\$1,684,950

Note: Numbers may vary slightly due to rounding

12. The calculated development charge for each type of new unit is as follows:

Type of Unit	Development Charge per unit*
Single Detached	\$5,981
Semi-detached / Duplex	\$5,582
Row Dwelling / Townhouse	\$4,785
Apartment 3 bedroom	\$4,585
Apartment 2 bedroom	\$4,186
Apartment 1 bedroom	\$3,190
Apartment Bachelor	\$2,392

* - Numbers may vary slightly due to rounding



TOWNSHIP OF NORTH DUNDAS DEVELOPMENT CHARGES STUDY

1.0 Introduction

What are Development Charges?

Development charges are a special “impact” fee, typically imposed at the time of the building permit on new development (example: a new dwelling; new barn, new commercial business, etc.), to cover growth-related municipal capital facilities. The basic premise behind the charge is that growth is to pay for growth-related costs (Translation: costs associated with expanding municipal services to accommodate growth).

An example would be where a municipality grows by 5 - 10% over the next ten years. As a result of this growth, the municipality may have to increase the number of volunteer fire fighters - which forces the municipality to purchase new equipment to outfit them (*bunker suit, communications equipment, self breathing apparatus, etc*), and possibly purchase another fire protection vehicle and add an additional bay onto the fire station to service this new growth.



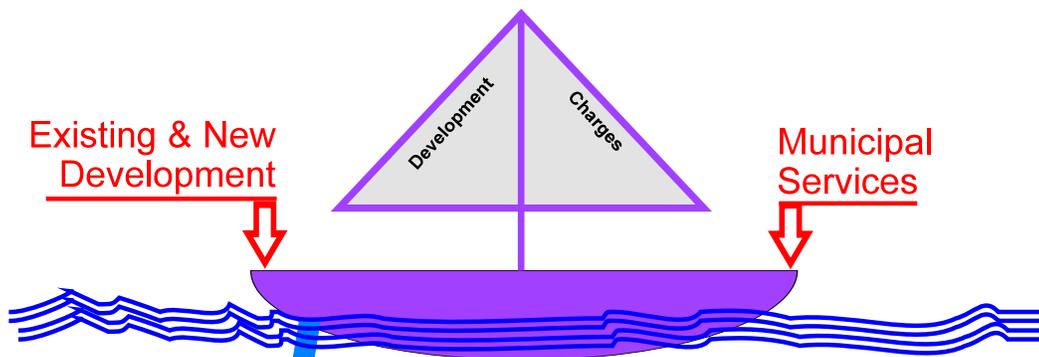
Development charges are intended to offset/pay for these initial (“one time”) capital costs. Costs and expenses relating to replacing, maintaining and operating costs must come from general taxation or other funding sources. Once the new house is built, the tax revenues from that dwelling are used to pay these operating, maintaining and replacement costs. However, the “one time” initial capital cost to acquire the new equipment can be recovered by means of a development charge.

Should the Township of North Dundas experience no growth or development, no new additional municipal services would be required. The principle behind development charges is, that where new growth and development requires new services to be provided, that new development should pay for initial growth-related capital costs.

A sailboat illustration showing the fundamental balancing between municipal service levels and growth is provided below. As new residential dwellings are built in a municipality, this exerts pressure to one side of the boat. At some point the municipality must add to the municipal services it provides to accommodate the new growth (the other side of the sailboat). Failure to add municipal services would result in lower service standards and eventually could lead to problems if nothing is done.

Development Charges Act

Providing Revenue to Help Maintain a Balance



Example:

- Two existing soccer fields (or baseball fields) are being used at capacity.
- No new fields (municipal service) are built. What happens when the population continues to expand and grow?
The additional population exerts pressure on the existing strained services.
- Eventually a new field must be built, because the general population (residents) will demand it.

1.1 History

1.1.1 **Development Charges Act (1989)**

In November 1989, the first *Development Charges Act* was introduced to provide the legislative framework for municipalities, hydro commissions, counties and school boards to levy development charges for the provision of services directly related to new growth in their community. At the time, municipalities were given two years to determine their growth-related costs and to adopt a development charge by-law. This Development Charges Act forced the replacement of the former lot levies and it introduced more controls, disclosure and accountability. Municipalities had to prepare a study supporting the development charge, pass a by-law, establish reserve funds, and make growth-related expenditures only from the reserve fund for the money was collected.

The former Townships of Winchester and Mountain and Village of Winchester prepared development charges studies and subsequent to the required public meetings, passed development charges by-laws. For a period of time, Winchester Township continued to charge a development charge on new growth, while the Village of Winchester and Mountain Township elected to suspend their charges prior to amalgamation.

1.1.2 **Interim Legislation**

From 1995 to 1998, the *Development Charges Act* underwent an extensive review by the Ministry of Municipal Affairs and Housing in conjunction with municipalities, home builders' associations, and other stakeholders. As an interim measure, the *Development Charges Act* was amended by Chapter 4, Statutes of Ontario, 1996 (also known as Bill 20). This new interim legislation removed the appeal process to the Ontario Municipal Board, and gave approval authority for new development charges by-laws to the Minister of Municipal Affairs and Housing. Most importantly, Bill 20 authorized municipal Councils to pass an amendment to their existing Development Charge By-law in order to remove the (five year) expiry date of their existing by-laws.

1.1.3 **Development Charges Act (1997) (Bill 98)**

On March 1, 1998, the *Development Charges Act, 1997 (Bill 98 - An Act to promote job creation and increased municipal accountability while providing for the recovery of development costs related to new growth)* took effect. This legislation and associated Ontario Regulation 82/98 introduced changes to the approach and method used in calculating a development charge (moved to an average 10-year approach rather than using peak or current level). The scope of eligible services that can be included in a development charge was reduced. Other significant changes included a mandatory exemption for industrial expansions and a mandatory 10% capital cost reduction for all soft services. Municipalities must consider a comprehensive long term financial plan for how new growth-related services are funded.

The *Development Charges Act (1997)* requires municipalities to carry out a detailed background study prior to enacting a new development charge by-law. This study

requires a review of past capital expenditures, capital forecasts, average levels of service, operational costs, and assessed values of property and equipment. The revised legislation changed direction from “growth-related services” to “eligible” and “ineligible services.”

Some important governing matters of the legislation included the following:

- ☞ Development Charge Studies are essentially ten year studies but must be reviewed after five years.
- ☞ By-laws are valid for a maximum of five (5) years.
- ☞ Scope of eligible services and categories has been reduced.
- ☞ Mandatory industrial expansion exemption introduced (industrial - 50%).
- ☞ Methodology in calculating the charge has changed (average level of service rather than peak service level).
- ☞ 10 % reduction required for “soft” services.
- ☞ Legislated method for calculating the development charge.
- ☞ More “accountability and tracking” to be contained in Treasurer’s Statement.
- ☞ Subdivision agreements must inform purchasers of Development Charges.

The Council of the Township of North Dundas resolved in 1998 that new development should not cause a undue financial burden on the municipality and that some growth-related eligible costs should be recovered through a development charge. On September 14, 1999, Council adopted Development Charge By-law No. 44-99. Subsequently, Township Council adopted By-law No. 11-2005 and amending By-law No. 06-2006 which included a reduced levy for larger farm buildings (took into account economies of scale). Prior to the expiry of the Development Charge By-law, on February 22, 2011, Council adopted new By-law No. 18-2011. Subsequently, Council passed an amending by-law on January 24, 2012 (By-law No. 05-2012) to remove a discount on fire services.

1.1.4 **Development Charges Act (2015) (Bill 73 and Ontario Regulation 428/15)**

On December 3, 2015, the *Development Charges Act* was amended once again (*Bill 73 - Smart Growth for Our Communities Act, 2015*). This legislation and associated Ontario Regulation 428/15 amended the Development Charges Act in several ways. There are new requirements for having the background study available; waste diversion maybe added as an eligible item; all transit services have been added (subject to Ontario Regulation 428/15); asset management must now be considered - particularly with respect to transit; clarification to the term “parkland” was included; and housekeeping changes were made.

For small rural municipalities (without public transit), the changes are relatively minor. Under revised Sections 10(2) and 10(3), a municipality must now have an asset management plan which deals with all assets whose capital costs are proposed to be funded under the development charges by-law, and demonstrate that all the assets included in the development charge are financially sustainable over their full life cycle. The most significant change is a new requirement to have the background study available

60 days prior to passing the Development Charges By-law as follows:

10(4) The council shall ensure that a development charge background study is made available to the public at least 60 days prior to the passing of the development charge by-law and until the by-law expires or is repealed by posting the study on the website of the municipality or, if there is no such website, in the municipal office.

The following table outlines the eligible and ineligible services under the *Development Charges Act* along with the percentage that can be recovered through development charges. Under the legislation, the unrecoverable 10% must come from the municipality's general revenues (property taxes).

DEVELOPMENT CHARGES ACT

WHICH SERVICES CAN BE INCLUDED?

Municipal Service	Components	% Recoverable From Dev.Ch.
<i>Eligible Services</i>		
1. Administration	1.1 Development Charges Study	90%
2. Transportation	2.1 Municipal roads	100%
	2.2 Traffic signs, signals, etc.	100%
	2.3 Sidewalks	100%
	2.4 Streetlights	100%
	2.5 Municipal parking lots	100%
	2.6 Depots and salt / sand domes	100%
	2.7 Rolling stock†	100%†
3. Fire Protection	3.1 Fire stations	100%
	3.2 Fire fighting vehicles (pumpers, tankers, rescue vehicles)†	100%
	3.3 Equipment and gear	100%
4. Storm Water Drainage and Control Services	4.1 Retention / detention ponds	100%
	4.2 Channelling, connections	100%
	4.3 Truck lines, main channels	100%
5. Water Supply Services	5.1 Distribution system	100%
	5.2 Treatment plant	100%
6. Waste Water Services	6.1 Sewer lines	100%
	6.2 Pumping stations	100%
	6.3 Treatment plant	100%
7. Electric Power Services	7.1 Substations	100%
	7.2 Distribution system	100%
	7.3 Rolling stock†	100%
8. Police Services	8.1 Police stations	100%
	8.2 Police vehicles†	0% + 100%†
	8.3 Equipment and gear	100%
9. Ambulance	9.1 Building / Station	100%
	9.2 Ambulance Vehicles†	0% - 100%†
	9.3 Equipment and gear	100%
10. Library Services	10.1 Buildings & Land	90%
	10.2 Furniture and equipment	90%
	10.3 Circulation materials	90%
	10.4 Studies	90%

11.	Recreational Services	11.1	Arenas	90%
		11.2	Community Centres, Pools	90%
		11.3	Vehicles, rolling stock†	90%†
		11.4	Park development (structures, fields, etc.)	90%
		11.5	Studies	90%
12.	Homes for the Aged	12.1	Buildings and facilities	90%
13.	Day Care	13.1	Buildings and facilities	90%
14.	Social Services	14.1	Buildings and facilities	90%
15.	Transit Services	15.1	All services related to Transit	100%
Ineligible Services				
16.	Ineligible Services	16.1	Town Hall	0%
		16.2	Cultural or entertainment facilities (museums, theatres, art galleries)	0%
		16.3	Tourism facilities including convention centres	0%
		16.4	Parkland acquisition	0%
		16.5	Hospitals (capital contributions)	0%
		16.6	Waste management services & studies	0%
		16.7	Waste management vehicles	0%
		16.8	Computer equipment	0%
		16.9	Administration furniture and equipment (other than computer equipment)	0%
		16.10	Cost to acquire administration land	0%
		16.11	Rolling stock with useful life less than 7 years (ie. riding lawn mowers)	0%

† - Must have estimated useful life of seven (7) years or more

1.2 Process to Pass a Development Charges By-law

Under the Development Charges Act legislation, North Dundas Township Council must hold at least one advertized public meeting prior to passing a new development charge by-law. Notice must be published at least 20 days before the public meeting either by personal service, mail or fax to every owner of land in which the proposed by-law would apply or in a newspaper that is, in the clerk's opinion, of sufficiently general circulation in the area to which the proposed by-law would apply to give the public reasonable notice of the meeting (*O. Reg. 82/98 S9(2)*). The proposed by-law and background study must be made available at least two weeks prior the public meeting (Section 12, *D.C. Act*). Also, the development charges background study must be made available at least 60 days prior to the passing of a development charges by-law (Section 10, *D.C. Act, 2015*) by posting it on the Township website, and the municipality must keep the study available on the website until the by-law expires or is repealed.

Any person who attends the public meeting may make representations relating to the proposed by-law (Section 12 (2), *D.C. Act*).

Following the public meeting, Council may pass the development charges by-law or wait up to a maximum of one year to pass the by-law. According to Section 11 of the *D.C. Act*, “*a development charge by-law may only be passed within the one-year period following the completion of the development charge background study*”.

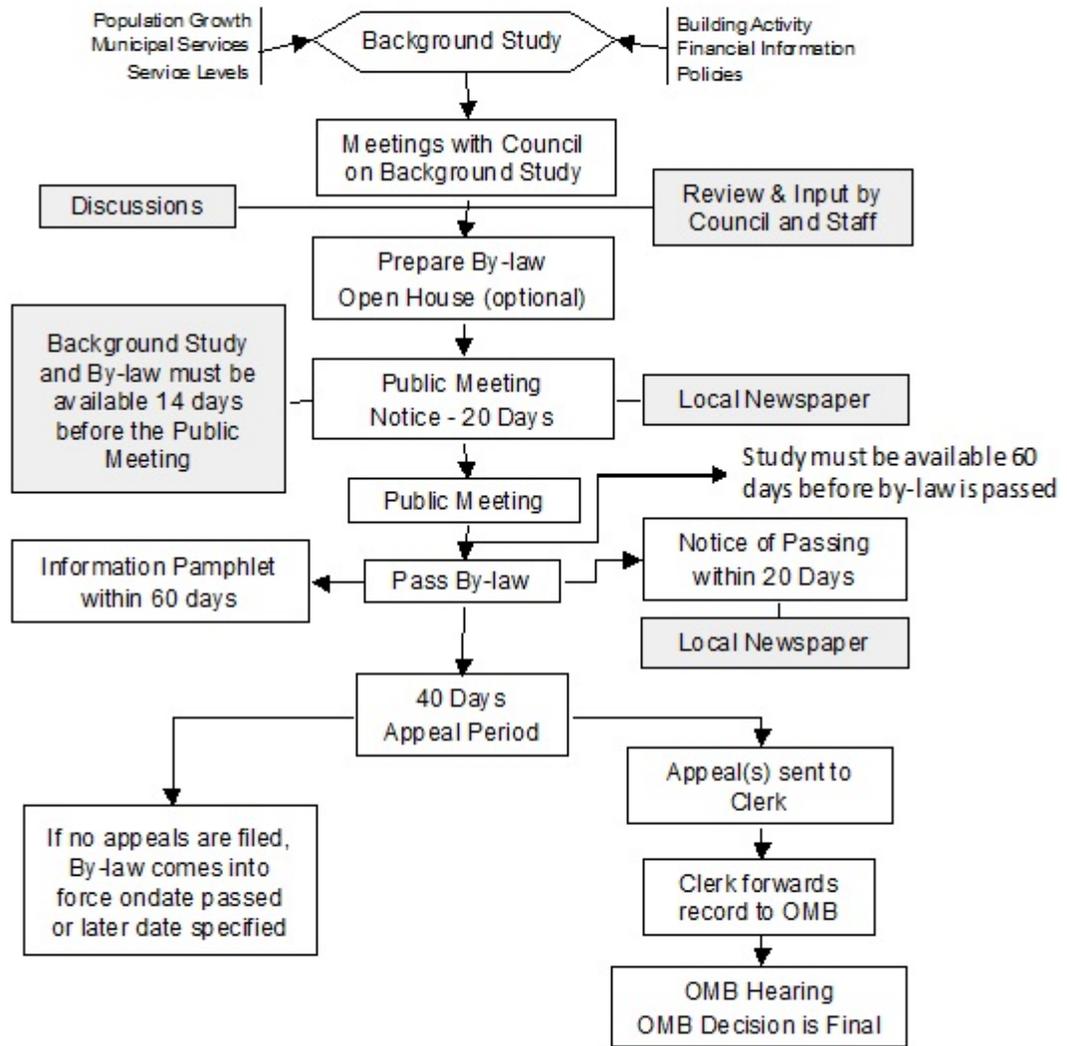
A notice of the passing of the by-law must be given not later than 20 days after the by-law is passed. The last day for appealing the by-law is the 40th day after the passing of the by-law.

Any person or organization may appeal a development charges by-law to the Ontario Municipal Board by filing with the clerk of the municipality, on or before the last day for appealing the by-law, a notice of appeal setting out the objection to the by-law and the reasons supporting the objection.

An illustrative flow chart showing the process to pass a development charges by-law follows on the next page. This chart is for illustration purposes only and the *Development Charges Act* and *Ontario Regulation 428/15* should be consulted for specific requirements.

Figure 1

Development Charges Implementation Process



Note: The above simplified flow chart is provided only for illustration purposes. For complete process details and legal requirements, consult the Development Charges Act (2015) and the associated Ontario Regulation 428/15.

2.0 Study Methodology

Back in 1997, the Province of Ontario shifted the methodology used to calculate a development charge by moving from a guideline approach to a legislated approach. In 2015, the *Ontario Regulation 428/15* is providing more specifics on how specific services are to be calculated. Currently, specific steps must now be followed to determine the development charge that may be imposed within a development charge by-law.

Subsections 5(1) and 10(2) of the *Development Charges Act* and *Ontario Regulation 82/98 and 428/15* provides a specific list of details that must be contained within a background study and the method that must be used to calculate the charge. These details include:

- Estimates of the anticipated amount and type of development.
- Calculations for each service to which the development charge by-law would apply.
- An examination, for each service to which the development charge by-law would relate, of the long term capital and operating costs for capital infrastructures required for each service.

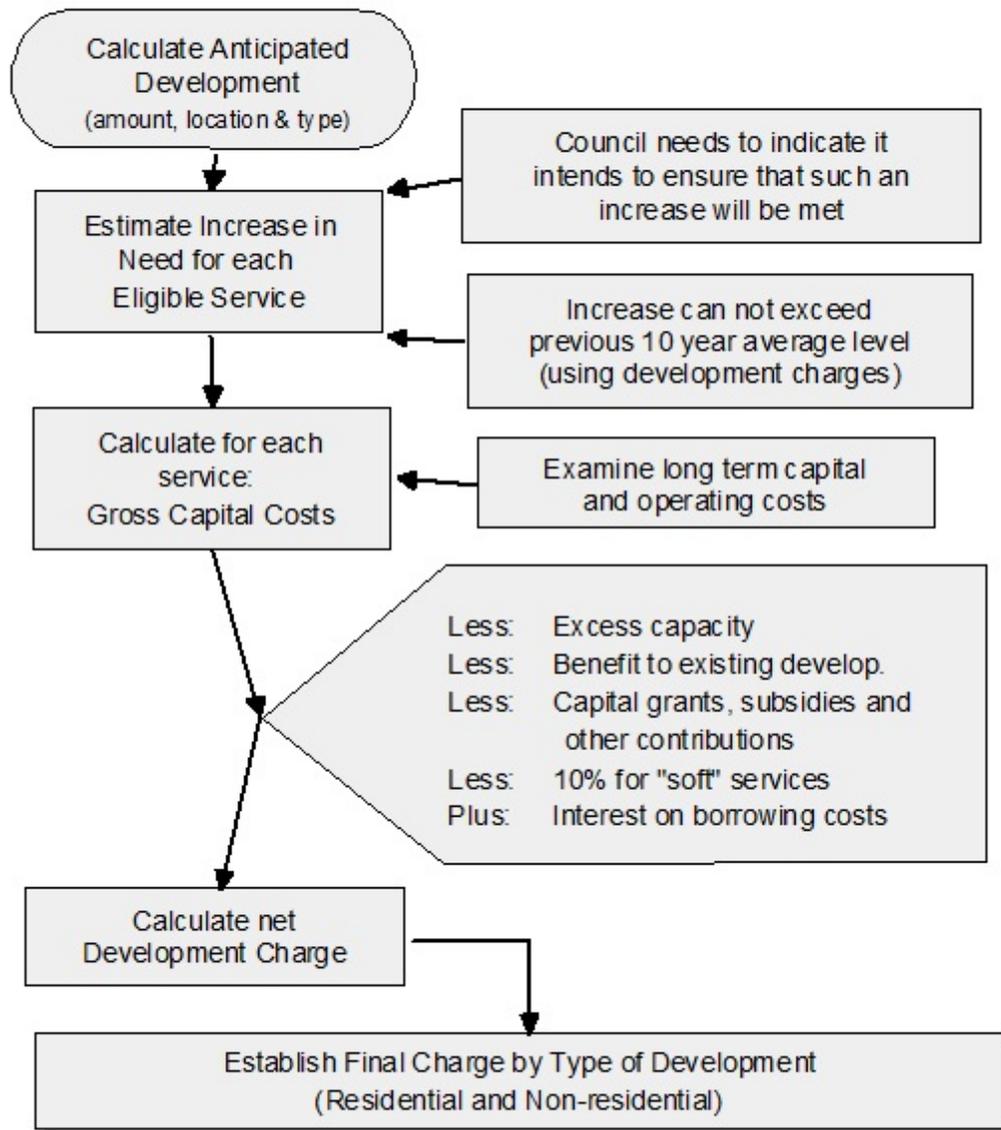
Ontario Regulation 82/98 added the following:

1. The total of the estimated capital costs relating to the service.
2. The allocation of the cost referred to in paragraph 1 (above) between costs that would benefit new development and costs that would benefit existing development.
3. The total of the estimated capital costs relating to the service that will be incurred during the term of the proposed development charge by-law.
4. The allocation of the costs referred to in paragraph 3 (above) between costs that would benefit new development and costs that would benefit existing development.
5. The estimated and actual value of credits that are being carried forward relating to the services.

The formalized process to calculate a development charge is outlined in the flowchart on the following page (Figure 2). This simplified chart condenses the required basic steps necessary under the new legislation. Key changes from the initial legislation includes: using the previous 10 year average service level; the examination of long term capital and operating costs; the reduction of uncommitted excess capacity, and a 10% mandatory deduction for “soft” services.

Figure 2

Process for Calculating a Development Charge Development Charges Act



Note: The above simplified flow chart is provided only for illustration purposes. For complete details and legal requirements, consult the Development Charges Act and the associated Ontario Regulations.

2.1 North Dundas - Township Wide Approach

The Township of North Dundas provides a wide range of municipal services to its residents and businesses. Under the new *Development Charges Act* (2015), municipalities have to consider area specific charges that might be applicable. Municipal water services may be available in only part of the municipality; therefore, if a water charge is applied, it would only apply to the benefiting area of the municipality. The municipality has the flexibility to define which municipal services that will be included within the development charge study and by-law in accordance with the “eligible service” list provided in the legislation (Section 2 - D.C. Act). Section 6 of the *Development Charges Act* states that the by-law must designate the area(s) to which the by-law applies (and the charges that apply to each area). The development charge by-law may apply to all lands equally throughout the municipality or may include or exclude specific designated areas as specified in the by-law.

An example would be where sewer services are not available in one part (area) of the municipality (nor will be available), therefore no specific sewer development charge would apply this specific area.

North Dundas offers a range of services and infrastructure which are available to all residents and businesses located in the municipality: recreational services, fire protection, roads, street lights, parks, etc. Residents and businesses in the entire Township have access to all municipal facilities throughout the municipality. Development Charge By-law 44-1999 applied the same charge across the entire former municipalities, with a special pumping station charge specific to the Thompson Subdivision in Chesterville. This area specific charge has and continues to apply to this specific subdivision (benefiting area).

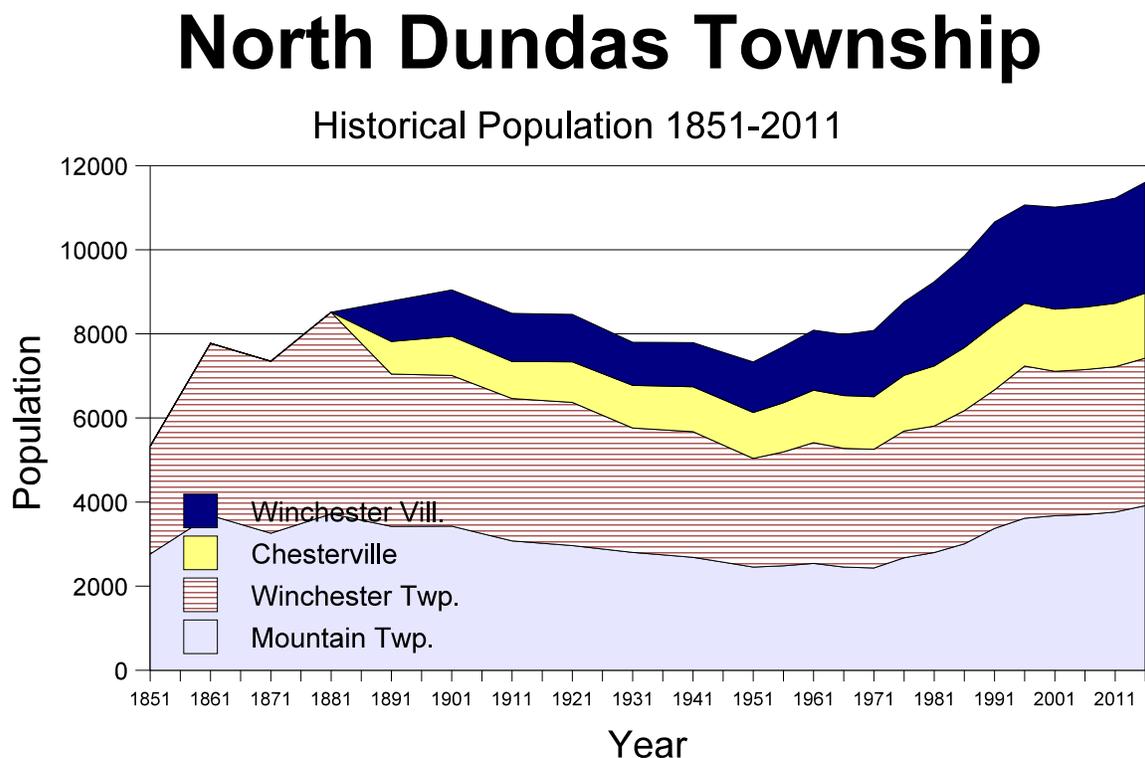
The Township has considered the appropriateness of area-specific charges. Area specific charges maybe appropriately applied to water and/or sanitary sewer services (ie. where areas within the two Villages have municipal water/sewage services). All residents benefit equally from the services considered within this study; therefore, a Township-wide approach has been used in the preparation of this background study. Area or site specific charges are dealt with according to the benefiting area (as noted above).

3.0 Population and Anticipated Development Projections

To ascertain future growth and development, historical growth patterns were investigated including a review of building permit activity, current population demographics (Statistics Canada 2011). The historical population of North Dundas has steadily increased since the turn of the century and continues to rise, however now slower. This can be attributed to the national trend of shrinking household sizes over the past 30-40 years. Many regions are seeing a stable or decrease in population, while enjoying healthy housing starts. Children leaving home, families having fewer children, and changes in family structure are all contributing factors.

Over the past 25 years, the population has increased by an annual average of 0.74 % per year. However, prior to this (1901 to 1981), the population was fluctuating ending with an average annual growth rate of 0.02 % per annum. North Dundas’ population peaked in the turn of the century in 1901 at 9,045, declined until after World War II from where it began to climb again. Since 1991, the population growth has slowed to an average annual growth rate of 0.48 % per year. The graphic (Figure 3) below illustrates this growth.

Figure 3



The following tables (Table 1 & 2) outline the population growth and the historical average annual growth rates over the past number of years.

Table 1a**TOWNSHIP OF NORTH DUNDAS
Population Growth**

Year	Population
1851	5,329
1896	8,913
1901	9,045
1951	7,332
1981	9,239
1986	9,851
1991	10,661
1996	11,064
2001	11,014
2006	11,095
2011	11,225
2016	11,607*

Table 1b**TOWNSHIP OF NORTH DUNDAS
Historical Average Annual Growth Rates**

2006-2011	past 5 years	1.06 % per year
2001-2011	past 10 years	0.61 % per year
1991-2011	past 20 years	0.48 % per year
1986-2011	past 25 years	0.74 % per year
1961-2011	past 50 years	0.89 % per year
1811-2011	past 100 years	0.38 % per year
1861-2011	past 150 years	0.34 % per year

Unfortunately, the 2016 Canadian census data is not available (estimated value show), therefore the background study uses the latest information available along with recent building permit data (2016 population estimate is based on building permits multiplied by 1.6 ppu). Previous growth rates (between 2001-2006) were the equivalent of approximately 30.45 housing starts per annum using the population increase (81 people) and the average number of persons per dwelling from the 2006 census (2.66 ppd). Strangely, the actual number of new dwelling starts over the same period was 237 dwelling units or 47.4 units/year.

**Table 2a
NEW DWELLING UNIT STARTS**

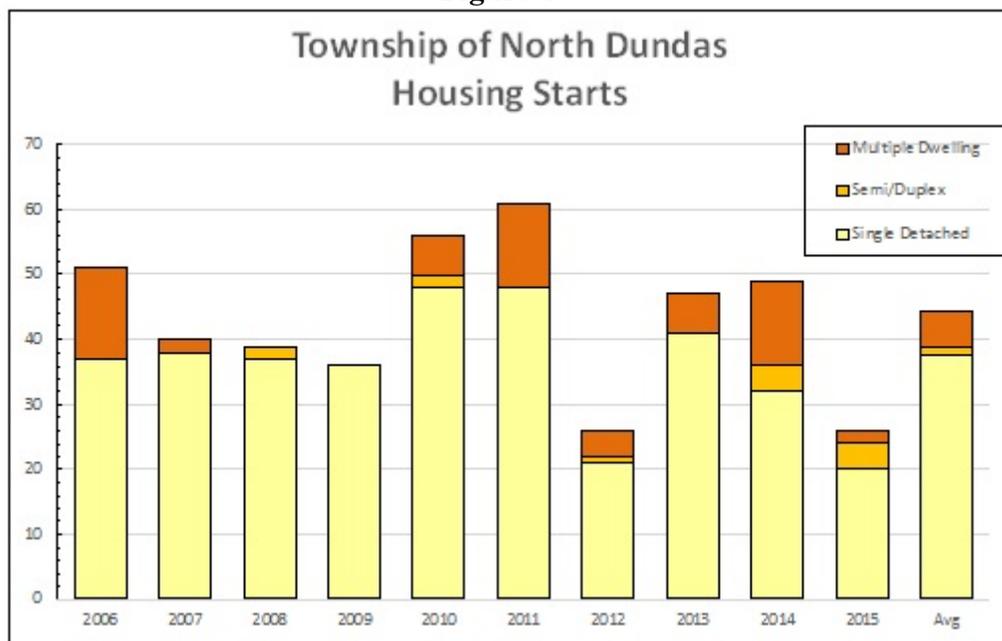
Year	Total Number of New Dwelling Units per Year			
	Single Detached Dwellings	Semi's or Duplex Dwellings *	Multiple Dwellings (Row/apt.) †	Total New Dwellings
1998	26		6	32
1999	18			18
2000	21			21
2001	33			33
2002	47	2	5	54

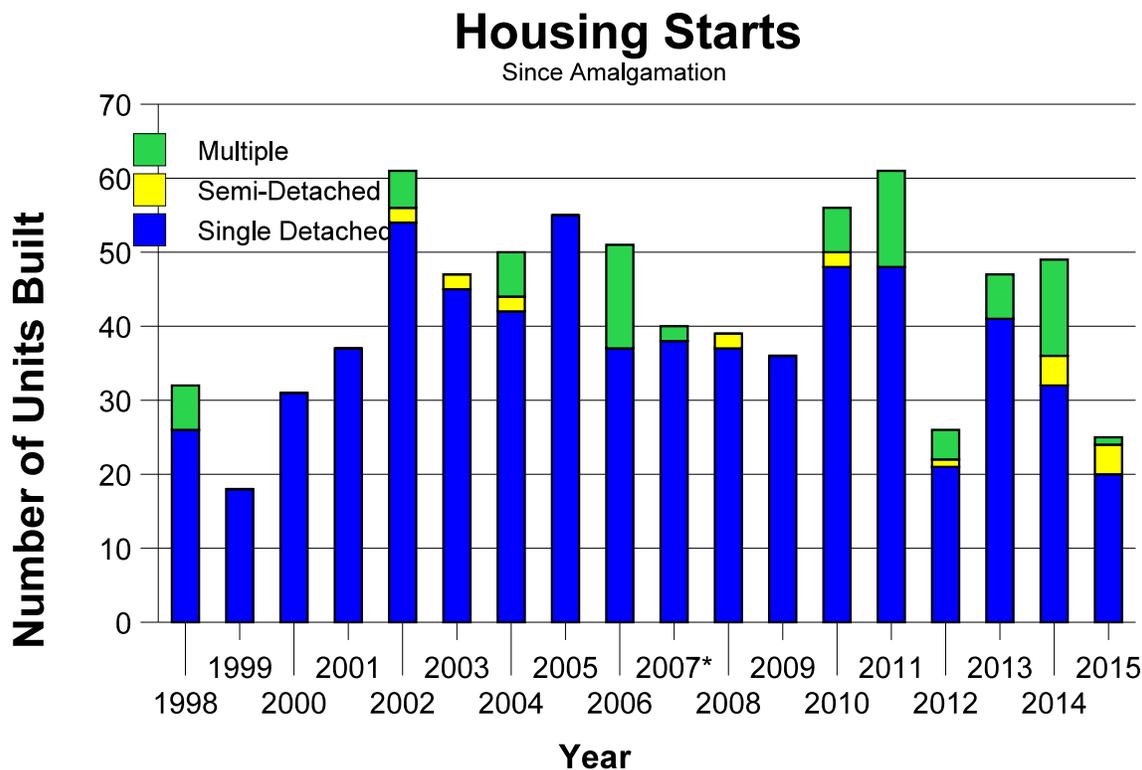
2003	41	2		43
2004	36	2	6	44
2005	55			55
2006	37		14	51
2007	37		2 (75)	39
2008	37	2		39
2009	36			36
2010	48	2	6	56
2011	48		13	61
2012	21	1	4	26
2013	41		6	47
2014	32	4	13	49
2015	20	4	2	26
15- year Avg. 2001-2015	38.5	1.4	5.1	45.4
10- year Avg. 2006-2015	35.8	1.4	6.0	43.1
5 year Avg. 2011-2015	32.4	1.8	7.6	41.8

* - Listed as individual units (ie. a semi-detached dwelling is counted as two units not one.)

† - Listed as total number of individual units (ie. an eight unit townhouse should be shown as eight units not one unit.)

Figure 4





From the illustration above, we can see that residential development activity has fluctuated. Dwelling unit construction has, in recent years, dipped slightly slower. This is likely the result of the recent significant changes to the Ontario Building Code (a rush of permits before the Code changed) and demographic shift of the baby boom generation children moving into the housing market and now being settled. Lower than average housing starts can be expected over the next ten-year period, simply based on the current demographic composition of North Dundas and Ontario. Regionally, schools are consolidating and closing with the steady drop in enrollments. School Boards are struggling to deal with less children than the previous generation. Countering this trend will be the influx of individuals and families moving out of neighbouring Ottawa seeking affordable housing. In addition, the Winchester District Memorial Hospital and the Community Care facility have completed their expansions. Also, business expansions and investments in the Township have been steady over the past ten years. Economic spinoffs can be expected.

Historically, the lack of water and sewage capacity in former Village of Winchester slowed growth within their boundaries. Both Villages now have residual capacity. Engineering studies are being considered to ensure future supplies and sanitary sewage capacity. Subdivision development has been steady; however, has slowed significantly due in large part by the new burdensome Hydro One deposit for newly created lots. Local developers are reacting by not moving forward, or by shrinking the size of each phase. How much this impacts future residential development remains to be seen.

Commercial growth within the Township has been steady and healthy over the past ten years. A total of 42 new commercial and additions to existing business have been built in North Dundas since 2006 valued at over \$15.7 million (approx. 174,514 sq. ft.) (see Table 2b). The 10-year average annual gross floor area for commercial expansions was 17,451 sq. ft.. This mean reflects a strong local economy, and exceeded the typical commercial gross floor area built annually in North Dundas over a previous 10 year period from 1995 to 2004 (11,322/sq. year).

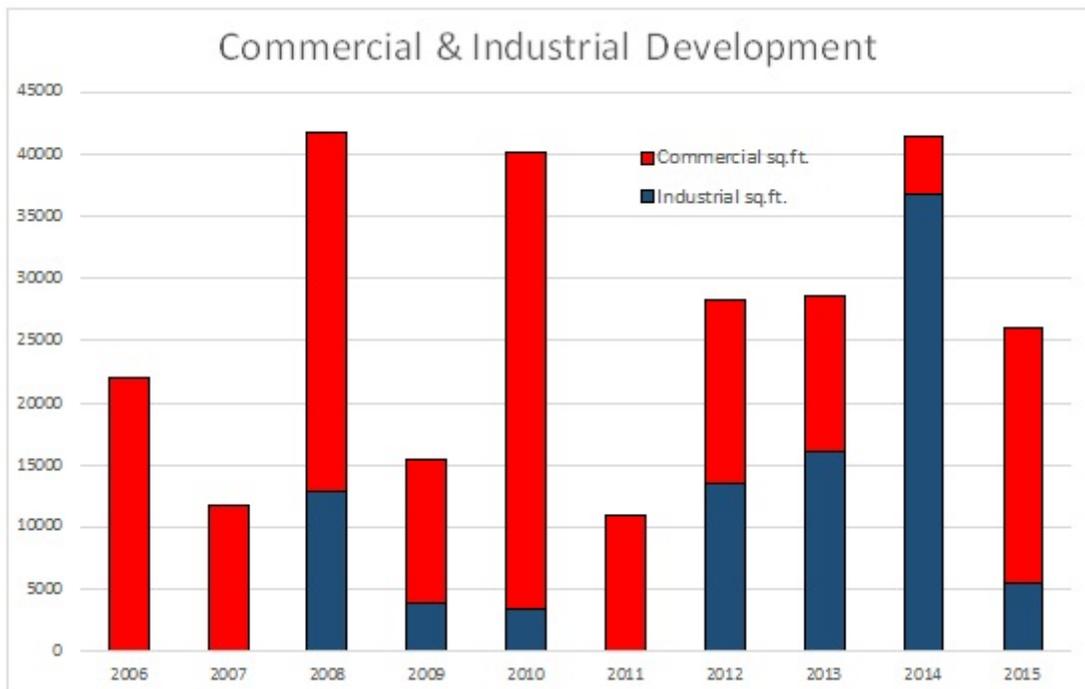
New industrial starts (expansions to existing buildings) were recorded over the past ten-year period (compared with three over the previous ten year period). Most of the expansions have been exempt under Section 4 of the Development Charges Act, with a few that exceeded the Industrial 50% rule. Typically most institutional buildings (schools, municipal buildings) are exempt from development charges. A detailed list (Table 2b) of commercial and industrial starts and additions from 2006-2015 (past ten years) are provided below.

Table 2b
NEW NON-RESIDENTIAL CONSTRUCTION STARTS

Year	COMMERCIAL STARTS		
	Total Commercial Sq. Ft.	Value	Value / sq.ft.
2006	(4) 22,012	\$881,000	\$40.02
2007	(4) 11,694	\$580,000	\$49.60
2008	(5) 28,968	\$1,385,000	\$47.81
2009	(3) 11,600	\$655,000	\$56.47
2010	(6) 36,739	\$3,022,886	\$82.28
2011	(8) 11,026	\$760,800	\$69.00
2012	(1) 14,660	\$3,300,000	\$225.10
2013	(4) 12,525	\$610,000	\$48.70
2014	(2) 4,740	\$874,000	\$184.39
2015	(5) 20,550	\$3,680,000	\$179.08
Totals	174,514 sq.ft.	\$15,748,686	
Average	17,451 sq.ft./year	\$1,574,869	\$90.24/sq. ft.

Year	Industrial and Institutional Starts			
	Total Industrial Sq. Ft.	Value	Value / sq.ft.	Total Institutional Sq. Ft.
2006	Nil	\$40,000	Nil	Nil
2007	Nil	\$149,000	Nil	92,365 sq.ft. (\$42,613,500)
2008	12,800	\$1,116,000	\$87.19	n/a (\$88,300)
2009	3,915	\$5,000,000	\$56.47	21,120 s.ft. (\$861,000)
2010	3,430	\$150,000	\$82.28	Nil
2011	Nil	Nil	Nil	Nil (\$91,000)
2012	13,594	\$745,000	\$54.80	5,048 sq.ft. (\$1,050,000)
2013	16,023	\$2,383,870	\$148.78	6,956 sq.ft. (\$80,000)
2014	36,739	\$3,022,886	\$82.28	3,430 sq. ft. (\$150,000)
2015	5,456	\$942,580	\$172.76	720 sq.ft. (\$339,500)
Totals	91,957 sq.ft.	\$13,549,336		129,639 sq.ft. (\$45,273,300)
Average	9,196 sq.ft./year	\$1,354,934	\$147.34/sq. ft.	12,964 sq/ft (\$4,527,330/yr)

Figure 5



These 10 year average rates of commercial growth can be expected to continue as there is available (serviced) vacant commercial land. New commercial and industrial businesses are expected to continue to be constructed in North Dundas, at a similar, but slightly slower average rate of growth (given the current commercial vacancies in the downtown core). Sustained low interest rates and bank rates will likely have a continued positive impact on growth in the commercial and industrial sectors.

3.1 Population & Dwelling Unit Composition

Age distribution in North Dundas over the past number of census is outlined below in Table 6. The population distribution continues to shift within the Township of North Dundas. The percentage of seniors is increasing slightly, while less children are being born. An example is as follows:

1991 there where 3,270 children (ages 0-19 years old)
 1996 there where 3,350 children (ages 0-19 years old)
 2001 there where 3,170 children (ages 0-19 years old)
 2006 there where 2,955 children (ages 0-19 years old)
 2011 there where 2,660 children (ages 0-19 years old)

1991 there where 1,465 seniors over 65 years of age
 1996 there where 1,480 seniors over 65 years of age
 2001 there where 1,505 seniors over 65 years of age
 2006 there where 1,515 seniors over 65 years of age
 2011 there where 1,750 seniors over 65 years of age

These numbers clearly demonstrate the shifting demographic composition (aging population) in the Township of North Dundas. Impacts are being felt with reduced school enrollments and school closures, new varying demands on municipal services (example: passive recreational services) and infrastructures (eg. trails, pools, sports fields, halls). The seniors' population (65+) will continue to rise over the next number of years as the baby boom generation ages. This growing segment of the population will demand upgrades and improvements to municipal infrastructure servicing their needs and wishes.

Table 3
Age Distribution

Age groupings		0-19 years old	20-44 years old	45-64 years old	65+ years old
North Dundas	1991	30.6 %	37.9 %	17.8 %	13.7 %
North Dundas	1996	30.2 %	36.2 %	20.2 %	13.4 %

North Dundas	2001	28.8 %	33.9 %	23.6 %	13.7 %
North Dundas	2006	26.7 %	31.5 %	28.2 %	13.6 %
North Dundas	2011	23.7 %	28.2 %	32.5 %	15.6 %

Source: Statistic Canada, 1991, 1996, 2001, 2006, 2011

Given the evolving demographic composition, North Dundas can expect a continued demand for single detached dwellings. However, a shift to smaller dwelling units can be expected to accommodate the aging 45-65 age category who will no longer want or need larger single detached units. The 65+ age group will be looking for newer, smaller low maintenance dwelling units.

Almost 70% of the residents of North Dundas were 44 years of age or younger in 1996, compared with 62.7% in 2001, and 58.3% in 2006. This demographic distribution is indicative of a young family-oriented community, that is shrinking. These figures also demonstrate the aging population trend.

The population pyramids below (Figure 6) illustrates the age groupings by gender. The “Baby Boom” generation is clearly evident in North Dundas as well as the “echo” generation (the baby boomer babies). Also, the pyramid shows that North Dundas does attract young families. Attracting the 20-29 age grouping will be difficult given the quite rural setting North Dundas offers, compared with the “big lights, big city” attractions to the north in Ottawa.

Figure 6

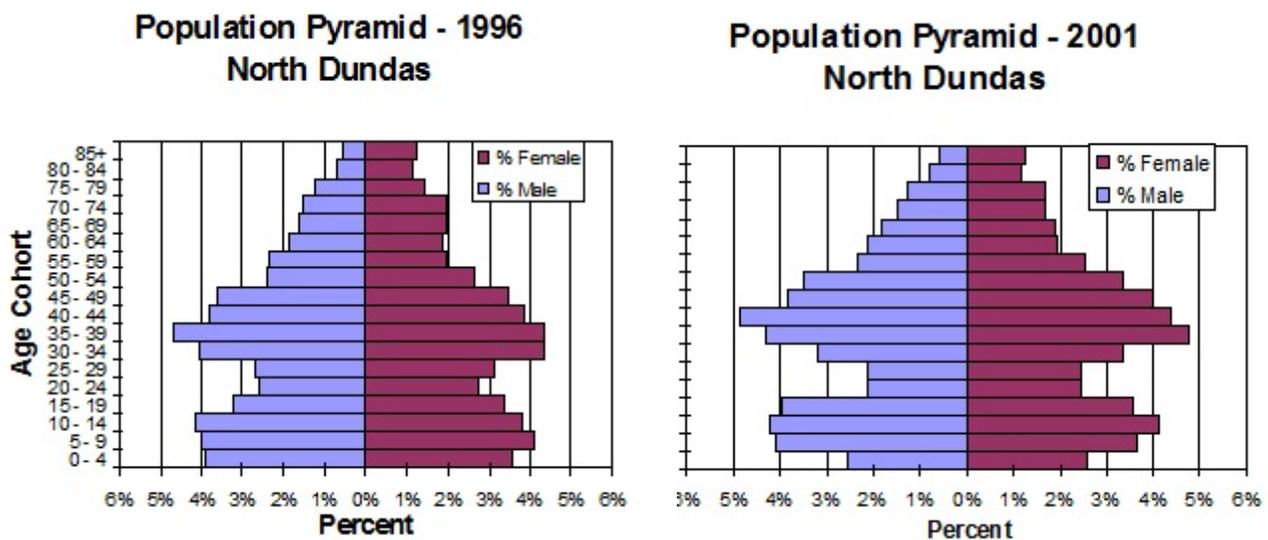
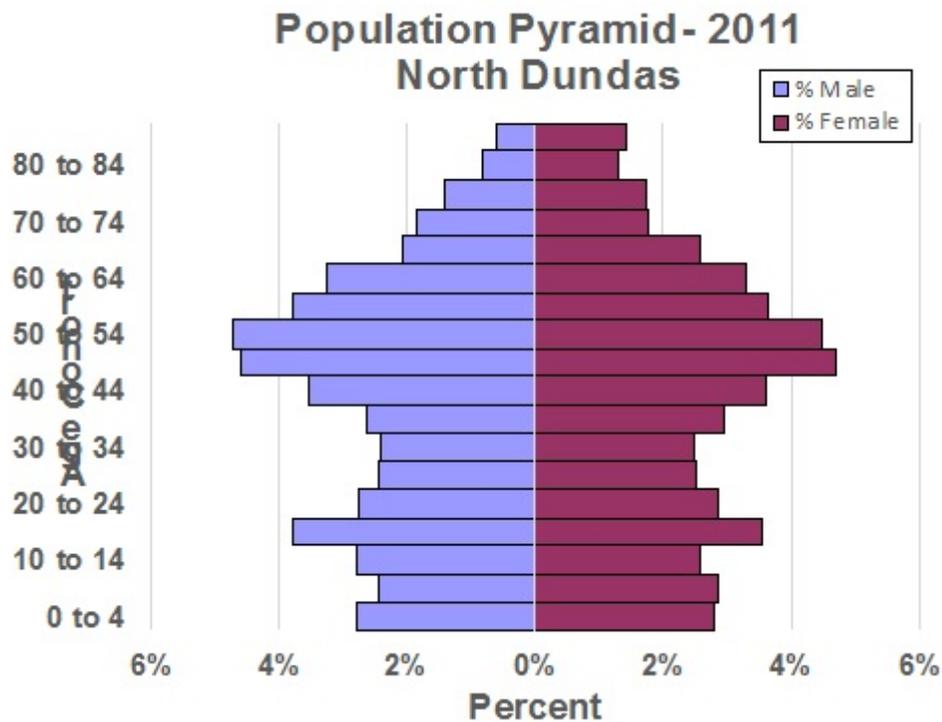
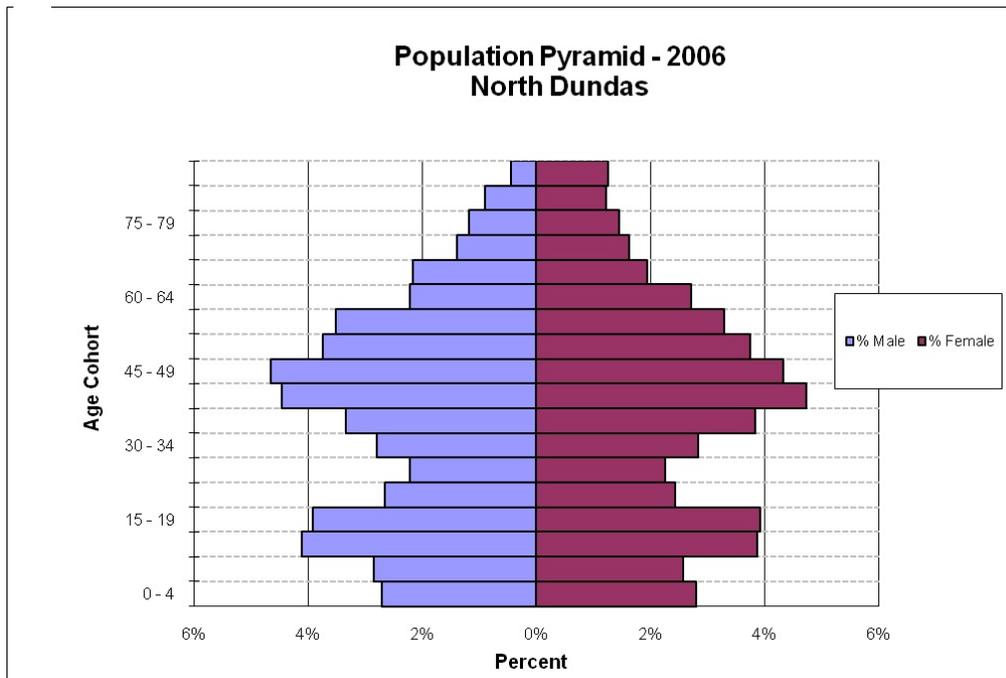


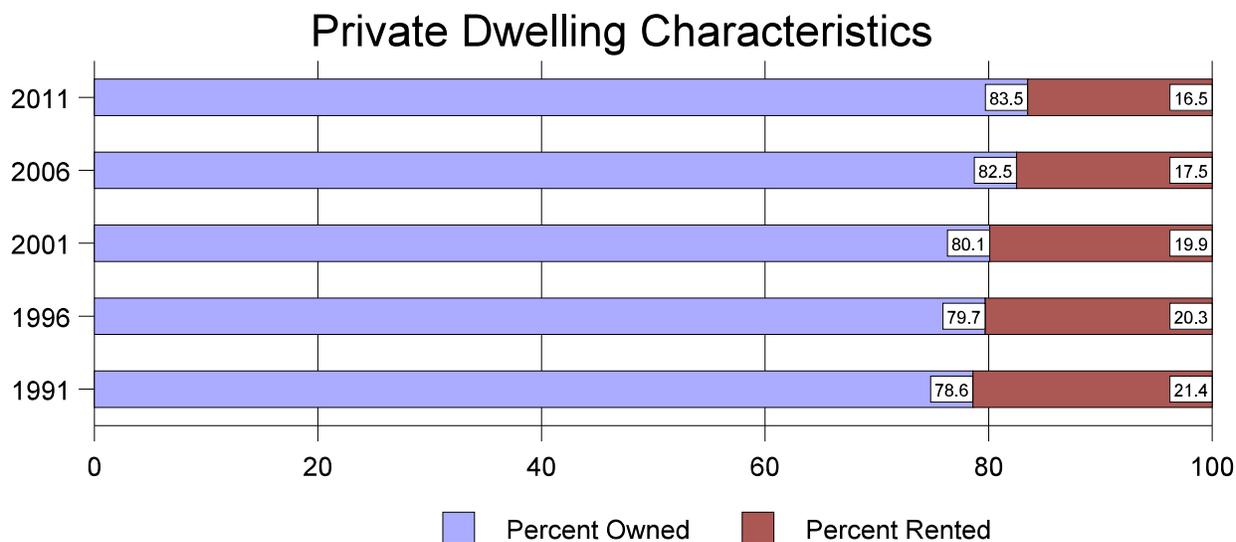
Figure 6



Source: Statistic Canada, 2011

The population pyramid totals 100 %, with males comprising of 48.8 % of the total population and the females 51.2 %. Each age group by gender is a percentage of the total 2011 population composition of the municipality.

Dwelling unit ownership has progressively risen over the past ten years, which is reflective of low mortgage interest rates. Occupied private dwelling characteristics have changed as follows:



Within North Dundas in 2011, there were 4,425 private occupied dwellings.
 Within North Dundas in 2006, there were 4,175 private occupied dwelling.

Of those 4,425 dwelling units, 83.5% of them are owner-occupied. The above graphic illustrates the shift to owner-occupied dwellings in North Dundas from 1991 to 2011. Either renters are purchasing their dwelling units, or the new homes that are being built in North Dundas are mainly owner-occupied dwellings. Currently 84.8% of all occupied private dwelling units in the Township are single detached units (Statistics Canada, 2006), up from 81% in 2001. The average value of owned dwellings in North Dundas is \$254,279 as compared with \$367,428 for Ontario.

	<u>2011</u>	<u>2006</u>	<u>2001</u>
Single detached	84.8 %	86 %	81 %
Semi-detached	2.3 %	2 %	4 %
Row house	1.2 %	1 %	2 %
Apartment	9.8 %	9.5 %	13 %
Other	1.5 %	1.8 %	1 %

Source: Statistic Canada, 2011, 2006, 2001

Based on the number and type of dwelling units in the municipality, the following projected assumptions are used for average number of persons per unit (ppu) for new housing units:

Unit Type	PPU (2017-2026)
Single Detached	3.0
Semi-detached / Duplex	2.8
Row Dwelling / Townhouse	2.4
Apartment 3 bedroom	2.3
Apartment 2 bedroom	2.1
Apartment 1 bedroom	1.6
Apartment Bachelor	1.2

3.2 Historical and Expected Growth Distribution

Historically, growth has primarily take place in planned subdivisions, or on lots created by consent. Principally, this growth has occurred in a scattered pattern throughout the Township. With the new Provincial Policies (2014) and the County Official Plan (2017) implementing tighter controls on acquiring consents, more subdivision development can be expected (already witnessed in the past ten years). As the outlying rural areas become more built-up and existing severed lots are built upon, new growth is expected to shift to subdivisions within the serviced built-up areas (urban settlement areas). Some growth in the Township on infill lots or intensification can be expected to continue.

3.3 Population, Dwelling Unit, and Non-residential Growth Projections

Official Plan policies and the Provincial Policy Statements direct that new developments are focussed to settlement areas (or built-up areas), and that outlying rural areas are the focus of resource activity. Growth areas can be expected to shift in the Township of North Dundas as these land use policies will steer future development primarily to settlement areas and other existing built up areas.

The United Counties of Stormont, Dundas and Glengarry is in the process of preparing a (second) new County Official Plan. The Official Plan policies (in addition to the Provincial Policy Statements) direct that new developments are focussed to areas with full (water and sewer) services (or built-up areas), and that rural areas are the focus of resource activity. Growth areas can be expected to shift in the Township of North Dundas as these new land use policies will steer future development to primarily fully serviced urban areas and other existing built up areas. The population background report for the United Counties of Stormont, Dundas and Glengarry Official Plan has projected a population growth for North Dundas of 1,460 persons over the next twenty years (2016-2036) . This equates to an annual average of 0.63 % or 73 people per year, or 29.2 dwelling units (*using an average of 2.5 ppu*)

Given the projections found within the existing Official Plan, the historical population growth, the past ten year housing starts, the available servicing capacity within both the former Villages of Chesterville and Winchester, along with proposed and approved plans of subdivision, an average annual growth projection of 0.7 to 0.9 % per annum is not

unreasonable nor overstating/understating the potential growth.

At present, the average number of persons per unit for the entire Township of North Dundas is as follows:

<u>Year</u>	<u>Average Number of PDU</u>
2011	2.54 persons per dwelling unit
2006	2.66 persons per dwelling unit
2001	2.74 persons per dwelling unit
1996	2.81 persons per dwelling unit
1991	2.97 persons per dwelling unit

Table 4a provides a breakdown for the next ten years, of the expected growth by population and dwelling units.

Table 4a
Population and Dwelling Unit Growth Forecast

Year	Population	Population Growth	Projected # of Dwelling Units *	
2011	11,225			
2012	11,309			
2013	11,393			
2014	11,475			
2015	11,557			
2016	11,638		2017-2022	
2017	11,719	80	40	
2018	11,799	80	40	
2019	11,879	79	40	
2020	11,958	79	40	
2021	12,037	78	40	200
2022	12,115	78	35	2022-2026
2023	12,193	77	35	
2024	12,270	77	35	
2025	12,347	76	35	
2026	12,423	76	35	175
Total		780	375	375

* - Based on data from Statistics Canada, 15 year building permit data and projecting a continued slight decline in the average number of persons per unit in North Dundas to an average of 2.5 persons per dwelling unit.

Figure 7 below illustrates the modest projected population growth over the next ten years. North Dundas is well positioned to accommodate this new growth with available residual capacity in both the water and sewage systems in both Winchester and Chesterville. North

Dundas is projected to continue with new residential dwelling unit (new housing) starts over the next ten years.

Figure 7

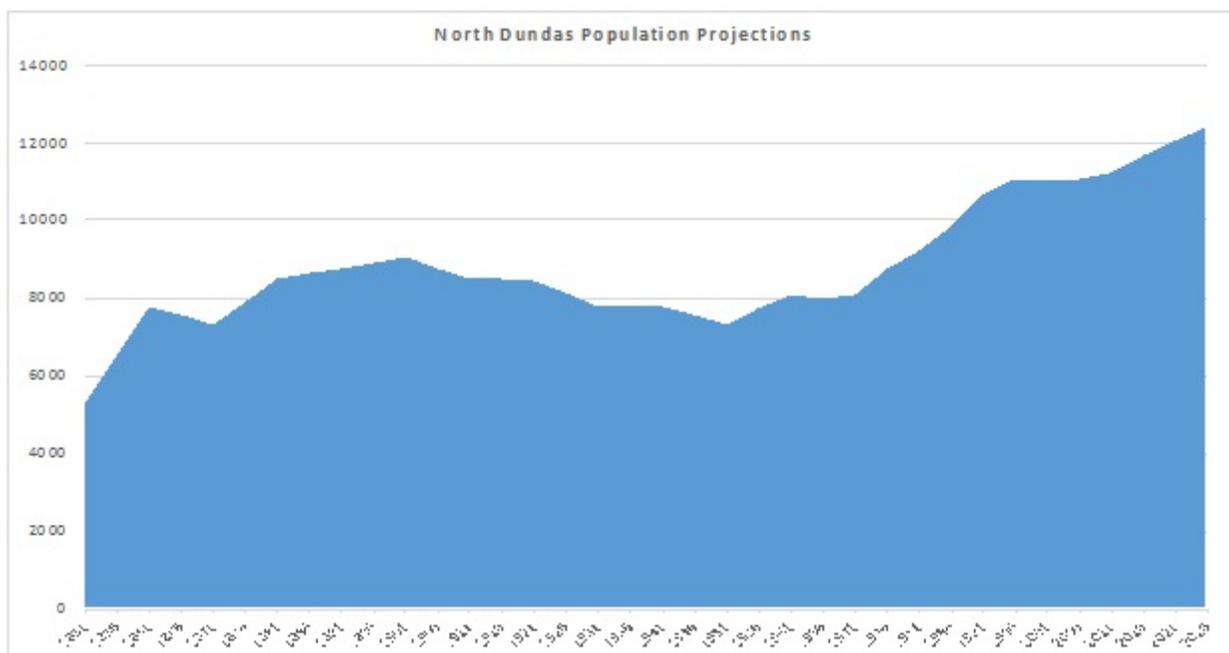


Table 4b outlines the number of existing dwellings compared with the number of projected dwellings. This table is useful in calculating the growth-related portion of costs when prorating is necessary. The number of dwellings is taken from the latest 2006 census data (4,614 units) plus the new building permits issued from 2011 until 2016 (209 units less rebuilds = 194 units). According to the figures, there are 4,396 assessed dwelling units in the North Dundas.

Table 4b
Township of North Dundas
Growth Projections as a Percentage of Existing Dwelling Units

Time Frame	Existing Dwelling Units	Projected Growth
2016	4,614 / 100%	n/a
2017 - 2021	4,614 / 95.85 %	200 units / 4.15 %
2017 - 2026	4,614 / 92.5 %	375 units / 7.5 %

Non-residential growth is projected to occur at about 70 % of what occurred over the past ten-year mean rate, given the availability of commercial/industrial vacant land. Moreover, with the modest increase in population over the next ten and twenty year period, additional commercial and industrial businesses can be expected to be built to service this population increase. In addition, as the population reaches certain thresholds,

specific commercial business will be attracted to the municipality (ie. Giant Tiger, “mini” fast food outlets, small malls, etc.). It is projected that over the next ten years an annual average of 18,652.9 sq.ft. of non-residential space will be constructed, valued at approximately \$2,050,862/year.

4.0 Apportionment to Types of Development

In determining the development charge, each service is examined to differentiate the attribution between residential and non-residential sectors. For each apportionment below, only the eligible assessment under the new *Development Charges Act* (DCA) have been included in determining the percentage allocation. An example is that pipelines or managed forests are assessed and taxable, but would not be paying a development charge: Therefore, they are not included in the calculations below.

Under the development charges legislation, two land uses are the focus for development charges. These are residential and non-residential (mainly comprised of commercial and industrial). Their current assessment (2015) is as follows:

<u>Assessment</u>	<u>Apportionment (Eligible Under the DCA)</u>
Residential Assessment	93.07 %
Commercial Assessment	5.64 %
Industrial Assessment	1.29 %

What the assessment reveals is that residential comprises a significant portion of the total assessment base in North Dundas. While there are some industries and commercial businesses, these only comprise of a fraction of the total assessment. The above figures are not expected to deviate over the next ten-year period significantly. With additional residential growth will come additional commercial and industrial growth in approximately the same percentage mix as is found in North Dundas in 2015. These figures are used in assessing the portion of growth-related net capital costs attributable to each of the categories.

5.0 Examination of Municipal Services and Average Service Levels

Under the current *Development Charges Act* and *Ontario Regulation 82/98*, municipalities are required to consider their historical average service levels. The Act requires that the development charges be set at level (of service) no higher than the 10-year average preceding the preparation of the Development Charges Study. The rationale is that some municipalities were using peak years to establish their development charge in the past. To make these calculations more reasonable, the revised Development Charges Act requires that the average now be used on a service by service basis.

To satisfy this legislative requirement, the historic preceding 10 year service levels for qualified services have been documented for the period 2007 to 2016. These service levels serve as a benchmark in calculating the new development charge. The municipal services levels utilized are based on municipal records, information provided by staff, and their experience with costs to acquire or construct similar facilities, equipment and infrastructure. Where possible, insurance records and the replacement values they have determined are used. Existing capital forecasts or similar expressions of the intentions of Council were investigated in accordance with *Ontario Regulation 82/98* Section 3.

In an effort to keep the development charge within a reasonable and locally acceptable level, not all municipal services have been included within this development charge study. Township Council will have to consider the municipal services which would most likely require expansions due to growth and to consider anticipated capital projects over the next ten years. The final by-law will reflect the direction of Council.

The following subsections contain preceding 10 year service levels for qualified services for the period 2007 to 2016.

5.1 General Government - Growth-Related Studies

As discussed earlier, under the first Development Charges Act (1989) three of the four former municipalities undertook a development charges studies. In 1999, the amalgamated Township of North Dundas paid approximately \$16,600 (including notices and advertising costs) for the preparation of a development charge background study and associated by-law. In 2005 & 2006, Council updated the study and included farm buildings at a cost of \$8,470.49 (completed internally). In 2011 and 2012, a new background study was prepared internally and a revision made in 2012 at a total cost of \$10,570.23. The 2016 Background Study, By-law and Notices are expected to cost \$11,550.00. There are sufficient reserves in the current Development Charge Reserve Fund to cover the costs of an update in 2021.

Growth-related studies (such as the preparation of the development charges background report) are eligible items under the new *Development Charges Act, 1997*. However, they must be discounted by 10% under the modifications to the Act.

5.2 Public Works Services

Subsequent to amalgamation in 1998 when the Township had four municipal garages, there are now 2 garages in North Dundas. The House of Lazarus Matilda Resource Centre Inc. purchased the former Township of Mountain garage in September 1, 2000 for \$15,175 (appraised value). Also, in 2004, the Township sold the salt dome and property in Mountain for \$56,379. In 2015, the former Winchester Township public garage (12715 County Road #43) was expanded by four service bays at a total cost of \$595,998.83. The growth related expense has been partially paid for from the exiting development charge reserve fund (\$196,000 or 32.9%) and has been extended out over the next five year period. As a result of this expansion, the average standard of service has increased over the ten-year period (see Table 5.2 on the following page).

The total average gross floor area/value per capita was maintained using development charges. Any excess amount or square footage beyond the allowable growth related amount under the development charge calculation must be financed outside the development charge.

Under equipment and furniture, the computers used by the Roads and Drainage Superintendent has not been included in accordance with subsection 5(3)(4)(ii) of the *Development Charges Act*. All tools, equipment, materials and supplies have been totalled for the purposes of calculating the eligible charges.

Currently, the Township has nine (9) unlicensed vehicles (insured) and nineteen (19) licensed vehicles & licenced equipment (insured). Vehicles have been replaced and added over the years as shown in Table 5.2. Based on the projected growth, the municipality should be purchasing two vehicles over the next ten years to maintain the same average standard of service.

Total operational costs for the licenced and unlicensed vehicles amounted to \$305,348, a substantial increase over 2009 (\$262,205), and \$158,000 in 2004 which is indicative of an aging fleet. This calculates to an annual average of 26.34 per capita in 2016, compared with \$22.67 per capita in 2009, and \$14.05 per capita in 2004. It can be expected that the additional per capita operational costs associated with the capital program forecast will increase with the aging fleet. A centralization of the Public Works depots could assist in decreasing the operational costs (one garage rather than two - economies of scale).

Table 5.2

**Public Works Facilities and Services
Capital Assets Inventory - past 10 years
Township of North Dundas**

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	10 Year Average
Population	11,121	11,147	11,173	11,199	11,225	11,309	11,393	11,475	11,557	11,638	
Public Works Garages & Sheds	\$1,063,866	\$1,092,439	\$1,101,010	\$1,111,487	\$1,255,877	\$1,400,268	\$1,544,658	\$1,689,048	\$1,756,610	\$2,359,155	\$1,437,442
Garage Quality per capita	\$96	\$98	\$99	\$99	\$112	\$124	\$136	\$147	\$152	\$203	\$126.46
Public Works Equipment	\$84,195	\$84,195	\$84,195	\$84,195	\$84,195	\$84,195	\$84,195	\$84,195	\$84,195	\$87,563	\$84,532
Contents per capita	\$8	\$8	\$8	\$8	\$8	\$7	\$7	\$7	\$7	\$8	\$7.47
Quantity per 1,000 capita	0.180	0.179	0.179	0.179	0.178	0.177	0.176	0.174	0.173	0.172	0.177
PW Garage/Equipment/per capita	\$103	\$106	\$106	\$107	\$119	\$131	\$143	\$155	\$159	\$210	\$133.93
Unlicenced Vehicles (11,10, 9)	\$911,012	\$911,012	\$911,012	\$1,385,070	\$1,385,070	\$1,385,070	\$1,291,553	\$1,291,553	\$1,198,035	\$1,198,035	\$1,186,742
Quantity per 1,000 capita	0.809	0.987	0.985	0.982	0.980	0.973	0.878	0.871	0.779	0.773	0.902
Quality per capita	\$82	\$82	\$82	\$124	\$123	\$122	\$113	\$113	\$104	\$103	\$104.72
Licenced Vehicles & Mounted Equi	\$1,945,481	\$1,945,481	\$1,945,481	\$1,945,481	\$1,945,481	\$1,951,547	\$2,094,798	\$2,094,798	\$2,094,798	\$2,137,798	\$2,010,115
Quantity per 1,000 capita	1.708	1.704	1.701	1.697	1.693	1.680	1.668	1.656	1.644	1.633	1.678
Quality per capita	\$175	\$175	\$174	\$174	\$173	\$173	\$184	\$183	\$181	\$184	\$177.46
Public Works Equipment	\$210,578	\$210,578	\$210,578	\$210,578	\$210,578	\$218,666	\$345,041	\$345,041	\$345,041	\$345,041	\$265,172
Quality per capita	\$19	\$19	\$19	\$19	\$19	\$19	\$30	\$30	\$30	\$30	\$23
Total Public Works (\$2016)	\$4,215,133	\$4,243,706	\$4,252,277	\$4,736,812	\$4,881,202	\$5,039,747	\$5,360,245	\$5,504,635	\$5,478,680	\$6,127,592	\$4,984,003
Per capita (\$2016)	\$379	\$381	\$381	\$423	\$435	\$446	\$470	\$480	\$474	\$527	\$439.45

5.3 Transportation Services

North Dundas Township has undertaken planned road expenditures for repairs, maintenance and upgrades. At the end of 2003, a Road Management Study was completed by McIntosh Perry Consulting Engineers Ltd. This study identified existing roads, conditions and needs for the next five & ten years. Since 2010, Township Council has made roads a top priority, with the objective of surface treating all frequently travelled gravel roads, and outlying single gravel roads where sending a grader is not cost effective.

As a result of Council's directive, a significant shift in the proportion of gravel roads versus surface treatment roads has taken over the past 6 years. The table below shows the change from gravel roads to surface treatment roads, and additional roads added through new subdivisions.

Road Surface Category	2011 Lengths	2015 Lengths
Asphalt (HCB)	62.88	69.1
Surface Treatment (LCB)	120.04	182.4
Gravel	206.18	144.6
Total	381.3	396.1

For this background study, continued road upgrades are expected and identified as being required to service growth. However, there remains many roads that require regular maintenance/replacement in the immediate future. Replacement costs are not eligible under the Development Charges Act and Regulation. Costs associated with upgrading a gravel road to a surface treatment road could be considered an eligible cost if related to growth in that area.

Traffic signals, sidewalks and street light upgrades were considered. Available historical figures are provided on Table 5.3 and planned and growth-related capital expenditures are provided in Tables 6.3 and 7.3.

Category	Length (km)	Replacement Cost per km	Total
Gravel (G/S)	69.1	\$295,000	\$20,384,500
Surface Treatment (LCB)	182.4	\$420,100	\$76,626,240
Asphalt (HCB)	144.6	\$440,000	\$63,624,000
Total	396.1		\$160,634,740
Road Construction Cost per Capita in 2016 (11,638 pop)			\$13,798

Table 5.3

**Transportation Services
Capital Assets Inventory - past 10 years
Township of North Dundas**

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	10 Year Average
Population	11,121	11,147	11,173	11,199	11,225	11,309	11,393	11,475	11,557	11,638	
Roads (Total Km's)	381	381.3	389.1	394.14	395.27	395.27	395.27	395.27	395.9	396.09	391.9
Avg. cost per km road	\$405,392	\$405,392	\$405,392	\$405,392	\$405,392	\$405,392	\$405,392	\$405,392	\$405,392	\$405,392	\$405,392
Quality per capita	\$13,889	\$13,867	\$14,118	\$14,267	\$14,275	\$14,169	\$14,065	\$13,964	\$13,887	\$13,797	\$14,030
Quantity per 1,000 capita	34.26	34.21	34.83	35.19	35.21	34.95	34.69	34.45	34.26	34.03	34.61
Sidewalks (total metres)	19,825	20,006	20,006	20,056	20,056	20,056	20,056	20,056	20,056	20,056	20,023
Sidewalks Value	\$1,982,480	\$2,000,580	\$2,000,580	\$2,005,580	\$2,005,580	\$2,005,580	\$2,005,580	\$2,005,580	\$2,005,580	\$2,005,580	\$2,002,270
Quantity per 1,000 capita	1.783	1.795	1.791	1.791	1.787	1.773	1.760	1.748	1.735	1.723	1.769
Quality per capita	\$178	\$179	\$179	\$179	\$179	\$177	\$176	\$175	\$174	\$172	\$176.86

5.4 Fire Protection Services

The Township of North Dundas currently operates five (5) fire stations, located in Morewood, Chesterville, Winchester, South Mountain and Hallville. Back in 1998, the Morewood fire station was expanded by one bay (16 feet by 45 feet) at a cost of \$15,220. South Mountain built a new four bay fire hall complete with offices and a meeting room in 2004. No additional square footage has been added over the past ten year period. Both the Chesterville and Morewood fire stations are in need of upgrades.

At present the fire department operates 19 vehicles, one of which is an antique (used for parades). These are comprised of nine (9) pumpers/fire trucks, three (3) water trucks, seven (7) vans. North Dundas continues to replace and upgrade the fire department vehicles as they age. In 2010, a newer International Tanker replaced a vehicle damaged in an accident. In 2016, two new replacement (upgraded) F550 Rescue Trucks were purchased. Fire vehicles are eligible for development charges under the criteria set out in subsection 5(3)(4)(i) (rolling stock with a useful life of seven years or more.).

The bunker suits, self breathing apparatus, communications equipment, and furniture and equipment in all five stations is valued at \$2,404,645 (2016). As the population grows, additional equipment will be required. In addition, new volunteer fire fighters will be required and will need to be outfitted.

Total operational costs for the fire department vehicles amounted to \$68,100 and \$82,450 for the buildings.. This works out to an annual average of \$5.85 per capita for vehicles and \$7.08 per capita in 2015 (latest available data). It can be expected that the additional per capita operational costs associated with the capital program forecast will remain relatively constant, increasing to accommodate additional volunteer fire fighters.

Table 5.4

**Fire Protection Facilities and Services
Capital Assets Inventory - past 10 years
Township of North Dundas**

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	10 Year
Population	11,121	11,147	11,173	11,199	11,225	11,309	11,393	11,475	11,557	11,638	Average
Fire Stations (5 locations)	\$2,398,256	\$2,403,645	\$2,404,645	\$2,404,645	\$2,404,645	\$2,404,645	\$2,404,645	\$2,404,645	\$2,404,645	\$2,404,645	\$2,403,906
Fire Stations quality per capita	\$216	\$216	\$215	\$215	\$214	\$213	\$211	\$210	\$208	\$207	\$212.34
Contents	\$508,765	\$508,765	\$508,765	\$513,265	\$513,265	\$513,265	\$527,097	\$527,097	\$535,627	\$561,127	\$521,704
Contents per capita	\$46	\$46	\$46	\$46	\$46	\$45	\$46	\$46	\$46	\$48	\$46.06
Quantity per 1,000 capita	0.450	0.449	0.448	0.446	0.445	0.442	0.439	0.436	0.433	0.430	0.442
Fire Station/Contents/per capita	\$261	\$261	\$261	\$261	\$260	\$258	\$257	\$255	\$254	\$255	\$258.40
Vehicles (19)	\$2,188,395	\$2,213,986	\$2,213,986	\$2,213,986	\$2,225,976	\$2,252,692	\$2,252,692	\$2,282,048	\$2,282,048	\$2,297,048	\$2,242,285
Quantity per 1,000 capita	1.708	1.704	1.701	1.697	1.693	1.680	1.668	1.656	1.644	1.719	1.687
Quality per capita	\$197	\$199	\$198	\$198	\$198	\$199	\$198	\$199	\$197	\$197	\$198.02
Total Fire Protection (\$2016)	\$5,095,416	\$5,126,396	\$5,127,396	\$5,131,896	\$5,143,886	\$5,170,602	\$5,184,434	\$5,213,790	\$5,222,320	\$5,262,820	\$5,167,895
Per capita (\$2016)	\$458	\$460	\$459	\$458	\$458	\$457	\$455	\$454	\$452	\$452	\$456.42

5.5 Recreation Services

At present, the Township of North Dundas has two arenas located in Winchester Village and in Chesterville. Within the Winchester Village arena is a community centre, which have been costed out separately from the arena. An elevator was added in 2001. This addition has helped maintain the quality of the average service level for this specific service. The *Development Charges Act* legislation requires that the past 10 year average service level be used as the highest standard. In this particular circumstance, this effectively maintains the service standard.

Following amalgamation and the reorganization of existing buildings owned by the Township, North Dundas currently has six remaining community centres available for public use. These are located in Morewood, and within the Village of Winchester arena, the Old Town Hall (cultural centre/theatre - Winchester), Nelson Laprade Centre (Chesterville), seniors centre in Winchester, and Old Town Hall (upstairs hall) in Chesterville. The community centre in Mountain was demolished in 2016.

North Dundas currently operates four recreational vehicles (½ ton pick-up trucks) and shares a 2003 vehicle with the Public Works Department. No additional vehicles are anticipated over the next ten years.

The numerous change houses and storage buildings have been grouped together as buildings and facilities. All the various skating rink boards, bleachers, lighting and flood lights, and playground equipment have been grouped together. Apart from replacement and maintenance items, the 100 Club Park upgrades in 2007/2008, arena parking lot upgrades in Chesterville in 2008, a new road sign in Winchester in 2009, and the Morewood hall upgrades in 2016.

Total operational costs for the recreation department amounted to \$432,653 in 2015 for the two arenas. This works out to an annual average of \$37.18 per capita. It can be expected that the per capita operational costs associated with the capital program forecast will remain relatively constant over the next five years.

Table 5.5

**Recreation Facilities and Services
Capital Assets Inventory - past 10 years
Township of North Dundas**

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	10 Year
Population	11,121	11,147	11,173	11,199	11,225	11,309	11,393	11,475	11,557	11,638	Average
Arenas (2 units) (\$2016)*	\$9,703,725	\$9,703,725	\$9,704,975	\$9,704,975	\$9,704,975	\$9,704,975	\$9,704,975	\$9,704,975	\$9,704,975	\$9,704,975	\$9,704,725
Arena quality per capita	\$873	\$871	\$869	\$867	\$865	\$858	\$852	\$846	\$840	\$834	\$857.23
Contents	\$876,364	\$876,364	\$880,244	\$880,244	\$880,244	\$884,213	\$884,213	\$884,213	\$896,134	\$896,134	\$883,837
Contents per capita	\$79	\$79	\$79	\$79	\$78	\$78	\$78	\$77	\$78	\$77	\$78.06
Quantity per 1,000 capita	0.180	0.179	0.179	0.179	0.178	0.177	0.176	0.174	0.173	0.172	0.177
Arena/Contents quality per capita	\$951	\$949	\$947	\$945	\$943	\$936	\$929	\$923	\$917	\$911	\$935.29
Community Centres (7) & Contents	\$6,895,742	\$6,895,742	\$6,907,242	\$6,907,242	\$6,907,242	\$6,907,242	\$6,907,242	\$6,907,242	\$6,907,242	\$6,520,307	\$6,866,249
Quantity per 1,000 capita	0.719	0.718	0.716	0.714	0.713	0.707	0.702	0.697	0.692	0.601	0.698
Quality per capita	\$620	\$619	\$618	\$617	\$615	\$611	\$606	\$602	\$598	\$560	\$606.59
Vehicles (4.5)	\$59,444	\$59,444	\$59,444	\$59,444	\$59,444	\$59,444	\$59,444	\$59,444	\$59,444	\$59,444	\$59,444
Quantity per 1,000 capita	0.405	0.404	0.403	0.402	0.401	0.398	0.395	0.392	0.389	0.387	0.397
Quality per capita	\$9	\$9	\$9	\$9	\$9	\$9	\$9	\$9	\$9	\$9	\$8.83
Rec. Buildings & Facilities (16)	\$2,461,953	\$2,461,953	\$2,461,953	\$2,461,953	\$2,461,953	\$2,461,953	\$2,461,953	\$2,461,953	\$2,461,953	\$2,461,953	\$2,461,953
Quality per capita	\$221	\$221	\$220	\$220	\$219	\$218	\$216	\$215	\$213	\$212	\$217.47
Quantity per 1,000 capita	1.259	1.346	1.343	1.339	1.336	1.326	1.317	1.394	1.384	1.375	1.342
Equipment, floodlights, etc.	\$1,869,200	\$1,871,334	\$1,888,258	\$1,888,258	\$1,888,258	\$1,909,467	\$1,940,809	\$1,942,309	\$1,942,309	\$1,942,309	\$1,908,251
Quality per capita	\$168	\$168	\$169	\$169	\$168	\$169	\$170	\$169	\$168	\$167	\$168.52
Total Recreation (\$2016)	\$21,906,984	\$21,909,118	\$21,942,672	\$21,942,672	\$21,942,672	\$21,967,850	\$21,999,192	\$22,000,692	\$22,012,613	\$21,625,678	\$21,925,014
Per capita (\$2016)	\$1,970	\$1,965	\$1,964	\$1,959	\$1,955	\$1,943	\$1,931	\$1,917	\$1,905	\$1,858	\$1,936.70

6.0 Growth Related Capital Forecast

Based on anticipated development and growth forecasts, in consultation with staff from the Township and Council, growth related capital forecast tables were developed establishing those (Council selected) projects required to service anticipated growth. The table covers the ten-year period from 2017-2026. In accordance with the Section 5(1)4, of the *Development Charges Act*, the development charge for engineering services (roads, water and sewage) are based on longer time frames or capacity. Council will have to adopt the growth-related capital forecast table contained herein, in accordance with *Ontario Regulation 82/98 s.3 and Ontario Regulation 428/15*.

Note: Numbers may vary slightly due to rounding.

Table 6.1

**Administration Services
Capital Program Forecast (2017-2026)
Township of North Dundas**

Year	Gross Cost	2016/2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Population		11,719	11,799	11,879	11,958	12,037	12,115	12,193	12,270	12,347	12,423
Growth Studies	\$36,550	\$11,550					\$25,000				
Total Growth Studies (\$2016)	\$36,550	\$11,550					\$25,000				
 Notes: Growth study costs include advertizing costs (notice of public meeting and notice of passing).											

Table 6.2

**Public Works Facilities and Services
Capital Program Forecast (2017-2026)
Township of North Dundas**

Year	Gross Cost	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Population		11,719	11,799	11,879	11,958	12,037	12,115	12,193	12,270	12,347	12,423
Public Works Building Consolidation	\$38,000	\$38,000									
Equipment / Contents	\$25,000	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Unlicenced Vehicles (upgrades)	\$87,000				\$40,000			\$40,000	\$7,000		
Licenced Vehicles (upgrades)	\$148,000			\$50,000		\$50,000		\$48,000			\$0
Total Public Works (\$2016)	\$298,000	\$40,500	\$2,500	\$52,300	\$42,300	\$52,300	\$2,300	\$90,500	\$9,500	\$2,500	\$2,500
Service Component	Maximum Allowable *	Capital Forecast	Beyond Avg. Service Level **	Excess Capacity ***							
Public Works Garage (2)	\$105,987	\$ 38,000	Nil	Nil							
Equipment & Contents	\$ 25,820	\$ 25,000	Nil	Nil							
Unlicenced Vehicles	\$ 87,768	\$ 87,000	Nil	Nil							
Licenced Vehicles	\$148,722	\$148,000	Nil	Nil							
* - Based on average service level standards (Table 5.3). ** - Must be financed from sources other than development charges. *** - Excess capacity within existing service											

Table 6.3

**Transportation Services
Capital Program Forecast (2017-2026)
Township of North Dundas**

Year	Gross Cost	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Population		11,719	11,799	11,879	11,958	12,037	12,115	12,193	12,270	12,347	12,423
Road Upgrades	\$500,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Sidewalk Upgrades	\$100,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Transportation (\$2010)	\$600,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$10,000
Service Component	Maximum Allowable *	Capital Forecast		Beyond Avg. Service Level **		Benefit to Existing Residents ***					
Roads	\$11,758,123	\$10,000,000		Nil		\$9,500,000					
Sidewalks	\$ 148,251	\$ 1,000,000		Nil		\$ 900,000					
* - Based on average service level standards (Table 5.3) ** - Must be financed from sources other than development charges. *** - Derived benefit to existing or replacement portion of costs.											
Notes: For transportation projects, a significant amount of the project benefits existing residents or is replacement w hich must be netted out.											

It should be noted that provincial grants were available at 85% rates when some of the roads were upgraded or rebuilt. Under the Development Charges Act, grants must be netted out. Only 4.6% of the value of the roads has been used for the purposes of this background study.

Table 6.4

**Fire Protection Facilities and Services
Capital Program Forecast (2017-2026)
Township of North Dundas**

Year	Gross Cost	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Population		11,719	11,799	11,879	11,958	12,037	12,115	12,193	12,270	12,347	12,423
Chesterville & Morewood Fire Station Upgrades	\$177,000							\$88,500		\$88,500	
Fire Equipment/Hall Contents	\$38,000		\$4,000	\$4,000	\$6,000		\$8,000		\$8,000		\$8,000
Pumper Truck/ Vehicle Upgrades	\$165,000					\$50,000			\$50,000		\$65,000
Total Fire Protection (\$2016)	\$380,000	\$0	\$4,000	\$4,000	\$6,000	\$50,000	\$8,000	\$88,500	\$58,000	\$88,500	\$73,000
Service Component	Maximum Allowable *	Capital Forecast	Beyond Avg. Service Level**	Excess Capacity ***							
Fire Stations (5)	\$177,956	\$177,000	Nil	Nil							
Equipment & Contents	\$ 38,604	\$ 38,000	Nil	Nil							
Vehicles	\$165,955	\$165,000	Nil	Nil							
<p>* - Based on average service level standards (Table 5.3) ** - Must be financed from sources other than development charges. *** - Excess capacity within existing service.</p>											

Table 6.5

**Recreation Facilities and Services
Capital Program Forecast (2017-2026)
Township of North Dundas**

Year	Gross Cost	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Population		11,719	11,799	11,879	11,958	12,037	12,115	12,193	12,270	12,347	12,423
Arena Upgrades	\$0										
Arena Contents	\$65,000			\$8,000			\$4,000				\$8,000
Recreation Building & Facilities	\$182,000					\$30,000		\$30,000		\$15,000	
Equipment	\$141,000		\$14,000		\$14,000		\$14,000		\$14,000		\$14,000
Vehicles	\$7,400										
Total Recreation (\$2016)	\$395,400		\$14,000	\$8,000	\$14,000	\$30,000	\$18,000	\$30,000	\$14,000	\$15,000	\$22,000

Service Component	Maximum Allowable *	Capital Forecast	Beyond Avg. Service Level	Excess Capacity ***
Arena	\$718,424	Nil	Nil	Nil
Arena Contents	\$ 65,422	\$ 65,000	Nil	Nil
Rec. Buildings & Facilities	\$182,254	\$182,000	Nil	Nil
Equipment	\$141,233	\$141,000	Nil	Nil
Vehicles	\$ 7,403	\$ 7,403	Nil	Nil

* - Based on average service level standards (Table 5.5)
 ** - Must be financed from sources other than development charges.
 *** - Excess capacity within existing service.

7.0 Development Charge Calculations

In order to calculate the Development Charge for each service, the *Development Charges Act* requires a systematic approach. The process has been outlined in Section 2 and in the flow chart contained in Figure 2.

The anticipated growth-related capital forecasts from Section 6 for each service, have been carried forward to the tables contained in this section in order to calculate the development charge. Each service has been considered with regard to the excess capacity contained therein, the benefit to existing development and replacement amount, available capital grants and subsidies, the amount exceeding the historical 10-year average level of service and the legislated capital deduction for specified services. From these deductions, the net growth-related capital costs are split into residential and non-residential apportionments. These costs are further divided in accordance with the projected growth for each sector.

7.1 Excess Capacity

Paragraph 5 of subsection 5(1) of the *Development Charges Act* states: “*The increase in the need for service attributable to the anticipated development must be reduced by the part of that increase that can be met using the municipality’s excess capacity, other than excess capacity that the council of the municipality has indicated an intension would be paid for by new development. How excess capacity is determined and how to determine whether a council has indicated an intension that excess capacity would be paid for by new development may be governed by regulations.*” Ministry of Municipal Affairs and Housing staff indicated in a development charges presentation (*Kingston, 1998*) that “excess capacity” means “uncommitted excess capacity.” This is confirmed in Ontario Regulation 82/98.

Section 5 of *Ontario Regulation 82/98* does provide some guidance when it states “*excess capacity is uncommitted excess capacity unless, either before or at the time the excess capacity was created, the council of the municipality expressed a clear intention that the excess capacity would be paid for by development charges or similar charges.*” This is particularly important and relevant regarding excess capacity relating to costly water and sanitary sewage services. Where excess capacity has been created for the purposes of growth, Council must clearly state this in a statement in their Official Plan that the costs would be collected from development charges or other similar charge.

On a cautionary note, there are some constraints in applying water and sanitary sewage development charges in that charges cannot be applied to existing development, some expansions to buildings and apartments in houses. Another constraint will be cash flow inconsistencies relating to housing boom peaks and valleys compared with the more flexible *Municipal Act* provisions (can be applied annually as a tax).

7.2 Benefit to Existing Residents

The *Development Charges Act* states that “*the increase in the need for service must be reduced by the extent to which an increase in service to meet the increased need would benefit existing development.*” Subsection 8(2) of *Ontario Regulation 82/98* goes on to state that “*the allocation of costs (estimated capital costs relating to a service) between costs that would benefit new development and costs that would benefit existing development.*”

Where this is particularly relevant is where a service expansion exceeds the prevailing standard or a point beyond being only growth-related capital costs. Alternatively, the benefit to existing residents could be the portion of the capital expansion which is replacement or maintenance.

An example would be a road upgrade (widening) for growth. The costs associated with replacing/maintaining the existing infrastructure would be considered a benefit to existing residents, while only the enlarged portion of the upgrade would be considered as an eligible growth-related portion (up to the prevailing standard). Replacement of a bridge or culvert would be entirely a benefit to existing residents. Widening the same bridge or culvert to accommodate additional anticipated traffic could have a portion of the total cost which would be growth-related, while a large part would be replacement and a benefit to existing residents.

7.3 Capital Grants, Subsidies and other Contributions

Unchanged from the old *Development Charges Act*, grants, subsidies and other contributions must be netted out of the gross capital costs. Subsection 5(2) of the Act states that “*Capital costs must be reduced, in accordance with the regulations, to adjust for capital grants, subsidies or other contributions made to the municipality or that the Council of the municipality anticipated will be made in respect of the capital costs.*” Most grants have been changed to block funding and are being used by municipalities for maintenance, replacement and operational costs. The Federal Government has offered municipalities a portion of the gas tax. This “new money” (grant) is projected to be offset by reductions in Provincial CRF funding. The net difference is expected to be negligible.

An explanation is provided in Section 6 of *Ontario Regulation 82/98* where it states “*If a capital grant, subsidy or other contribution has been made in respect of capital costs and, at the time the grant, subsidy or other contribution was made, the person making it expressed a clear intention that all or part of the grant, subsidy or other contribution be used to benefit existing development or new development, the capital costs determined ... (necessary to provide the increased services) shall be reduced by the amount of the grant, subsidy or other contribution, but only to the extent that the grant, subsidy or other contribution was intended to benefit new development.*”

7.4 Beyond Allowable Average 10 Year Service Level

An adjustment must be made for the portion of the capital cost forecast which exceeds the 10-year average service level. If Council would like to increase the average service standard, Council must add to the service using funds outside development charges. The amount that exceeds the allowable amount, must be netted out of the gross capital cost forecast.

7.5 Percentage Reduction

Percentage reductions apply to those services not specified under subsection 5(5) of the *Development Charges Act*. Hard services such as water, sewage, storm water, highway (public works), electrical power, police and fire protection have no percentage reduction. Services such as recreation, a library, development charge studies must be reduced by 10%.

7.6 Residential and Non-Residential Apportionment

As discussed in Section 4.0, the net development charge must be apportioned between anticipated residential and non-residential growth. This apportionment only applies where the benefits exist. Generally, it is accepted that non-residential growth does not derive a direct benefit from recreational services and library services, therefore for these two services, no apportionment is made.

From the apportionment, the net development charge is further divided by the anticipated growth. This can be made in terms of a per capita basis or a per unit basis depending on the proposed structure of the by-law. A per capita basis is used where the charge will be broken down by type of unit (semi-detached, apartments, bachelor units, etc.) As the per capita charge is then multiplied by typical average occupancy rates for each type of unit. The per unit approach is useful when a single unit charge is used (eg. one fee applies to all/any type of unit). For simplification, the calculations on the following tables use the most appropriate approach.

CALCULATION OF DEVELOPMENT CHARGE			
MUNICIPAL SERVICE CATEGORY		7.1 Administrative Services	
<p>Under Subsection 5(3)(6) of the <i>Development Charges Act</i>, the Township of North Dundas may recover 90% of the costs associated with the preparation of the Development Charges Study. This figures include professional fees involved in the preparation of the background study and by-law, legal review, and advertizing costs.</p>			
GROSS GROWTH-RELATED CAPITAL COSTS			\$ 11,550
DEDUCTIONS (Less)	Excess capacity	\$0	
	Benefit to Existing Development	\$0	
	Capital Grants, Subsidies and other Contributions	\$0	
	Beyond allowable average 10 year service	\$0	
	Capital reduction - 0% or 10%	\$1,155	
Total Deductions		\$1,155	- \$ 1,155
NET GROWTH-RELATED CAPITAL COST			\$ 10,395
Residential share (93.07%)			\$ 9,675
Non-residential share (6.93%)			\$ 720
RESIDENTIAL DEVELOPMENT CHARGE			
Projected Number of Persons	780	Avg. Development Charge per capita	\$ 12.40
NON-RESIDENTIAL DEVELOPMENT CHARGE			
Projected Non-residential Growth	186,529 sq.ft.	Development Charge per sq.ft.	\$ 0.0039

CALCULATION OF DEVELOPMENT CHARGE			
MUNICIPAL SERVICE CATEGORY		7.2 Public Works Facilities and Services	
<p>As noted in subsection 5.2, a consolidation of the public works garages is underway. The remaining maximum eligible amount from development charges for the recent garage enlargement is \$105,987. A lesser amount of \$38,000 from new growth will cover the outstanding debt from the expansion completed in 2016.</p> <p>Additional public works equipment and contents will be required to accommodate the anticipated growth. The acquisition of additional equipment required for growth is not to exceed the existing average service level.</p> <p>Based on the current licenced and unlicenced service standards and the projected growth, the municipality should be acquiring one of each type of vehicle using development charges in order to maintain the current service standard. However, rather than adding to the existing inventory, upgrades to existing equipment are planned as outlined on Table 6.2. It is anticipated that block grants will be used for non-growth maintenance items.</p> <p>Table 5.2 provides an itemized list of anticipated growth-related capital expenditures for Public Works Services.</p>			
GROSS GROWTH-RELATED CAPITAL COSTS			\$ 298,000
DEDUCTIONS (Less)	Excess capacity	nil	
	Benefit to Existing Development	n/a	
	Capital Grants, Subsidies and other Contributions	nil	
	Beyond allowable average 10 year service	n/a	
	Capital reduction - 0% or 10%	0 %	
Total Deductions		nil	- nil
NET GROWTH-RELATED CAPITAL COST			\$ 298,000
Residential share (93.07 %)			\$ 277,349
Non-residential share (6.93 %)			\$ 20,651
RESIDENTIAL DEVELOPMENT CHARGE			
Projected Number of Persons	780	Development Charge per capita	\$ 355.58
NON-RESIDENTIAL DEVELOPMENT CHARGE			
Projected Non-residential Growth	186,529 sq.ft.	Development Charge per sq.ft.	\$ 0.1107

CALCULATION OF DEVELOPMENT CHARGE			
MUNICIPAL SERVICE CATEGORY		7.3 Transportation Services	
<p>Tables 5.3 and 6.3 provide details regarding projected capital costs relating to transportation services. Township Council has actively, over the past 7 years, been investing in road upgrades. Numerous gravel roads have been upgraded to surface treatment roads. This direction is expected to continue, with development charges offsetting the growth related portion of the upgrades. Currently, the Township spends an average of \$1,000,000 per year on roads and \$100,000 on sidewalks.</p> <p>Sidewalk upgrades (widening from 1.2 m to 1.5 m) are being planned where deemed appropriate. New sidewalks resulting from growth and development are also being considered by Council. Replacement costs are not an eligible expense.</p>			
GROSS GROWTH-RELATED CAPITAL COSTS			\$ 11,000,000
DEDUCTIONS (Less)	Excess capacity	n/a	
	Benefit to Existing Development	\$9,000,000	
	Capital Grants, Subsidies and other Contributions	\$1,400,000	
	Beyond allowable average 10 year service	n/a	
	Capital reduction - 0% or 10%	0%	
Total Deductions		\$10,400,000	\$ 10,400,000
NET GROWTH-RELATED CAPITAL COST			\$ 600,000
Residential share (93.07 %)			\$ 558,420
Non-residential share (6.93 %)			\$ 41,580
RESIDENTIAL DEVELOPMENT CHARGE			
Projected Number of Persons	780	Development Charge per capita	\$ 715.92
NON-RESIDENTIAL DEVELOPMENT CHARGE			
Projected Non-residential Growth	186,529 sq.ft	Development Charge per sq.ft.	\$ 0.2229

CALCULATION OF DEVELOPMENT CHARGE			
MUNICIPAL SERVICE CATEGORY		7.4 Fire Protection Services	
<p>The Township of North Dundas intends to continue to expand its fire protection services no further than the preceding 10 year average service level. Additional vehicles and equipment will be required as a result of the anticipated growth. The South Mountain fire hall was expanded in 2004. The Chesterville and Morewood fire stations need upgrades. It is anticipated the other remaining fire halls will not need to be expanded in the next ten years.</p> <p>It is anticipated that fund raising by the fire departments will be used for replacement items and not for growth-related expenditures.</p> <p>Table 5.3 provides an itemized list of anticipated growth-related capital expenditures for Fire Protection Services.</p>			
GROSS GROWTH-RELATED CAPITAL COSTS			\$ 380,000
DEDUCTIONS (Less)	Excess capacity	n/a	
	Benefit to Existing Development	n/a	
	Capital Grants, Subsidies and other Contributions	nil	
	Beyond allowable average 10 year service	n/a	
	Capital reduction - 0% or 10%	0 %	
Total Deductions		nil	nil
NET GROWTH-RELATED CAPITAL COST			\$ 380,000
Residential share (93.07 %)			\$ 353,666
Non-residential share (6.93 %)			\$ 26,334
RESIDENTIAL DEVELOPMENT CHARGE			
Projected Number of Persons	780	Avg. Development Charge per unit	\$ 359.46
NON-RESIDENTIAL DEVELOPMENT CHARGE			
Projected Non-residential Growth	186,529 sq.ft	Development Charge per sq.ft.	\$ 0.1412
Projected Non-residential Growth - Farm Buildings	Fire Only	Development Charge per sq.ft.	\$ 0.1412

CALCULATION OF DEVELOPMENT CHARGE			
MUNICIPAL SERVICE CATEGORY		7.5 Recreational Services	
<p>The Township of North Dundas intends to expand its outdoor recreational services only in accordance with the anticipated growth, in an effort to maintain existing service levels.</p> <p>No arena expansions are anticipated over the next ten years. Parkland within new subdivisions will require new playground equipment which will be funded from the development charge. Other recreational services will be expanded in accordance with growth-related needs.</p> <p>Table 5.5 provides an itemized list of anticipated growth-related capital expenditures for Recreation Services.</p>			
GROSS GROWTH-RELATED CAPITAL COSTS			\$ 395,400
DEDUCTIONS (Less)	Excess capacity	nil	
	Benefit to Existing Development	nil	
	Capital Grants, Subsidies and other Contributions	\$0	
	Beyond allowable average 10 year service	nil	
	Capital reduction - 0% or 10%	\$39,540	
Total Deductions		\$39,540	- \$ 39,540
NET GROWTH-RELATED CAPITAL COST			\$ 355,860
Residential share (100%)			\$ 355,860
Non-residential share (0%)			\$ -
RESIDENTIAL DEVELOPMENT CHARGE			
Projected Number of Persons	780	Development Charge per capita	\$ 456.23
NON-RESIDENTIAL DEVELOPMENT CHARGE			
			n/a

8.0 Summary of Development Charges

From Section 7, the following tables summarize the Development Charge for each service category in accordance with the *Development Charges Act*. These tables are on a per capita basis and are then differentiated into a per dwelling unit basis by type and average per unit occupancy. The non-residential tables are calculated on a per square foot basis.

	Municipal Service	Residential Growth Portion	Non-Residential Growth Portion	Municipal (Non-growth) Portion	Total Capital Cost
1	Administrative (Studies)	\$9,675	\$720	\$1,155	\$11,550
2	<u>Public Works</u>	<u>\$227,349</u>	<u>\$20,651</u>	-	<u>\$298,000</u>
	Public Works Garage	\$35,367	\$2,633		\$38,000
	Equipment & Furniture	\$23,268	\$1,733		\$25,000
	Unlicenced Vehicles	\$80,971	\$6,029		\$87,000
	Licenced Vehicles	\$137,744	\$10,256		\$148,000
3	<u>Transportation</u>	<u>\$558,420</u>	<u>\$41,580</u>	-	<u>\$600,000</u>
	Sidewalks	\$93,070	\$6,930		\$100,000
	Roads	\$465,350	\$34,650		\$500,000
4	<u>Fire Protection</u>	<u>\$353,666</u>	<u>\$26,334</u>	-	<u>\$380,000</u>
	Fire Station	\$164,734	\$12,266		\$177,000
	Furniture/Contents/Equip.	\$35,367	\$2,633		\$38,000
	Vehicles	\$153,566	\$11,435		\$165,000
5	<u>Recreation</u>	<u>\$355,860</u>	-	<u>\$39,540</u>	<u>\$395,400</u>
	Arena Contents	\$58,500		\$6,500	\$65,000
	Rec. Vehicle	\$6,660		\$740	\$7,400
	Rec. Buildings/Facilities	\$163,800		\$18,200	\$182,000
	Recreation Equipment	\$126,900		\$14,100	\$141,000
	Total	\$1,554,969	\$62,952	\$40,695	\$1,684,950

Note: Numbers may vary slightly due to rounding

	Municipal Service	Per Capita Development Charge	Non-Residential Development Charge
1	Administrative (Studies)	\$12.40	\$0.0039
2	<u>Public Works</u>	<u>\$355.58</u>	<u>\$0.1107</u>
	Public Works Garage	\$45.34	\$0.0141
	Equipment & Furniture	\$29.83	\$0.0093
	Unlicenced Vehicles	\$103.81	\$0.0323
	Licenced Vehicles	\$176.59	\$0.0550
3	<u>Transportation</u>	<u>\$715.92</u>	<u>\$0.2229</u>
	Sidewalks	\$119.32	\$0.0372
	Roads	\$596.60	\$0.1858
4	<u>Fire Protection</u>	<u>\$453.42</u>	<u>\$0.1412</u>
	Fire Station	\$211.20	\$0.0658
	Furniture & Equipment	\$45.34	\$0.0141
	Vehicles	\$196.88	\$0.0613
5	<u>Recreation</u>	<u>\$456.23</u>	n/a
	Arena Contents	\$75.00	
	Rec. Vehicle	\$8.54	
	Rec. Buildings/Facilities	\$210.00	
	Recreation Equipment	\$162.69	
	Total	\$1,993.55	\$0.4787

* - Numbers may vary slightly due to rounding

Table 8.3
Development Charge by Type of Dwelling Unit

Type of Unit	Average Number of Persons per unit	Development Charge per unit
Single Detached	3	\$5,981
Semi-detached / Duplex	2.8	\$5,582
Row Dwelling / Townhouse	2.4	\$4,785
Apartment 3 bedroom	2.3	\$4,585
Apartment 2 bedroom	2.1	\$4,186
Apartment 1 bedroom	1.6	\$3,190
Apartment Bachelor	1.2	\$2,392

* - Numbers may vary slightly due to rounding

NON-RESIDENTIAL DEVELOPMENT CHARGES					
TOTAL BUILDING SIZE	(1) FOR THE FIRST 2,500 S.F.	(2) FOR THE NEXT 2,500 S.F. BEYOND (1)	(3) FOR THE NEXT 25,000 S.F. BEYOND (1&2)	(4) FOR THE NEXT 25,000 S.F. BEYOND (1,2&3)	(5) FOR ANY ADDITIONAL S.F. BEYOND (1,2,3&4)
0-2,500 S.F.	\$0.4787	-	-	-	-
2,501-5,000 S.F.	\$0.4787	\$0.30	-	-	-
5,001-30,000 S.F.	\$0.4787	\$0.30	\$0.20	-	-
30,001-55,000 S.F.	\$0.4787	\$0.30	\$0.20	\$0.10	-
55,001 S.F. +	\$0.4787	\$0.30	\$0.20	\$0.10	\$0.05

S.F. - Square Feet

Farm Building Fee Scale

TOTAL BUILDING SIZE	(1) FOR THE FIRST 500 S.F.	(2) FOR THE NEXT 2,000 S.F. BEYOND (1)	(3) FOR THE NEXT 2,500 S.F. BEYOND (1 & 2)	(4) FOR THE NEXT 5,000 S.F. BEYOND (1, 2 & 3)	(5) FOR ANY ADDITIONAL S.F. BEYOND (1, 2, 3 & 4)
0 to 500 S.F.	Nil	-	-	-	-
500 to 2,500 S.F.	Nil	\$0.1412	-	-	-
2,501 to 5,000 S.F.	Nil	\$0.1412	\$0.0706	-	-
5,001 to 10,000 S.F.	Nil	\$0.1412	\$0.0706	\$0.0353	-
10,001 S.F. +	Nil	\$0.1412	\$0.0706	\$0.0353	\$0.0177

S.F. - Square Feet

9.0 Implementation and Transitional Matters

The following is a brief summary of implementation issues and transitional matters for general information only. For complete details, refer to the specific sections of the *Development Charges Act* and *Ontario Regulation 82/98* and *Ontario Regulation 428/15* legislation for the detailed specific legal requirements.

9.1 Payment/Collection of Development Charges

Development charges are generally collected when a building permit is issued (Section 26 DCA). The municipality is not required to issue a building permit for development to which a development charge applies unless the development charge has been paid (Section.28, DCA).

A municipality may enter into an agreement with a person for all or any part of the development charge to be paid before or after it would otherwise be payable (Section 27). Such agreements may charge interest on that part of the development charge paid after it would otherwise be payable.

If a development charge or any part of it remains unpaid after it is payable, the amount unpaid must be added to the tax roll, and must be collected in the same manner as taxes (Section 32, DCA).

9.2 Complaints about Development Charges

A person required to pay a development charge, or the persons agent, may complain to the Council of the municipality imposing the development charge that the amount was incorrectly determined, the credit was incorrectly determined, or there was an error in the application of the development charge by-law (Section 20 D.C.A.). Such a complaint may only be made within 90 days after the charge or part of it is payable.

All complaints must be in writing, stating the complainant's name, address, and reasons for the complaint. The council must hold a hearing into the complaint, and shall give the complainant an opportunity to make representations at the hearing. Notice and decision requirements are provided in Section 20 and 21 of the Act. Appeals are forwarded to the Ontario Municipal Board in accordance with Section 22.

9.3 Credits

Credits are covered under Sections 38 to 41, 64 and 65 of the *Development Charges Act*. Section 64 states that within 20 days after the expiry or repeal of the development charges by-law, the clerk of the municipality shall give written notice of the expiry or repeal of the by-law and of the last day for applying for a refund of ineligible credits given under section 13 of the old Act which shall be the day that is 80 days after the day the by-law expires or is repealed. This does not apply to the Township of North Dundas.

Section 38 enables persons (developers) to enter into agreements with the Municipality to perform work that relates to a service to which a development charge by-law relates, for which the municipality would give a credit toward the development charge. Credits can be transferred, but only in accordance with Section 40.

9.4 Front Ending Agreements

Front ending agreement provisions contained in Section 44 of the *Development Charges Act* has been revised from the previous legislation. As the previous front ending regulations were not being used in Ontario, changes were made. However, in the case of the Township of North Dundas, it is doubtful that front ending will be used. Albeit unlikely to occur, the provisions of Section 44 can be used if the municipality has a person who has a project where fronting ending may apply.

9.5 Development Charge Reserves

A municipality that passes a development charge by-law must establish a separate reserve fund for each service (not projects) to which the development charge relates (Section 33, D.C.A.). Where services continue to be eligible under both the old and new Act, the existing reserve funds are carried forward.

Where existing reserve funds are ineligible services (eg. waste disposal or administration buildings), the municipality had five (5) years to make growth-related expenditures relating to these ineligible services (Section 63, D.C.A.). Should these funds not be depleted within five (5) years, they must be allocated to development charge reserve funds of eligible services. An example would be unused reserve funds for waste disposal vehicles could be then transferred to the public works vehicles reserve fund.

9.6 Statement of Treasurer

Once every year, the Treasurer of the municipality must give the Council a financial statement relating to the development charge by-law(s) and reserve funds (Section 43, DCA). Such statements must contain open and closing balances and transactions relating to the funds. A copy of the statement must be forwarded to the Minister of Municipal Affairs and Housing on request. Under the new Section 43.(2.1) of the Act, Council shall ensure that the statement is made available to the public. Section 12 of *Ontario Regulation 82/98* and *Ontario Regulation 428/15* provides a detailed description of what must be contained within the statement. Such information includes:

- Description of the services/service categories
- Opening balance
- Transactions during the year
- Credits (by credit holder)
- Amounts borrowed (including purpose)
- Interest accrued (including on amounts borrowed by the municipality)
- Amount and source of any money used by the municipality to repay, in the previous year, money borrowed from the fund or interest on such money.
- Closing balance
- Old Act credit schedule (if applicable)
- Addendum outlining each project financed through development charges. The addendum must include the total amount spent on the project, the development charge portion and the amount and source of any other money spent on the project.

9.7 Pamphlet Explaining By-law

The Township of North Dundas must prepare an explanatory pamphlet within 60 days after the development charge by-law comes into force, or in the case of an appeal, 60 days after the Ontario Municipal Board's decision.

The pamphlet must contain:

- a description of the general purpose for which the development charge is being imposed;
- the rules for determining if a development charge is payable and the amount;
- a list of services to which the development charges relate; and
- a description of the general purpose of the statement of the treasurer of the municipality and the place where it can be reviewed by the public.

9.8 Subdivision Agreements

New subdivision agreements must contain a provision indicating to the first purchasers, at the time the land is transferred, of all the development charges related to the development (Section 59(4), D.C.A.). The approval authority is responsible for using its power to impose this as a condition on the draft plan of subdivision.

Partial development charges (for specific services - water, sewage, storm water, fire, etc.) can be applied at the time of the subdivision agreement subject to the provisions of subsection 26(2) of the *Development Charges Act*. A development charge by-law may not impose development charges with respect to local services within a subdivision (interior roads, sidewalks, streetlights, etc.) as per Subsection 2(5) and 59 of the *Development Charges Act*. These “internal” subdivision costs are the responsibility of the subdivision agreement (developer).