



 **Watson  
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# Addendum #1 to the May 17, 2024 Development Charges Background Study

Town of Erin

July 5, 2024

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# 1. Background

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

- April 18, 2024 – D.C. Stakeholder Meeting # 1
- May 16, 2024 – D.C. Stakeholder Meeting # 2
- May 17, 2024 – Release of the D.C. Background Study and draft by-law
- June 27, 2024 – Public Meeting of Council
- July 5, 2024 – Addendum #1 to the May 17, 2024 D.C. report released
- July 18, 2024 – Council considers adoption of Background Study, as amended and passage of D.C. By-law

On April 10, 2024, the Province released Bill 185: Cutting Red Tape to Build More Homes Act. The Bill received Royal Assent on June 6, 2024. This Bill reversed many of the key changes that were implemented through Bill 23. As such, the purpose of this addendum report is to provide for changes to the May 17, 2024 D.C. background study to align the report and by-law with the D.C.A. as amended by Bill 185.

Moreover, an update to Services Related to a Highway, Parks and Recreation, Water Services, and Fire Protection services is provided herein to amend the capital projects. Additionally, a minor revision to the Local Service Policy has been included to reflect type of projects included in the D.C. capital program.

These refinements have been presented to Council during the June 27<sup>th</sup> Public Meeting and will form part of the D.C. background study provided prior to by-law adoption.

## 2. Changes to the Development Charges Act – Bill 185: Cutting Red Tape to Build More Homes Act

The following section provides details of the revisions to the D.C.A. as a result of Bill 185: *Cutting Red Tape to Build More Homes Act*, which received Royal Assent on June 6, 2024.

## **Revised Definition of Capital Costs**

Bill 185 reversed the capital cost amendments of Bill 23 by reinstating studies as an eligible capital cost. The following paragraphs were added to subsection 5(3) of the D.C.A.:

- 5. Costs to undertake studies in connection with any of the matters referred to in paragraphs 1 to 4.*
- 6. Costs of the development charge background study required under section 10.*

The amendment allows municipalities to fund studies, consistent with by-laws passed prior to the More Homes Built Faster Act (Bill 23).

## **Removal of Mandatory Phase-in**

Bill 23 required the phase-in of charges imposed in a D.C. by-law over a five-year term for any by-laws passed after January 1, 2022. Bill 185 removed this mandatory phase-in.

For site plan and zoning by-law amendment applications that were made prior to Bill 185 receiving Royal Assent, the charges payable will be the charges that were in place on the day the planning application was made (i.e., including the mandatory phase-in).

## **Process for Minor Amendments to D.C. By-laws**

Section 19 of the D.C.A. requires that a municipality must follow sections 10 through 18 of the D.C.A. (with necessary modifications) when amending D.C. by-laws. Sections 10 through 18 of the D.C.A. generally require the following:

- Completion of a D.C. background study, including the requirement to post the background study 60 days prior to passage of the D.C. by-law;
- Passage of a D.C. by-law within one year of the completion of the D.C. background study;
- A public meeting, including notice requirements; and
- The ability to appeal the by-law to the Ontario Land Tribunal.

Bill 185 allows municipalities to undertake minor amendments to D.C. by-laws for the following purposes without adherence to the requirements noted above (with the exception of the notice requirements):

1. To repeal a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date (subject to the 10-year limitations provided in the D.C.A.);
2. To impose D.C.s for studies, including the D.C. background study; and
3. To remove the provisions related to the mandatory phase-in of D.C.s.

Minor amendments related to items 2 and 3 noted above may be undertaken only if the D.C. by-law being amended was passed after November 28, 2022, and before Bill 185 came into effect. Moreover, the amending by-law must be passed within six months of Bill 185 taking effect.

Notice requirements for these minor amending by-laws are similar to the typical notice requirements, with the exception of the requirement to identify the last day for appealing the by-law (as these provisions do not apply).

### **Reduction of D.C. Rate Freeze Timeframe**

Bill 108 provides for the requirement to freeze the D.C.s imposed on developments subject to a site plan and/or a zoning by-law amendment application. The D.C. rate for these developments is “frozen” at the rates that were in effect at the time the site plan and/or zoning by-law amendment application was submitted (subject to applicable interest). Once the application is approved by the municipality, if the date the D.C. is payable is more than two years from the approval date, the D.C. rate freeze would no longer apply. Bill 185 reduced the two-year timeframe to 18 months.

### **Modernizing Public Notice Requirements**

The D.C.A. sets out the requirements for municipalities to give notice of public meetings and of by-law passage. These requirements are prescribed in sections 9 and 10 of O. Reg. 82/98 and include giving notice in a newspaper of sufficiently general circulation in the area to which the by-law would apply. The regulatory changes modernized the public notice requirements by allowing municipalities to provide notice on a municipal website if a local newspaper is not available.

## **3. Updates to the 2024 D.C. Background Study**

This section of the addendum report provides details for the addition of Growth Studies and the revisions to Services Related to a Highway-Roads and Related, Parks and

Recreation, Water Services, Fire Protection Services, and the Local Service Policy. It is noted that the amendments have resulted in an overall increase to the calculated development charges.

### **3.1 Growth Studies**

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

The Town has identified \$2,585,000 of growth-related studies. These studies include various Master Plans, Planning Studies, D.C. Background Study, etc. Additionally, the reserve fund deficit of \$920,341 has also been included for recovery, for a grand total of \$3,505,341. For planning related studies, a deduction of 10% (\$40,000) has been applied to recognize the extent to which the studies relate to non-D.C.-eligible service. A further deduction of \$532,500 was made to recognize the benefit to the existing community. Therefore, the net amount of \$2,932,841 has been included in the D.C. calculations.

The capital costs have been allocated 95% residential and 5% non-residential based on the incremental growth in population to employment for the buildout forecast period.

Based on the calculations provided herein, Growth Studies results in a D.C. of \$653 per residential single detached dwelling and \$0.27 per sq.ft. of non-residential gross floor area.

The Growth Studies capital sheet is presented in Table 1.

**Table 1  
Growth Studies Capital**

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	<b>2024 to Buildout</b>										
1	Development Charges Background Study	2024	75,000	-		75,000	-		75,000	71,250	3,750
2	Development Charges Background Study Update	2027	50,000	-		50,000	-		50,000	47,500	2,500
3	Development Charges Background Study	2034	75,000	-		75,000	-		75,000	71,250	3,750
4	Transportation Masterplan	2025-2026	250,000	-		250,000	25,000		225,000	213,750	11,250
5	Transportation Masterplan Update	2030	125,000	-		125,000	12,500		112,500	106,875	5,625
6	Roads Need Study	2026	50,000	-		50,000	25,000		25,000	23,750	1,250
7	Roads Need Study	2031	50,000	-		50,000	25,000		25,000	23,750	1,250
8	Parks & Recreation Masterplan	2026	100,000	-		100,000	10,000		90,000	85,500	4,500
9	Parks & Recreation Masterplan Update	2031	50,000	-		50,000	5,000		45,000	42,750	2,250
10	Fire Masterplan	2027	100,000	-		100,000	10,000		90,000	85,500	4,500
11	Fire Masterplan Update	2032	50,000	-		50,000	5,000		45,000	42,750	2,250
12	Water Masterplan	2026	150,000	-		150,000	15,000		135,000	128,250	6,750
13	Water Masterplan Update	2031	75,000	-		75,000	7,500		67,500	64,125	3,375
14	Official Plan	2027	200,000	-	20,000	180,000	100,000		80,000	76,000	4,000
15	Official Plan Update	2032	100,000	-	10,000	90,000	20,000		70,000	66,500	3,500
16	Facility Assessment and Needs Study	2025	150,000	-		150,000	75,000		75,000	71,250	3,750
17	Facility Assessment and Needs Study	2030	150,000	-		150,000	75,000		75,000	71,250	3,750
18	Long-Term Financial Plan	2026	75,000	-		75,000	37,500		37,500	35,625	1,875
19	Water Environmental Assessment	2024-2033	350,000	-		350,000	35,000		315,000	299,250	15,750
20	Strategic Plan Development	2024	50,000	-		50,000	25,000		25,000	23,750	1,250
21	Strategic Plan Development	2029	50,000	-		50,000	25,000		25,000	23,750	1,250
22	Growth Management Study	2025	100,000	-	10,000	90,000	-		90,000	85,500	4,500
23	Water Development and Calibration of Distribution Systems Model	2024-2033	160,000	-		160,000	-		160,000	152,000	8,000
24	Reserve Fund Adjustment		920,341	-		920,341	-		920,341	874,323	46,017
	<b>Total</b>		<b>3,505,341</b>	<b>-</b>	<b>40,000</b>	<b>3,465,341</b>	<b>532,500</b>	<b>-</b>	<b>2,932,841</b>	<b>2,786,198</b>	<b>146,642</b>

## 3.2 Updates to Services Related to a Highway – Roads and Related

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Based on discussions with the Town and the development community, the following revisions to the Services Related to a Highway – Roads and Related capital listing is provided:

- Project 4: Dundas Street East (Main St. to 10th Line) → increase the gross capital cost from \$4,300,000 to \$7,830,000.
- New Project: Erinville Drive (Main St. to Gear Avenue) → gross capital cost of \$3,370,000.
- Project 13: Bridge on Dundas Street West → name change to “Pedestrian Bridge on Dundas Street West”.

As a result, the net D.C. eligible amount equals \$46,447,098. The capital sheet and calculations have been updated to reflect these revisions.

Based on the changes noted above, the Services Related to a Highway Services – Roads and Related D.C. has increased from \$11,582 to \$13,117 per residential single detached dwelling and \$4.78 to \$5.40 per sq.ft. of non-residential gross floor area.

The revised Services Related to a Highway – Roads and Related capital sheet is presented in Table 2.



**Table 2**  
**Services Related to a Highway- Roads and Related Capital**

Prj. No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 95%	Non-Residential Share 5%
	2024 to Buildout										
1	Roads - 17th Sideroad; George St Reconstruction; Winston Churchill Bridge - Growth Related Debt (Principal)	2024-2036	156,378	-		156,378	-		156,378	148,559	7,819
2	Roads - 17th Sideroad; George St Reconstruction; Winston Churchill Bridge - Growth Related Debt (Discounted Interest)	2024-2036	13,607	-		13,607	-		13,607	12,926	680
3	Eighth Line (Sideroad 17 to Dundas Street West)	2024-2034	6,350,000	-		6,350,000	-		6,350,000	6,032,500	317,500
4	Dundas Street East (Main St to 10th Line)	2024-2034	7,830,000	-		7,830,000	-		7,830,000	7,438,500	391,500
5	Dundas Street West (Eighth Line to Bridge)	2024-2034	4,780,000	-		4,780,000	-		4,780,000	4,541,000	239,000
6	Sideroad 17 (Eighth Line to Wellington Rd 23)	2024-2034	4,100,000	-		4,100,000	-		4,100,000	3,895,000	205,000
7	Daniel Street (Dundas Street to southern Dead-end)	2024-2034	4,000,000	-		4,000,000	3,000,000		1,000,000	950,000	50,000
8	10th Sideroad (Dundas St to Wellington Rd 52)	2024-2034	4,300,000	-		4,300,000	2,150,000		2,150,000	2,042,500	107,500
9	Sideroad 15 (10th Line to Winston Churchill Blvd)	2024-2034	3,140,000	-		3,140,000	-		3,140,000	2,983,000	157,000
10	Bridge #9 8th Line Below 17 SR	2024	3,500,000	-		3,500,000	700,000		2,800,000	2,660,000	140,000
11	Bridge #2 Tenth Line above CR 52	2025	2,500,000	-		2,500,000	1,250,000		1,250,000	1,187,500	62,500
12	Eighth Line and Orangeville Intersection Culvert	2024	450,000	-		450,000	360,000		90,000	85,500	4,500
13	Pedestrian Bridge on Dundas Street West	2024-2034	1,250,000	-		1,250,000	-		1,250,000	1,187,500	62,500
14	Erinville Drive (Main St to Gear Ave)	2024-2034	3,370,000	-		3,370,000	-		3,370,000	3,201,500	168,500
15	Provision for future Road Infrastructure	2024-2034	10,000,000	-		10,000,000	-		10,000,000	9,500,000	500,000
16	Reserve Fund Adjustment	Reserve					1,832,886		(1,832,886)	(1,741,242)	(91,644)
	<b>Total</b>		<b>55,739,984</b>	<b>-</b>	<b>-</b>	<b>55,739,984</b>	<b>9,292,886</b>	<b>-</b>	<b>46,447,098</b>	<b>44,124,743</b>	<b>2,322,355</b>

### 3.3 Updates to Parks and Recreation Services

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Based on discussions with the development community, updated parkland development and amenity costs were provided to the Town. These estimates have formed the basis of the revised provision amounts included in the D.C.:

- Projects 5 and 6: Provisions for Parkland Development and Amenities → Combined these two projects into a single Provision for Parkland Development and Amenities, with a revised gross cost of \$18.35 million (previously \$14.3 million).

As a result, the net D.C. eligible amount equals \$64,429,124. The capital sheet and calculations have been updated to reflect these revisions.

Based on the changes noted above, the Parks and Recreation Services D.C. has increased from \$13,718 to \$14,638 per residential single detached dwelling and \$3.32 to \$3.55 per sq.ft. of non-residential gross floor area.

The revised Parks and Recreation capital sheet is presented in Table 3.

Table 3  
Parks and Recreation Capital

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2024 to Buildout									97%	3%
1	Barbour Fields Expansion Debenture > @ 3.86% (15 year term) (Principal)	2024-2025	40,712	-		40,712	-		40,712	39,491	1,221
2	Barbour Fields Expansion Debenture > @ 3.86% (15 year term) (Discounted Interest)	2024-2025	1,553	-		1,553	-		1,553	1,506	47
3	Erin Community Centre - accessibility renovations/upgrades	2024-2025	2,500,000	-		2,500,000	2,250,000		250,000	242,500	7,500
4	Barbour Field Multi-Use Facility (Twin Pad)	2028-2030	97,000,000	-		97,000,000	52,427,000		44,573,000	43,235,810	1,337,190
5	Provision for Parkland Development and Amenities	2024-2034	18,350,000	-		18,350,000	-		18,350,000	17,799,500	550,500
6	Provision for Vehicles and Equipment	2024-2034	550,000	-		550,000	-		550,000	533,500	16,500
				-							
7	Reserve Fund Adjustment	Reserves	663,860	-		663,860			663,860	643,944	19,916
	<b>Total</b>		<b>119,106,124</b>	<b>-</b>	<b>-</b>	<b>119,106,124</b>	<b>54,677,000</b>	<b>-</b>	<b>64,429,124</b>	<b>62,496,251</b>	<b>1,932,874</b>

### 3.4 Updates to Water Services

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Based on a further review of the capital project listing for Water Services by Town staff and the development community, the following projects have been revised:

- Project 4: Hillsburgh – Elevated Water Storage Tank → the gross cost increased from \$8,500,000 to \$9,380,000 (with the corresponding benefit to existing increasing by the same proportion).
- Project 11: Erin – Watermain from New Elevated Tank to Existing Water System → name change to “Erin - Watermain from New Elevated Tank to Existing Water System (Shamrock Rd & Sideroad 17)”.
- Project 12: Erin – Watermain on Dundas St East → the gross cost increased from \$1,050,000 to \$1,370,000.
- Project 13: Erin – Elevated Water Storage Tank → the gross cost increased from \$8,750,000 to \$10,630,000.

As a result, the net D.C. eligible amount equals \$83,483,370. The capital sheet and calculations have been updated to reflect these revisions.

Based on the changes noted above, the Water Services D.C. has increased from \$18,542 to \$19,244 per residential single detached dwelling and \$7.38 to \$7.66 per sq.ft. of non-residential gross floor area.

The revised Water Services capital sheet is presented in Table 4.

**Table 4**  
**Water Services Capital**

Prj.No	Increased Service Needs Attributable to Anticipated Development  2024 to Urban Buildout	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 95%	Non-Residential Share 5%
1	Hillsburgh Well & Well House	2024-2034	8,000,000	-		8,000,000	-		8,000,000	7,600,000	400,000
2	Hillsburgh - Municipal Backup Well & Pump House	2024-2034	8,000,000			8,000,000	-		8,000,000	7,600,000	400,000
3	Hillsburgh - Watermains from new Wells to existing water system	2024-2034	3,000,000	-		3,000,000	-		3,000,000	2,850,000	150,000
4	Hillsburgh - Elevated Water Storage Tank	2024-2034	9,380,000	-		9,380,000	395,700		8,984,300	8,535,085	449,215
5	Hillsburgh - Watermain from Elevated Tank to Existing Water System	2024-2034	3,000,000	-		3,000,000	-		3,000,000	2,850,000	150,000
6	Hillsburgh - Watermain on Wellington Rd 22	2024-2034	1,000,000	-		1,000,000	-		1,000,000	950,000	50,000
7	Hillsburgh - Watermain on Trafalgar Rd	2024-2034	1,750,000	-		1,750,000	875,000		875,000	831,250	43,750
8	Erin Municipal Well E9 & Pump House	2024-2034	9,000,000	-		9,000,000	-		9,000,000	8,550,000	450,000
9	Erin Municipal Backup Well & Pump House	2024-2034	9,000,000	-		9,000,000	-		9,000,000	8,550,000	450,000
10	Erin - Watermain from Well E9 to Existing Water System	2024-2034	2,650,000	-		2,650,000	-		2,650,000	2,517,500	132,500
11	Erin - Watermain from New Elevated Tank to Existing Water System (Shamrock Rd & Sideroad 17)	2024-2034	1,200,000	-		1,200,000	-		1,200,000	1,140,000	60,000
12	Erin - Watermain on Dundas St East	2024-2034	1,370,000	-		1,370,000	-		1,370,000	1,301,500	68,500
13	Erin - Elevated Water Storage Tank	2024-2034	10,630,000	-		10,630,000	-		10,630,000	10,098,500	531,500
14	Erin-Hillsburgh Booster Station	2024-2034	5,500,000	-		5,500,000	-		5,500,000	5,225,000	275,000
15	Erin - Eighth Line Booster Station	2024-2034	5,500,000	-		5,500,000	-		5,500,000	5,225,000	275,000
16	Watermain on Elora Cataract Trail connecting Hillsburgh and Erin Water Systems	2024-2034	3,500,000	-		3,500,000	-		3,500,000	3,325,000	175,000
17	Erin - Smart Zone Boundaries PRV's	2024-2034	400,000	-		400,000	-		400,000	380,000	20,000
18	Reserve Adjustment	Reserves	1,874,070			1,874,070	-		1,874,070	1,780,366	93,703
	<b>Total</b>		<b>84,754,070</b>	<b>-</b>	<b>-</b>	<b>84,754,070</b>	<b>1,270,700</b>	<b>-</b>	<b>83,483,370</b>	<b>79,309,201</b>	<b>4,174,168</b>

### 3.5 Updates to Fire Protection Services

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Based on a further review of the capital project listing for Fire Protection Services by Town staff, it was determined that the D.C. calculations included the incorrect debt principal and interest related to the Fire Truck and Breathing Apparatus. The following adjustment has been made:

- Project 5: Fire Truck & Breathing Apparatus Growth Related Debt (Principal) → decreased from \$240,000 to \$50,400.
- Project 6: Fire Truck & Breathing Apparatus Growth Related Debt (Discounted Interest) → decreased from \$6,466 to \$1,358.

Based on the changes noted above, the Fire Protection Services D.C. has decreased from \$3,794 to \$3,751 per residential single detached dwelling and \$1.56 to \$1.55 per sq.ft. of non-residential gross floor area.

The revised Fire Protection Services capital sheet is presented in Table 5.

Table 5  
Fire Protection Services Capital

Prj. No	Increased Service Needs Attributable to Anticipated Development  2024 to Buildout	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share  95%	Non- Residential Share  5%
1	Hillsburgh Station Debt (Principal)	2024-2032	823,000	-		823,000	-		823,000	781,850	41,150
2	Hillsburgh Station Debt (Discounted Interest)	2024-2032	16,786	-		16,786	-		16,786	15,947	839
3	Fire Station #50 Debt (Principal)	2024-2036	189,000	-		189,000	-		189,000	179,550	9,450
4	Fire Station #50 Debt (Discounted Interest)	2024-2036	16,451	-		16,451	-		16,451	15,629	823
5	Fire Truck & Breathing Apparatus Growth Related Debt (Principal)	2024-2026	50,400	-		50,400	-		50,400	47,880	2,520
6	Fire Truck & Breathing Apparatus Growth Related Debt (Discounted Interest)	2024-2026	1,358	-		1,358	-		1,358	1,290	68
7	Expansion to Hillsburgh Fire Hall (Station #50)	2025	150,000	-		150,000	-		150,000	142,500	7,500
8	To Replace Erin Facility	2027	8,000,000	-		8,000,000	3,876,000		4,124,000	3,917,800	206,200
9	Provision for future Fire Infrastructure	2027-2036	5,000,000	-		5,000,000	-		5,000,000	4,750,000	250,000
10	Ladder Truck	2025	2,500,000	-		2,500,000	1,100,000		1,400,000	1,330,000	70,000
11	Deputy Fire Chief Equipment	2026	9,400	-		9,400	-		9,400	8,930	470
12	Deputy vehicle	2026	100,000	-		100,000	-		100,000	95,000	5,000
13	Provision for future Vehicles and Equipment	2027-2036	5,000,000	-		5,000,000	-		5,000,000	4,750,000	250,000
14	Reserve Fund Adjustment	Reserve	-	-		-	24,771		(24,771)	(23,532)	(1,239)
	<b>Total</b>		<b>21,856,395</b>	<b>-</b>	<b>-</b>	<b>21,856,395</b>	<b>5,000,771</b>	<b>-</b>	<b>16,855,625</b>	<b>16,012,844</b>	<b>842,781</b>

## 3.6 Updates to the Local Service Policy

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To ensure that the capital projects included in the D.C. calculations align with the Town's Local Service Policy, a revision to Section 16 has been made.

- Section 16.3: Providing new underground services or upgrading existing underground services external to the development if the services are required to service the development, and if the pipe sizes are up to 200 mm for water and sanitary services and up to 900 mm for stormwater services. If external services are required by two or more developments, the developer for the first development will be responsible for the cost of the external services and may enter into front-ending/cost-sharing agreements with other developers independent of the Town.
- Section 16.8: External underground services involving trunk infrastructure and pipe sizes exceeding 200 mm for water and sanitary services and 900 mm for stormwater services.



## 4. Overall Changes to the D.C. Calculations

Based on the changes noted in section 3, the calculated residential D.C. (single/semi-detached unit) for Town Wide and Urban Area services has increased from \$47,636 to \$51,403. Regarding the non-residential charges, the calculated non-residential D.C. for Town Wide and Urban Area Service developments have increased from \$17.04 per sq.ft. to \$18.43 per sq.ft.

The summary below compares the current charges (as of January 1, 2024), the charges as calculated in the May 17, 2024 D.C. background study, and the charges calculated in this addendum report.

**Residential (Single Detached) Comparison**

Service/Class of Service	Current	Calculated (May 17, 2024)	Calculated (Addendum #1)
<b>Municipal Wide Services/Classes:</b>			
Services Related to a Highway	11,390	11,582	13,117
Fire Protection Services	3,602	3,794	3,751
Parks and Recreation Services	7,472	13,718	14,638
Growth Studies	2,619	-	653
<b>Total Municipal Wide Services/Classes</b>	<b>25,083</b>	<b>29,094</b>	<b>32,159</b>
<b>Urban Services:</b>			
Water Services	8,354	18,542	19,244
<b>Grand Total - Municipal Wide + Urban Area</b>	<b>33,437</b>	<b>47,636</b>	<b>51,403</b>

**Non-Residential (per sq.ft.) Comparison**

Service/Class of Service	Current	Calculated (May 17, 2024)	Calculated (Addendum #1)
<b>Municipal Wide Services/Classes:</b>			
Services Related to a Highway	6.39	4.78	5.40
Fire Protection Services	2.03	1.56	1.55
Parks and Recreation Services	1.44	3.32	3.55
Growth Studies	1.09	-	0.27
<b>Total Municipal Wide Services/Classes</b>	<b>10.95</b>	<b>9.66</b>	<b>10.77</b>
<b>Urban Services:</b>			
Water Services	2.82	7.38	7.66
<b>Grand Total - Municipal Wide + Urban Area</b>	<b>13.77</b>	<b>17.04</b>	<b>18.43</b>

Table 6 provides for the revised D.C. schedule:

Table 6  
Revised D.C. Schedule

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
<b>Town Wide Services:</b>						
Services Related to a Highway	13,117	9,842	7,970	5,820	4,487	5.40
Fire Protection Services	3,751	2,814	2,279	1,664	1,283	1.55
Parks and Recreation Services	14,638	10,983	8,894	6,495	5,007	3.55
Growth Studies	653	490	397	290	223	0.27
<b>Total Town Wide Services</b>	<b>32,159</b>	<b>24,129</b>	<b>19,540</b>	<b>14,269</b>	<b>11,000</b>	<b>10.77</b>
<b>Urban Services</b>						
Water Services	19,244	14,439	11,692	8,539	6,582	7.66
<b>Total Urban Services</b>	<b>19,244</b>	<b>14,439</b>	<b>11,692</b>	<b>8,539</b>	<b>6,582</b>	<b>7.66</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>32,159</b>	<b>24,129</b>	<b>19,540</b>	<b>14,269</b>	<b>11,000</b>	<b>10.77</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>51,403</b>	<b>38,568</b>	<b>31,232</b>	<b>22,808</b>	<b>17,582</b>	<b>18.43</b>

## 5. Changes to the Background Study

Based upon the preceding sections, the following revisions are made to the pages within the background study (new pages are appended to this report):

Page Reference	Description of Revisions
Table of Contents	Updated to reflect revised page numbers and headings.
ES	Updated section to summarize changes to the legislation arising from Bill 185, revised the calculated charges to include growth studies, revised Table ES-2 and subsequent writeup to reflect the summary of expenditures anticipated over the life of the by-law, added reference to growth studies, and revised Table ES-3 to include the calculated charges.
1-2 & 1-3	Revised Figure 1-1 to include the release of Addendum Report #1.
1-9	Revised Section 1.4.4 to note the affordable owned and rental unit exemptions came into force June 1, 2024.
1-11 to 1-13	Revised Section 1.5 to note the affordable unit exemptions came into force June 1, 2024, and revised section 1.5 to update wording given Bill 185 received royal assent.
4-6	Updated Table 4-1 to include studies as eligible capital costs to be recovered for in the D.C. calculation.
4-7	Updated the definition of capital costs to include studies.
4-8	Updated the Classes of Services section to include growth studies.
4-9	Updated the Existing Reserve Funds section to include Growth Studies.
4-14	Removed section 4.14 Mandatory Phase-in of a D.C.

Page Reference	Description of Revisions
5-1 to 5-7 and 5-10 to 5-13	Added growth studies and updated table numbers. Revised Services Related to a Highway, Parks and Recreation, Water Services, and Fire Protection Services.
6-2 to 6-4	Updated Tables 6-1, 6-2, and 6-3.
7-1, 7-3 to 7-6, and 7-8	Included Bill 185 in the changes to the legislation, added growth studies to section 7.3.2, removed wording for affordable units to be in force at a later date, removed section 7.3.5; Phasing-in, updated timing of collection wording to revise the rate-freeze period from two (2) years to 18 months, updated categories of services for reserve fund and credit policies to include growth studies, added growth studies as a class of service recommendation, and include “as amended” wording for the approval of the capital list and D.C. Background Study recommendations.
C-4	Updated Table C-2.
D-5	Updated Figure D-1 to include Growth Studies.
Appendix E	Updated Local Service Policy.
F-4 & F-5	Updated the Asset Management Calculations.
Appendix G	Updated draft by-law.

## 6. Process for the Adoption of the Development Charges By-law

The preceding sections provide a summary of the revisions to the Town's D.C. Background Study and draft by-law. If Council is satisfied with the above changes to the Background Study, this Addendum #1 report will be considered for approval by Council along with the Background Study.



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# Executive Summary

1. The report provided herein represents the Development Charges (D.C.) Background Study for the Town of Erin required by the *Development Charges Act, 1997*, as amended (D.C.A.). This report has been prepared in accordance with the methodology required under the D.C.A. The contents include the following:

- Chapter 1 – Overview of the legislative requirements of the Act;
- Chapter 2 – Review of present D.C. policies of the Town;
- Chapter 3 – Summary of the residential and non-residential growth forecasts for the Town;
- Chapter 4 – Approach to calculating the D.C.;
- Chapter 5 – Review of historical service standards and identification of future capital requirements to service growth and related deductions and allocations;
- Chapter 6 – Calculation of the D.C.s;
- Chapter 7 – D.C. policy recommendations and rules; and
- Chapter 8 – By-law implementation.

2. D.C.s provide for the recovery of growth-related capital expenditures from new development. The D.C.A. is the statutory basis to recover these charges. The methodology is detailed in Chapter 4; a simplified summary is provided below.

- 1) Identify amount, type and location of growth.
- 2) Identify servicing needs to accommodate growth.
- 3) Identify capital costs to provide services to meet the needs.
- 4) Deduct:
  - Grants, subsidies and other contributions;
  - Benefit to existing development;
  - Amounts in excess of 15-year historical service calculation; and
  - D.C. reserve funds (where applicable);
- 5) Net costs are then allocated between residential and non-residential benefit; and
- 6) Net costs divided by growth to provide the D.C.



3. Following the adoption of the Town's 2019 D.C. By-law, the Town undertook a D.C. Update Study in 2020 to pass an amending D.C. By-law to include revise the water capital program and establish a D.C. for wastewater. Furthermore, the Town completed a subsequent D.C. update in 2022 which transitioned the wastewater services from the Town-wide D.C. By-law to a standalone By-law, as well as incorporate a number of new policies as a result of the following Acts:

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

Since that time, the Province introduced another set of revisions to the D.C.A. through Bill 23: *More Homes Built Faster Act, 2022*. Bill 23 was first introduced on October 25, 2022, and received Royal Assent on November 28, 2022. A summary of the changes provided from Bill 23 are outlined below (further details are provided in Chapter 1 of this report):

- Additional Residential Unit Exemption: Allowance of a third unit as-of-right;
- Removal of Housing as an Eligible D.C. Service;
- New Statutory Exemptions for Affordable Units, Attainable Units (currently not in force), and Affordable Inclusionary Zoning Units;  
Note: Bill 134: *Affordable Homes and Good Jobs Act, 2023* was released on September 28, 2023 which proposes a new definition of "affordable" under the D.C.A. and is anticipated to receive Royal Assent on December 4, 2023:
  - Owned unit (lesser of): cost is less than 30% of the 60th percentile of income for households in the municipality or 90% of the average purchase price as defined in a new Bulletin.
  - Rental unit (lesser of): rent is less than 30% of the 60th percentile of income for rental households or average market rent set out in a new Bulletin.
- New Statutory Exemption: Non-Profit Housing;
- Historical Level of Service extended to previous 15-year period instead of the previous 10-year period;



- Capital Cost definition revised to remove studies and prescribe services for which land or an interest in land will be restricted (nothing prescribed to date);
- Mandatory Phase-in of a D.C. passed after January 1, 2022, as follows:
  - Year 1 – 80% of the maximum charge;
  - Year 2 – 85% of the maximum charge;
  - Year 3 – 90% of the maximum charge;
  - Year 4 – 95% of the maximum charge; and
  - Year 5 to expiry – 100% of the maximum charge.
- D.C. By-law expiry will be a maximum of 10 years after the date the by-law comes into force;
- D.C. for Rental Housing developments to receive a discount as follows:
  - Three or more bedrooms – 25% reduction;
  - Two bedrooms – 20% reduction; and
  - All other bedroom quantities – 15% reduction.
- Maximum Interest Rate for Installments and Determination of Charge for Eligible Site Plan and Zoning By-law Amendment Applications to be set at the average prime rate plus 1%; and
- Requirement to Allocate Funds Received – municipalities are required to spend or allocate at least 60% of their reserve fund at the beginning of the year for water, wastewater, and services related to a highway.

On April 10, 2024, the Province released Bill 185: Cutting Red Tape to Build More Homes Act. The Bill received Royal Assent on June 6, 2024. A summary of the changes provided from Bill 185 are outlined below (further details are provided in Chapter 1 of this report):

- The definition of eligible capital costs (to include certain studies);
- The removal of the mandatory phase-in of charges;
- The process for minor amendments to D.C. by-laws;
- A reduction of time for the D.C. rate freeze related to site plan and zoning by-law amendment planning applications;
- Modernizing public notice requirements; and
- Implementation of the Affordable Residential Unit exemptions:



- The growth forecast (Chapter 3) on which the D.C. study is based, projects the following population, housing, and non-residential floor area for the Buildout (2024 to Buildout), and Urban Buildout (2024 to Buildout) forecast periods.

Table ES-1  
Summary of Growth Forecast by Planning Period  
Town of Erin

Measure	2024-Buildout	2024-Urban Buildout
(Net) Population Increase	13,213	13,059
Residential Unit Increase	4,867	4,719
Non-Residential Gross Floor Area Increase (sq.ft.)	544,900	544,900

- On July 22, 2019, the Town of Erin's D.C. By-law 19-32 came into force under the D.C.A. The by-law imposes D.C.s on residential and non-residential uses. This by-law was amended via By-law 20-40 and By-law 23-08. The Town is undertaking a D.C. public process and anticipates passing a new by-law on July 18, 2024, with the mandatory public meeting scheduled for June 27, 2024.
- It is noted that this background study does not evaluate the Town's wastewater services. The calculations and D.C. by-law ( By-law 23-09) related to wastewater are undertaken on a standalone basis due to the financial agreements between the Town and the development community.
- The Town's D.C. currently in effect for the Town-wide services (including water) is \$33,437 for single detached dwelling units. In addition, the Town's wastewater D.C. is \$30,636, for a grand total of \$64,063 per single detached dwelling unit for full services. The non-residential charge for Town-wide services (including water) is \$13.77 per sq.ft. In addition, the Town's non-residential wastewater D.C. is \$10 per sq.ft., for a grand total of \$23.77 per sq.ft. for full services.
- This report has undertaken a recalculation of the charges based on future identified needs (presented in Schedule ES-3 for residential and non-residential). Charges have been provided on a Town-wide basis for all services excluding water, which has been provided on an urban-wide basis. The corresponding single-detached unit charge for full services (excluding wastewater) is \$51,403.



The non-residential charge for full services (excluding wastewater) is \$18.43 per sq.ft. of building area. These rates are submitted to Council for their consideration.

9. The D.C.A. requires a summary be provided of the gross capital costs and the net costs to be recovered over the life of the by-law. This calculation is provided by service and is presented in Table 6-4. A summary of these costs is provided below:

Table ES-2  
Summary of Expenditures Anticipated Over the Life of the By-law

Summary of Expenditures Anticipated Over the Life of the By-law	Expenditure Amount
Total gross expenditures planned over the next ten years	\$225,912,993
Less: Benefit to existing development	\$73,946,657
Less: Post planning period benefit	\$0
Less: Ineligible re: Level of Service	\$0
Less: Grants, subsidies and other contributions	\$0
<b>Net costs to be recovered from development charges</b>	<b>\$151,966,337</b>

This suggests that for the non-D.C. cost over the ten-year D.C. by-law (benefit to existing development, and grants, subsidies and other contributions), \$73.95 million (or an annual amount of \$7.39 million) will need to be contributed from taxes and rates, or other sources.

Based on the above table, the Town plans to spend \$225.91 million over the life of the by-law, of which \$151.97 million (67%) is recoverable from D.C.s. Of this net amount, \$145.66 million is recoverable from residential development and \$6.31 million from non-residential development. It is noted also that any exemptions or reductions in the charges would reduce this recovery further.

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

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

- Water Services.



The following services are calculated based on a buildout forecast period:

- Services Related to a Highway.
- Fire Protection Services;
- Parks and Recreation Services; and
- Growth Studies.

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

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





**Table ES-3**  
**Schedule of Development Charges**

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
<b>Town Wide Services:</b>						
Services Related to a Highway	13,117	9,842	7,970	5,820	4,487	5.40
Fire Protection Services	3,751	2,814	2,279	1,664	1,283	1.55
Parks and Recreation Services	14,638	10,983	8,894	6,495	5,007	3.55
Growth Studies	653	490	397	290	223	0.27
<b>Total Town Wide Services</b>	<b>32,159</b>	<b>24,129</b>	<b>19,540</b>	<b>14,269</b>	<b>11,000</b>	<b>10.77</b>
<b>Urban Services</b>						
Water Services	19,244	14,439	11,692	8,539	6,582	7.66
<b>Total Urban Services</b>	<b>19,244</b>	<b>14,439</b>	<b>11,692</b>	<b>8,539</b>	<b>6,582</b>	<b>7.66</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>32,159</b>	<b>24,129</b>	<b>19,540</b>	<b>14,269</b>	<b>11,000</b>	<b>10.77</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>51,403</b>	<b>38,568</b>	<b>31,232</b>	<b>22,808</b>	<b>17,582</b>	<b>18.43</b>



## 1.2 Summary of the Process

The public meeting required under section 12 of the D.C.A. has been scheduled for June 27, 2024. Its purpose is to present the study to the public and to solicit public input. The meeting is also being held to answer any questions regarding the study's purpose, methodology, and the proposed modifications to the Town's D.C.s.

In accordance with the legislation, the background study and proposed D.C. by-law will be available for public review on May 17, 2024.

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

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

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

Figure 1-1  
Schedule of Key D.C. Process Dates for the Town of Erin

Schedule of Study Milestone	Dates
1. Data collection, staff review, D.C. calculations and policy work	October 2023 to April 2024
2. Stakeholder Meeting #1	April 18, 2024
3. Stakeholder Meeting #2	May 16, 2024
4. Public release of D.C. background study and proposed by-law	May 17, 2024
5. Public meeting advertisement placed in newspaper(s)	No later than June 6, 2024
6. Public meeting of Council	June 27, 2024
7. Public release of Addendum #1 to the D.C. Background study	July 5, 2024
8. Council considers adoption of background study and passage of by-law	July 18, 2024
9. Newspaper notice given of by-law passage	By 20 days after passage



Schedule of Study Milestone	Dates
10. Last day for by-law appeal	40 days after passage
11. Town makes pamphlet available (where by-law not appealed)	By 60 days after in force date

## 1.3 Changes to the D.C.A.: Bills 108, 138, 197, and 213

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### 1.3.1 *Bill 108: More Homes, More Choice Act – An Act to Amend Various Statutes with Respect to Housing, Other Development, and Various Matters*

On May 2, 2019, the Province introduced Bill 108, which proposed changes to the D.C.A. The Bill was introduced as part of the Province's "More Homes, More Choice: Ontario's Housing Supply Action Plan." The Bill received Royal Assent on June 6, 2019.

While having received Royal Assent, many of the amendments to the D.C.A. would not come into effect until they are proclaimed by the Lieutenant Governor (many of these changes were revised through Bill 197). At the time of writing, the following provisions have been proclaimed:

- Effective January 1, 2020, rental housing and institutional developments will pay D.C.s in six equal annual payments commencing at occupancy. Interest may be charged on the instalments, and any unpaid amounts may be added to the property and collected as taxes. As per Bill 23, non-profit housing developments are now exempt from paying D.C.s; however, prior to Bill 23, and as a result of Bill 108, non-profit housing developments paid D.C.s in 21 equal annual payments. Effective January 1, 2020, the D.C. amount for all developments occurring within 2 years of a Site Plan or Zoning By-law Amendment planning approval (for application submitted after this section is proclaimed), shall be determined based on the D.C. in effect on the day of Site Plan or Zoning By-law Amendment application. If the development is not proceeding via these planning approvals, then the amount is determined as of the date of issuance of a building permit.



- **Attainable Units:** Excludes affordable units and rental units; will be defined as prescribed development or class of development and sold to a person who is at “arm’s length” from the seller.
  - Note: for affordable and attainable units, the municipality shall enter into an agreement that ensures the unit remains affordable or attainable for 25 years.

*Note: the above Affordable Owned and Rental Unit exemptions came into force as of June 1, 2024. At the time of writing, it is not known when the exemption for Attainable Units will be in force.*

- **Inclusionary Zoning Units:** Affordable housing units required under inclusionary zoning by-laws are exempt from a D.C.

#### **1.4.5 Historical Level of Service Extended to Previous 15-Year Period**

Prior to Bill 23, the increase in need for service was limited by the average historical level of service calculated over the 10-year period preceding the preparation of the D.C. background study. This average is now extended to the historical 15-year period.

#### **1.4.6 Revised Definition of Capital Costs**

The definition of capital costs has been revised to remove studies. Furthermore, the regulations to the Act may prescribe services for which land or an interest in land will be restricted. As at the time of writing, no services have been prescribed.

#### **1.4.7 Mandatory Phase-in of a D.C.**

For all D.C. by-laws passed after January 1, 2022, the charge must be phased-in annually over the first five years the by-law is in force, as follows:

- Year 1 – 80% of the maximum charge;
- Year 2 – 85% of the maximum charge;
- Year 3 – 90% of the maximum charge;
- Year 4 – 95% of the maximum charge; and
- Year 5 to expiry – 100% of the maximum charge.



## **1.5 Bill 185: Cutting Red Tape to Build More Homes Act, 2024**

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On April 10, 2024, the Province released Bill 185: *Cutting Red Tape to Build More Homes Act*. The Bill received Royal Assent on June 6, 2024. This Bill reversed many of the key changes that were implemented through Bill 23. The following sections provide a summary of the changes.

### **1.5.1 Revised Definition of Capital Costs**

Bill 185 reversed the capital cost amendments of Bill 23 by reinstating studies as an eligible capital cost. The following paragraphs were added to subsection 5(3) of the D.C.A.:

5. *Costs to undertake studies in connection with any of the matters referred to in paragraphs 1 to 4.*
6. *Costs of the development charge background study required under section 10.*

### **1.5.2 Removal of the Mandatory Phase-in**

As noted in Section 1.4.7 above, Bill 23 required the phase-in of charges imposed in a D.C. by-law over a five-year term for any by-laws passed after January 1, 2022. Bill 185 removed this mandatory phase-in. This change is effective for any D.C. by-laws passed after Bill 185 came into effect.

For site plan and zoning by-law amendment applications that were made prior to Bill 185 receiving Royal Assent, the charges payable will be the charges that were in place on the day the planning application was made (i.e., including the mandatory phase-in).

### **1.5.3 Process for Minor Amendments to D.C. By-laws**

Section 19 of the D.C.A. requires that a municipality must follow sections 10 through 18 of the D.C.A. (with necessary modifications) when amending D.C. by-laws. Sections 10 through 18 of the D.C.A. generally require the following:

- Completion of a D.C. background study, including the requirement to post the background study 60 days prior to passage of the D.C. by-law;



- Passage of a D.C. by-law within one year of the completion of the D.C. background study;
- A public meeting, including notice requirements; and
- The ability to appeal the by-law to the Ontario Land Tribunal.

Bill 185 allows municipalities to undertake minor amendments to D.C. by-laws for the following purposes without adherence to the requirements noted above (with the exception of the notice requirements):

1. To repeal a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date (subject to the 10-year limitations provided in the D.C.A.);
2. To impose D.C.s for studies, including the D.C. background study; and
3. To remove the provisions related to the mandatory phase-in of D.C.s.

Minor amendments related to items 2 and 3 noted above may be undertaken only if the D.C. by-law being amended was passed after November 28, 2022, and before Bill 185 took effect. Moreover, the amending by-law must be passed within six months of Bill 185 coming into effect.

Notice requirements for these minor amending by-laws are similar to the typical notice requirements, with the exception of the requirement to identify the last day for appealing the by-law (as these provisions do not apply).

#### **1.5.4 Reduction of D.C. Rate Freeze Timeframe**

Bill 108 (see Section 1.3.1 above) provides for the requirement to freeze the D.C.s imposed on developments subject to a site plan and/or a zoning by-law amendment application. The D.C. rate for these developments is “frozen” at the rates that were in effect at the time the site plan and/or zoning by-law amendment application was submitted (subject to applicable interest). Once the application is approved by the municipality, if the date the D.C. is payable is more than two years from the approval date, the D.C. rate freeze would no longer apply. Bill 185 reduced the two-year timeframe to 18 months.



### **1.5.5 Modernizing Public Notice Requirements**

The D.C.A. sets out the requirements for municipalities to give notice of public meetings and of by-law passage. These requirements are prescribed in sections 9 and 10 of O. Reg. 82/98 and include giving notice in a newspaper of sufficiently general circulation in the area to which the by-law would apply. The regulatory changes modernized public notice requirements by allowing municipalities to provide notice on a municipal website if a local newspaper is not available.



Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
21. Ambulance	n/a n/a	21.1 Ambulance station space 21.2 Vehicles <sup>[1]</sup>	100 100
22. Hospital Provision	Ineligible	22.1 Hospital capital contributions	0
23. Provision of Headquarters for the General Administration of Municipalities and Area Municipal Boards	Ineligible Ineligible Ineligible	23.1 Office space 23.2 Office furniture 23.3 Computer equipment	0 0 0
24. Other Services	Yes	24.1 Studies in connection with acquiring buildings, rolling stock, materials and equipment, and improving land and facilities, including the D.C. background study cost	100
	Yes	24.2 Interest on money borrowed to pay for growth-related capital	0-100

<sup>[1]</sup> with a 7+ year lifetime

## 4.4 Local Service Policy

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

## 4.5 Capital Forecast

Paragraph 7 of subsection 5 (1) of the D.C.A. requires that “the capital costs necessary to provide the increased services must be estimated.” The Act goes on to require two





potential cost reductions and the regulation sets out the way in which such costs are to be presented. These requirements are outlined below.

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

The capital costs include:

- a) costs to acquire land or an interest therein (including a leasehold interest);
- b) costs to improve land;
- c) costs to acquire, lease, construct or improve buildings and structures;
- d) costs to acquire, lease or improve facilities, including rolling stock (with a useful life of 7 or more years), furniture and equipment (other than computer equipment), materials acquired for library circulation, reference, or information purposes;
- e) Costs to undertake studies in connection with any of the matters referred to in paragraphs a to d;
- f) Costs of the development charge background study required under section 10; and
- g) interest on money borrowed to pay for the above-referenced costs;

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

## 4.6 Treatment of Credits

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Section 8, paragraph 5, of O. Reg. 82/98 indicates that a D.C. background study must set out “the estimated value of credits that are being carried forward relating to the

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service.” Section 17, paragraph 4, of the same regulation indicates that “the value of the credit cannot be recovered from future D.C.s,” if the credit pertains to an ineligible service. This implies that a credit for eligible services can be recovered from future D.C.s. As a result, this provision should be made in the calculation, in order to avoid a funding shortfall with respect to future service needs.

## 4.7 Classes of Services

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Section 7 of the D.C.A. states that a D.C. by-law may provide for any D.C. eligible service or the capital costs with respect to those services. Furthermore, a class may be composed of any number or combination of services and may include parts or portions of each D.C. eligible service.

These provisions allow for services to be grouped together to create a class for the purposes of the D.C. by-law and D.C. reserve funds. The D.C. calculations and by-law provided herein have identified a class of service for growth studies.

## 4.8 Existing Reserve Funds

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

“The money in a reserve fund established for a service may be spent only for capital costs determined under paragraphs 2 to 7 of subsection 5 (1).”

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

For services that are subject to a per capita based, service level “cap,” the reserve fund balance should be applied against the development-related costs for which the charge was imposed once the project is constructed (i.e., the needs of recent growth). This cost component is distinct from the development-related costs for the future forecast periods, which underlie the D.C. calculation herein.

The alternative would involve the Town spending all reserve fund monies prior to renewing each by-law, which would not be a sound basis for capital budgeting. Thus, the Town will use these reserve funds for the Town’s cost share of applicable



development-related projects, which are required but have not yet been undertaken, as a way of directing the funds to the benefit of the development that contributed them (rather than to future development, which will generate the need for additional facilities directly proportionate to future growth).

The Town's D.C. Reserve Fund balances by service as of December 31, 2023, adjusted for commitments, are shown below:

Table 4-2  
Summary of Development Charges Reserve Fund Balances  
As of December 31, 2023

Service	Balance
Services Related to a Highway	\$1,832,886
Fire Protection Services	\$24,771
Parks and Recreation Services	(\$663,860)
Water Services	(\$1,874,070)
Growth Studies	(\$920,341)
<b>Total</b>	<b>(\$1,600,613)</b>

Note: Amounts in brackets are deficit balances.

## 4.9 Deductions

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

- The level of service ceiling;
- Uncommitted excess capacity;
- Benefit to existing development; and
- Anticipated grants, subsidies, and other contributions.

The requirements behind each of these reductions are addressed below.



- An assessment of the ridership capacity for all modes of transit services proposed to be funded by the development charge over the 10-year period immediately following the preparation of the background study.
- A forward-looking service standard (as per subsection 6.1 (2) of the Regulations):
  - The service is a discrete service.
  - No portion of the service that is intended to benefit anticipated development after the 10-year period immediately following the preparation of the background study may be included in the estimate.
  - No portion of the service that is anticipated to exist as excess capacity at the end of the 10-year period immediately following the preparation of the background study may be included in the estimate.
- A detailed asset management strategy and reporting requirements (subsection 6.1 (3) of the Regulations) that includes lifecycle costs, action plans that will enable the assets to be sustainable, summary of how to achieve the proposed level of service, discussion on procurement measures and risk.

The Town does not currently provide transit services, therefore the above calculations and reporting requirements are not required for this study.



## 5. D.C.-Eligible Cost Analysis by Service

### 5.1 Introduction

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

The service component is evaluated on two format sheets:

- The service standards that provide the average historical 15-year level of service calculation (see Appendix B), which “caps” the D.C. amounts (note that this is not required for water); and
- The infrastructure cost calculation, which determines the potential D.C. recoverable cost.

The nature of the capital projects and timing identified in the chapter reflects Council’s current intention. Over time, however, Town projects and Council priorities change; accordingly, Council’s intentions may alter, and different capital projects (and timing) may be necessary to meet the need for services required by new growth.

### 5.2 Service Levels and Buildout Capital Costs for Erin’s D.C. Calculation

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This section evaluates the development-related capital requirements for fire protection services, parks and recreation services, services related to a highway, and growth studies over a long-term planning period from 2024 to buildout.

#### 5.2.1 Fire Protection Services

The Erin Fire Department currently operates out of a combined 18,471 sq.ft. of facility space. This provides for a per capita average level of service of 1.38 sq.ft. per capita or \$1,051 per capita. This level of service provides the Town with a maximum D.C.-eligible amount for recovery over the forecast period of \$13.89 million.



The fire department has a current inventory of 10 vehicles. The total D.C.-eligible amount calculated for fire vehicles over the forecast period is \$9.17 million, based on a standard of \$694 per capita.

In addition to vehicles, the Town provides 757 items of equipment and gear for the use in fire services. This results in a calculated average level of service for the historical 15-year period of \$172 per capita, providing for a D.C.-eligible amount over the forecast period of \$2.27 million for small equipment and gear.

Based on the above, the maximum D.C.-eligible amount for fire protection services is approximately \$25.33 million.

To service new development, the Town has identified future capital needs totalling \$21.86 million. This includes the need for an expansion to the Hillsburgh Fire Hall, replacement of the Erin Fire Facility, new vehicle, firefighter equipment, a ladder truck, debt recovery, as well as provisions for future facilities, equipment, and vehicles. The following deductions have been made to the capital program:

- Benefit to existing development: \$4.98 million.
- Reserve Fund surplus balance: \$24,771.

Therefore, the net growth-related capital cost of \$16.86 million is being included in the D.C. calculations.

These costs are shared between residential and non-residential based on the population to employment ratio over the forecast period, resulting in 95% being allocated to residential development and 5% being allocated to non-residential development.



Table 5-1  
Infrastructure Cost Included in the Development Charges Calculation  
Fire Protection Services

Prj. No	Increased Service Needs Attributable to Anticipated Development  2024 to Buildout	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share  95%	Non- Residential Share  5%
1	Hillsburgh Station Debt (Principal)	2024-2032	823,000	-		823,000	-		823,000	781,850	41,150
2	Hillsburgh Station Debt (Discounted Interest)	2024-2032	16,786	-		16,786	-		16,786	15,947	839
3	Fire Station #50 Debt (Principal)	2024-2036	189,000	-		189,000	-		189,000	179,550	9,450
4	Fire Station #50 Debt (Discounted Interest)	2024-2036	16,451	-		16,451	-		16,451	15,629	823
5	Fire Truck & Breathing Apparatus Growth Related Debt (Principal)	2024-2026	50,400	-		50,400	-		50,400	47,880	2,520
6	Fire Truck & Breathing Apparatus Growth Related Debt (Discounted Interest)	2024-2026	1,358	-		1,358	-		1,358	1,290	68
7	Expansion to Hillsburgh Fire Hall (Station #50)	2025	150,000	-		150,000	-		150,000	142,500	7,500
8	To Replace Erin Facility	2027	8,000,000	-		8,000,000	3,876,000		4,124,000	3,917,800	206,200
9	Provision for future Fire Infrastructure	2027-2036	5,000,000	-		5,000,000	-		5,000,000	4,750,000	250,000
10	Ladder Truck	2025	2,500,000	-		2,500,000	1,100,000		1,400,000	1,330,000	70,000
11	Deputy Fire Chief Equipment	2026	9,400	-		9,400	-		9,400	8,930	470
12	Deputy vehicle	2026	100,000	-		100,000	-		100,000	95,000	5,000
13	Provision for future Vehicles and Equipment	2027-2036	5,000,000	-		5,000,000	-		5,000,000	4,750,000	250,000
14	Reserve Fund Adjustment	Reserve	-	-		-	24,771		(24,771)	(23,532)	(1,239)
	<b>Total</b>		<b>21,856,395</b>	<b>-</b>	<b>-</b>	<b>21,856,395</b>	<b>5,000,771</b>	<b>-</b>	<b>16,855,625</b>	<b>16,012,844</b>	<b>842,781</b>



## **5.2.2 Parks and Recreation Services**

The Town currently provides a variety of parks and recreation-related assets to service the community. A summary of the Town's inventory is provided below:

- 105 acres of parkland (consisting of various sized parks and parkettes);
- 44 amenities that include items such as soccer fields, baseball diamonds, tennis courts, pavilions, etc.;
- 11 vehicles and equipment (consisting of mowers, trailer, ice resurfacers, trucks, etc.); and
- Approximately 79,750 sq.ft. of recreation facility space, which includes community centres and a community hall.

In total, the Town's parks and recreation service has provided a 15-year (2009 to 2023) historical level of service that equates to an investment of \$6,805 per capita. This level of investment provides the Town with a D.C.-eligible amount of \$89.91 million towards future parks and recreation capital.

Based on the projected growth over the buildout forecast period, the Town has identified \$118.44 million in future growth capital costs for parks and recreation. The projects include a Barbour Field Multi-Use Facility with twin pad, accessibility renovations and upgrades to the Erin Community Centre, provisions for parkland development, amenities, and vehicles and equipment, and debt recovery. Additionally, the existing reserve fund deficit of \$663,860 has been included for recovery, for a combined gross total of \$119.11 million. Of this amount, a deduction of \$54.68 million has been made to recognize the portion of the capital works that will benefit development the existing community. In total, the net D.C. recoverable amount included in the D.C. calculation is approximately \$64.43 million.

As the predominant users of parks and recreation tend to be residents of the Town, the forecast growth-related costs have been allocated 97% to residential and 3% to non-residential.





Table 5-2  
Infrastructure Cost Included in the Development Charges Calculation  
Parks and Recreation Services

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	<b>2024 to Buildout</b>									<b>97%</b>	<b>3%</b>
1	Barbour Fields Expansion Debenture > @ 3.86% (15 year term) (Principal)	2024-2025	40,712	-		40,712	-		40,712	39,491	1,221
2	Barbour Fields Expansion Debenture > @ 3.86% (15 year term) (Discounted Interest)	2024-2025	1,553	-		1,553	-		1,553	1,506	47
3	Erin Community Centre - accessibility renovations/upgrades	2024-2025	2,500,000	-		2,500,000	2,250,000		250,000	242,500	7,500
4	Barbour Field Multi-Use Facility (Twin Pad)	2028-2030	97,000,000	-		97,000,000	52,427,000		44,573,000	43,235,810	1,337,190
5	Provision for Parkland Development and Amenities	2024-2034	18,350,000	-		18,350,000	-		18,350,000	17,799,500	550,500
6	Provision for Vehicles and Equipment	2024-2034	550,000	-		550,000	-		550,000	533,500	16,500
				-							
7	Reserve Fund Adjustment	Reserves	663,860	-		663,860			663,860	643,944	19,916
	<b>Total</b>		<b>119,106,124</b>	<b>-</b>	<b>-</b>	<b>119,106,124</b>	<b>54,677,000</b>	<b>-</b>	<b>64,429,124</b>	<b>62,496,251</b>	<b>1,932,874</b>



### **5.2.3 Services Related to a Highway**

#### **5.2.3.1 Services Related to a Highway -Roads and Related**

The Town owns and maintains:

- 0.3 km of earth roads;
- 184.9 km of gravel roads;
- 35.4 km of surface treated roads;
- 73.1 km of hot mix asphalt roads;
- 12 bridges;
- 37 culverts;
- 12 km of sidewalks;
- 1 pedestrian crosswalks; and
- 823 streetlight fixtures.

This provides an average level of investment of \$67,230 per capita, resulting in a D.C.-eligible recovery amount of \$888.31 million over the buildout forecast period.

With respect to future needs, the Town has identified a capital program totalling \$55.74 million, based on the estimates provided by the Ainley Group. It is noted that the Town will undertake a future Transportation Master Plan, which will revise the capital program presented herein. The projects identified in the capital program include road urbanizations, road upgrades, bridges, a provision for future road infrastructure, and the recovery of debt. A deduction of \$7.46 million has been made to recognize the portion of the works that would benefit the existing community. Furthermore, \$1.83 million has also been deducted to account for the Town's existing reserve fund balance. Therefore, the total growth-related cost to be included in the D.C. is \$46.45 million.

The residential/non-residential capital cost allocation for service related to a highway is based on the ratio of the anticipated population and employment growth over the buildout forecast period. This results in 95% being allocated to residential development and 5% to non-residential development.



Table 5-3  
 Infrastructure Cost Included in the Development Charges Calculation  
 Services Related to a Highway – Roads and Related

Prj. No	Increased Service Needs Attributable to Anticipated Development  2024 to Buildout	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 95%	Non-Residential Share 5%
1	Roads - 17th Sideroad; George St Reconstruction; Winston Churchill Bridge - Growth Related Debt (Principal)	2024-2036	156,378	-		156,378	-		156,378	148,559	7,819
2	Roads - 17th Sideroad; George St Reconstruction; Winston Churchill Bridge - Growth Related Debt (Discounted Interest)	2024-2036	13,607	-		13,607	-		13,607	12,926	680
3	Eighth Line (Sideroad 17 to Dundas Street West)	2024-2034	6,350,000	-		6,350,000	-		6,350,000	6,032,500	317,500
4	Dundas Street East (Main St to 10th Line)	2024-2034	7,830,000	-		7,830,000	-		7,830,000	7,438,500	391,500
5	Dundas Street West (Eighth Line to Bridge)	2024-2034	4,780,000	-		4,780,000	-		4,780,000	4,541,000	239,000
6	Sideroad 17 (Eighth Line to Wellington Rd 23)	2024-2034	4,100,000	-		4,100,000	-		4,100,000	3,895,000	205,000
7	Daniel Street (Dundas Street to southern Dead-end)	2024-2034	4,000,000	-		4,000,000	3,000,000		1,000,000	950,000	50,000
8	10th Sideroad (Dundas St to Wellington Rd 52)	2024-2034	4,300,000	-		4,300,000	2,150,000		2,150,000	2,042,500	107,500
9	Sideroad 15 (10th Line to Winston Churchill Blvd)	2024-2034	3,140,000	-		3,140,000	-		3,140,000	2,983,000	157,000
10	Bridge #9 8th Line Below 17 SR	2024	3,500,000	-		3,500,000	700,000		2,800,000	2,660,000	140,000
11	Bridge #2 Tenth Line above CR 52	2025	2,500,000	-		2,500,000	1,250,000		1,250,000	1,187,500	62,500
12	Eighth Line and Orangeville Intersection Culvert	2024	450,000	-		450,000	360,000		90,000	85,500	4,500
13	Pedestrian Bridge on Dundas Street West	2024-2034	1,250,000	-		1,250,000	-		1,250,000	1,187,500	62,500
14	Erinville Drive (Main St to Gear Ave)	2024-2034	3,370,000	-		3,370,000	-		3,370,000	3,201,500	168,500
15	Provision for future Road Infrastructure	2024-2034	10,000,000	-		10,000,000	-		10,000,000	9,500,000	500,000
16	Reserve Fund Adjustment	Reserve					1,832,886		(1,832,886)	(1,741,242)	(91,644)
	<b>Total</b>		<b>55,739,984</b>	<b>-</b>	<b>-</b>	<b>55,739,984</b>	<b>9,292,886</b>	<b>-</b>	<b>46,447,098</b>	<b>44,124,743</b>	<b>2,322,355</b>



#### **5.2.4 Growth Studies**

Based on the anticipated growth forecast, a number of growth studies have been identified for the Town. The total gross capital cost for growth studies is approximately \$2.59 million. These studies include various Master Plans, Planning Studies, D.C. Background Study, etc. For planning related studies, a deduction of 10% (\$40,000) has been applied to recognize the extent to which the studies relate to non-D.C.-eligible service. A further deduction of \$532,500 was made to recognize the benefit to the existing community. Therefore, the net amount of \$2.93 million has been included in the D.C. calculations.

The residential/non-residential allocation for growth studies is based on the ratio of anticipated population and employment growth over the buildout forecast period. This results in a 95% allocation to residential development and 5% allocation to non-residential development.



Table 5-5  
Infrastructure Cost Included in the Development Charges Calculation  
Growth Studies

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2024 to Buildout									95%	5%
1	Development Charges Background Study	2024	75,000	-		75,000	-		75,000	71,250	3,750
2	Development Charges Background Study Update	2027	50,000	-		50,000	-		50,000	47,500	2,500
3	Development Charges Background Study	2034	75,000	-		75,000	-		75,000	71,250	3,750
4	Transportation Masterplan	2025-2026	250,000	-		250,000	25,000		225,000	213,750	11,250
5	Transportation Masterplan Update	2030	125,000	-		125,000	12,500		112,500	106,875	5,625
6	Roads Need Study	2026	50,000	-		50,000	25,000		25,000	23,750	1,250
7	Roads Need Study	2031	50,000	-		50,000	25,000		25,000	23,750	1,250
8	Parks & Recreation Masterplan	2026	100,000	-		100,000	10,000		90,000	85,500	4,500
9	Parks & Recreation Masterplan Update	2031	50,000	-		50,000	5,000		45,000	42,750	2,250
10	Fire Masterplan	2027	100,000	-		100,000	10,000		90,000	85,500	4,500
11	Fire Masterplan Update	2032	50,000	-		50,000	5,000		45,000	42,750	2,250
12	Water Masterplan	2026	150,000	-		150,000	15,000		135,000	128,250	6,750
13	Water Masterplan Update	2031	75,000	-		75,000	7,500		67,500	64,125	3,375
14	Official Plan	2027	200,000	-	20,000	180,000	100,000		80,000	76,000	4,000
15	Official Plan Update	2032	100,000	-	10,000	90,000	20,000		70,000	66,500	3,500
16	Facility Assessment and Needs Study	2025	150,000	-		150,000	75,000		75,000	71,250	3,750
17	Facility Assessment and Needs Study	2030	150,000	-		150,000	75,000		75,000	71,250	3,750
18	Long-Term Financial Plan	2026	75,000	-		75,000	37,500		37,500	35,625	1,875
19	Water Environmental Assessment	2024-2033	350,000	-		350,000	35,000		315,000	299,250	15,750
20	Strategic Plan Development	2024	50,000	-		50,000	25,000		25,000	23,750	1,250
21	Strategic Plan Development	2029	50,000	-		50,000	25,000		25,000	23,750	1,250
22	Growth Management Study	2025	100,000	-	10,000	90,000	-		90,000	85,500	4,500
23	Water Development and Calibration of Distribution Systems Model	2024-2033	160,000	-		160,000	-		160,000	152,000	8,000
24	Reserve Fund Adjustment		920,341	-		920,341	-		920,341	874,323	46,017
	<b>Total</b>		<b>3,505,341</b>	<b>-</b>	<b>40,000</b>	<b>3,465,341</b>	<b>532,500</b>	<b>-</b>	<b>2,932,841</b>	<b>2,786,198</b>	<b>146,642</b>



## 5.3 Urban Buildout Capital Costs for Erin's D.C. Calculation

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This section evaluates the development-related capital requirements for water services over a long-term planning period from 2024 to urban buildout.

### 5.3.1 Water Services

Based on the anticipated growth forecast, a number of water projects have been identified to service new developments throughout the Town. These projects are based on works identified in the previous D.C. study, as well as new works anticipated to service the upcoming developments, which have been developed in association with the Ainley Group.

The projects included in the D.C. for consideration are new watermains, new wells, elevated storage tanks, booster stations, and installation of pressure valves for smart zone boundaries. The total gross capital cost for capital projects is approximately \$82.88 million. Additionally, the existing reserve fund deficit of \$1.87 million has been included for recovery, for a combined gross total of \$84.75 million. Of this amount, a deduction of \$1.27 million has been made to recognize the portion of the capital works that will benefit the existing community. In total, the net D.C. recoverable amount included in the D.C. calculation is approximately \$83.48 million.

These costs are shared between residential and non-residential based on the population to employment ratio over the urban buildout forecast period, resulting in 95% being residential development and 5% being allocated to non-residential development.



Table 5-6  
Infrastructure Cost Included in the Development Charges Calculation  
Water Services

Prj.No	Increased Service Needs Attributable to Anticipated Development  2024 to Urban Buildout	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 95%	Non-Residential Share 5%
1	Hillsburgh Well & Well House	2024-2034	8,000,000	-		8,000,000	-		8,000,000	7,600,000	400,000
2	Hillsburgh - Municipal Backup Well & Pump House	2024-2034	8,000,000			8,000,000	-		8,000,000	7,600,000	400,000
3	Hillsburgh - Watermains from new Wells to existing water system	2024-2034	3,000,000	-		3,000,000	-		3,000,000	2,850,000	150,000
4	Hillsburgh - Elevated Water Storage Tank	2024-2034	9,380,000	-		9,380,000	395,700		8,984,300	8,535,085	449,215
5	Hillsburgh - Watermain from Elevated Tank to Existing Water System	2024-2034	3,000,000	-		3,000,000	-		3,000,000	2,850,000	150,000
6	Hillsburgh - Watermain on Wellington Rd 22	2024-2034	1,000,000	-		1,000,000	-		1,000,000	950,000	50,000
7	Hillsburgh - Watermain on Trafalgar Rd	2024-2034	1,750,000	-		1,750,000	875,000		875,000	831,250	43,750
8	Erin Municipal Well E9 & Pump House	2024-2034	9,000,000	-		9,000,000	-		9,000,000	8,550,000	450,000
9	Erin Municipal Backup Well & Pump House	2024-2034	9,000,000	-		9,000,000	-		9,000,000	8,550,000	450,000
10	Erin - Watermain from Well E9 to Existing Water System	2024-2034	2,650,000	-		2,650,000	-		2,650,000	2,517,500	132,500
11	Erin - Watermain from New Elevated Tank to Existing Water System (Shamrock Rd & Sideroad 17)	2024-2034	1,200,000	-		1,200,000	-		1,200,000	1,140,000	60,000
12	Erin - Watermain on Dundas St East	2024-2034	1,370,000	-		1,370,000	-		1,370,000	1,301,500	68,500
13	Erin - Elevated Water Storage Tank	2024-2034	10,630,000	-		10,630,000	-		10,630,000	10,098,500	531,500
14	Erin-Hillsburgh Booster Station	2024-2034	5,500,000	-		5,500,000	-		5,500,000	5,225,000	275,000
15	Erin - Eighth Line Booster Station	2024-2034	5,500,000	-		5,500,000	-		5,500,000	5,225,000	275,000
16	Watermain on Elora Cataract Trail connecting Hillsburgh and Erin Water Systems	2024-2034	3,500,000	-		3,500,000	-		3,500,000	3,325,000	175,000
17	Erin - Smart Zone Boundaries PRV's	2024-2034	400,000	-		400,000	-		400,000	380,000	20,000
18	Reserve Adjustment	Reserves	1,874,070			1,874,070	-		1,874,070	1,780,366	93,703
	<b>Total</b>		<b>84,754,070</b>	<b>-</b>	<b>-</b>	<b>84,754,070</b>	<b>1,270,700</b>	<b>-</b>	<b>83,483,370</b>	<b>79,309,201</b>	<b>4,174,168</b>



**Table 6-1**  
**Town of Erin**  
**Development Charge Calculation**  
**Urban Area Services**  
**Urban Buildout (2024 to Urban Buildout)**

SERVICE/CLASS	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
1. <u>Water Services</u>	\$	\$	\$	\$
1.1 Treatment, storage and distribution systems	79,309,201	4,174,168	19,244	7.66
	79,309,201	4,174,168	19,244	7.66
<b>TOTAL</b>	<b>\$79,309,201</b>	<b>\$4,174,168</b>	<b>\$19,244</b>	<b>7.66</b>
D.C.-Eligible Capital Cost	\$79,309,201	\$4,174,168		
Urban Buildout Gross Population/GFA Growth (sq.ft.)	13,254	544,900		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$5,984</b>	<b>\$7.66</b>		
<b>By Residential Unit Type</b>	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	3.216	\$19,244		
Multiples	2.413	\$14,439		
Apartments - 2 Bedrooms +	1.954	\$11,692		
Apartments - Bachelor and 1 Bedroom	1.427	\$8,539		
Special Care/Special Dwelling Units	1.100	\$6,582		





Table 6-2  
Town of Erin  
Development Charge Calculation  
Town-wide Services  
Buildout (2024 to Buildout)

SERVICE/CLASS	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
<b>2. Services Related to a Highway</b>				
2.1 Roads and Related	44,124,743	2,322,355	10,335	4.25
2.2 Public Works Facilities, Vehicles, and Equipment	11,875,000	625,000	2,782	1.15
	55,999,743	2,947,355	13,117	5.40
<b>3. Fire Protection Services</b>				
3.1 Fire facilities, vehicles & equipment	16,012,844	842,781	3,751	1.55
	16,012,844	842,781	3,751	1.55
<b>4. Parks and Recreation Services</b>				
4.1 Park development, amenities, trails and recreation facilities	62,496,251	1,932,874	14,638	3.55
	62,496,251	1,932,874	14,638	3.55
<b>5. Growth Studies</b>				
5.1 Growth Studies	2,786,198	146,642	653	0.27
	2,786,198	146,642	653	0.27
<b>TOTAL</b>	<b>\$137,295,036</b>	<b>\$5,869,652</b>	<b>\$32,159</b>	<b>\$10.77</b>
D.C.-Eligible Capital Cost	\$137,295,036	\$5,869,652		
Buildout Gross Population/GFA Growth (sq.ft.)	13,730	544,900		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$10,000</b>	<b>\$10.77</b>		
<b>By Residential Unit Type</b>	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	3.216	\$32,159		
Multiples	2.413	\$24,129		
Apartments - 2 Bedrooms +	1.954	\$19,539		
Apartments - Bachelor and 1 Bedroom	1.427	\$14,269		
Special Care/Special Dwelling Units	1.100	\$11,000		

Table 6-3  
Town of Erin  
Development Charge Calculation  
Total All Services

	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
<b>Urban-wide Services/Classes Build out</b>	79,309,201	4,174,168	19,244	7.66
<b>Town-wide Services/Classes Build out</b>	137,295,036	5,869,652	32,159	10.77
<b>TOTAL</b>	<b>216,604,237</b>	<b>10,043,820</b>	<b>51,403</b>	<b>18.43</b>



Table 6-6  
Town of Erin  
Gross Expenditure and Sources of Revenue Summary for Costs to be Incurred over the Life of the By-law

Service/Class	Total Gross Cost	Sources of Financing					
		Tax Base or Other Non-D.C. Source			Post D.C. Period Benefit	D.C. Reserve Fund	
		Other Deductions	Benefit to Existing	Other Funding		Residential	Non-Residential
1. Water Services							
1.1 Treatment, storage and distribution systems	21,856,395	0	5,000,771	0	0	16,012,844	842,781
2. Services Related to a Highway							
2.1 Roads and Related	55,711,653	0	9,292,886	0	0	44,097,829	2,320,938
2.2 Public Works Facilities, Vehicles, and Equipment	10,416,667	0	0	0	0	9,895,833	520,833
3. Fire Protection Services							
3.1 Fire facilities, vehicles & equipment	18,822,153	0	4,976,000	0	0	13,153,846	692,308
4. Parks and Recreation Services							
4.1 Park development, amenities, trails and recreation facilities	119,106,124	0	54,677,000	0	0	62,496,251	1,932,874
5. Growth Studies							
5.1 Growth Studies	2,585,000	40,000	532,500	0	0	1,911,875	100,625
<b>Total Expenditures &amp; Revenues</b>	<b>\$225,912,993</b>	<b>\$0</b>	<b>\$73,946,657</b>	<b>\$0</b>	<b>\$0</b>	<b>\$145,656,602</b>	<b>\$6,309,734</b>



## 7. D.C. Policy Recommendations and D.C. By-law Rules

### 7.1 Introduction

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

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

Paragraph 10 of the section goes on to state that the rules may provide for exemptions, phasing in and/or indexing of D.C.s.

Subsection 5 (6) establishes the following restrictions on the rules:

- the total of all D.C.s that would be imposed on anticipated development must not exceed the capital costs determined under subsection 5 (1) 2-7 for all services involved;
- if the rules expressly identify a type of development, they must not provide for it to pay D.C.s that exceed the capital costs that arise from the increase in the need for service for that type of development; however, this requirement does not relate to any particular development; and
- if the rules provide for a type of development to have a lower D.C. than is allowed, the rules for determining D.C.s may not provide for any resulting shortfall to be made up via other development.

With respect to “the rules,” section 6 states that a D.C. by-law must expressly address the matters referred to above re subsection 5 (1) paragraphs 9 and 10, as well as how the rules apply to the redevelopment of land.

The rules provided are based on the Towns’ existing policies; with some modifications and consideration for the changes to the D.C.A. resulting from Bills 108, 197, 213, 23 and 185.



### **7.3.2 Determination of the Amount of the Charge**

The following conventions be adopted:

- 1) Costs allocated to residential uses will be assigned to different types of residential units based on the average occupancy for each housing type constructed during the previous decade. Costs allocated to non-residential uses will be assigned based on the number of square feet of G.F.A. constructed for eligible uses (i.e., industrial, commercial, and institutional).
- 2) Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each municipal circumstance, e.g.,
  - for parks and recreation services, a 3% non-residential attribution has been made to recognize use by the non-residential sector;
  - for fire protection services, services related to a highway, and growth studies, a 95% residential/5% non-residential allocation has been made based on a population vs. employment growth ratio over the 2024 to buildout forecast period;
  - for water services a 95% residential/5% non-residential allocation has been made based on population vs. employment growth over the urban buildout forecast period.

### **7.3.3 Application to Redevelopment of Land (Demolition and Conversion)**

If a development involves the demolition and replacement of a building or structure on the same site (within 5 years prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part), or the conversion from one principal use to another, the developer shall be allowed a credit equivalent to:

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



## 7.4 Other D.C. By-law Provisions

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It is recommended that:

### **7.4.1 Categories of Services for Reserve Fund and Credit Purposes**

The Town's D.C. collections under By-law 19-32 (as amended) are currently in 5 separate reserve funds: Growth Studies, Fire Protection, Services Related to a Highway, Parks & Recreation, and Water.

Appendix D outlines the reserve fund policies that the Town is required to follow as per the D.C.A.

### **7.4.2 By-law In-force Date**

A by-law under the D.C.A. comes into force on the day after which the by-law is passed by Council.

### **7.4.3 Minimum Interest Rate Paid on Refunds and Charged for Inter-Reserve Fund Borrowing**

The minimum interest rate is what the Bank of Canada rate is on the day the by-law comes into force updated on the first business day of every January, April, July and October (as per section 11 of O. Reg. 82/98).

### **7.4.4 Area Rating**

The D.C.A. required that Council must consider the use of area specific charges:

1. Subsection 2 (9) of the D.C.A. now requires a municipality to implement area-specific D.C.s for either specific services which are prescribed and/or for specific municipalities which are to be regulated (note that at this time, no municipalities or services are prescribed by the regulations).
2. Subsection 10 (2) c.1 of the D.C.A. requires that “the development charges background study shall include consideration of the use of more than one

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current. The draft by-law provided herein refers to O. Reg. 82/98 to ensure traceability should this index continue to be modified over time.

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areas depending on the programming of the facility (i.e., a public skate is available each night, but at a different arena; hence usage of any one facility at any given time is based on programming availability).

For the reasons noted above, it is recommended that Council continue the D.C. approach to calculate the charges on an urban area basis for water, while all other services be charged on a uniform Town-wide basis.

## 7.5 Other Recommendations

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### **It is recommended that Council:**

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

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

“A Class of service be established for growth studies;”

“Continue the D.C. approach to calculate the charges on a uniform Town-wide basis for all services except water services;”

“Continue the D.C. approach to calculate the charges on an urban-area basis for water services;”

“Approve the capital project listing set out in Chapter 5 of the D.C. Background Study dated May 17, 2024, subject to further annual review during the capital budget process;”

“Approve the D.C.s Background Study dated May 17, 2024, as amended;”

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

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



**Table C-2**  
**Town of Erin**  
**Operating and Capital Expenditure Impacts for Future Capital Expenditures**

SERVICE/CLASS OF SERVICE	GROSS COST LESS BENEFIT TO EXISTING	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
<b>1. Water Services</b>				
1.1 Treatment, storage and distribution systems	83,483,370	2,473,911	1,779,386	4,253,297
<b>2. Services Related to a Highway</b>				
2.1 Roads and Related	46,447,098	2,091,984	3,774,241	5,866,225
2.2 Public Works Facilities, Vehicles, and Equipment	12,500,000	668,101	1,015,737	1,683,838
<b>3. Fire Protection Services</b>				
3.1 Fire facilities, vehicles & equipment	64,429,124	1,063,685	1,500,764	2,564,449
<b>4. Parks and Recreation Services</b>				
4.1 Park development, amenities, trails and recreation facilities	16,855,625	2,673,369	1,293,039	3,966,408
<b>Total</b>	<b>223,715,217</b>	<b>8,971,050</b>	<b>9,363,166</b>	<b>18,334,216</b>



Figure D-1  
Town of Erin  
Annual Treasurer's Statement of Development Charge Reserve Funds

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

<sup>1</sup> Source of funds used to repay the D.C. reserve fund

<sup>2</sup> See Attachment 1 for details

<sup>3</sup> See Attachment 2 for details

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





# Appendix E

## Local Service Policy



# Appendix E: Local Service Policy

## Town of Erin

### **General Policy Guidelines on Development Charge and Local Service Funding for Road-Related, Water and Stormwater Management**

#### **1. Policy Statement**

This policy is to establish three guiding principles when considering projects for D.C. funding:

1. Consideration of existing service levels;
2. Growth pays for growth; and
3. New initiatives to enhance the Town.

The Local Service Policy largely focuses on the principle of “Growth Pays for Growth” in the Town’s approach to infrastructure.

#### **2. Scope**

##### Purpose

This is the municipality’s General Policy Guidelines on development charge (D.C.) and local service funding for services related to a highway, parkland development, stormwater management, and underground linear services. The guidelines outline, in general terms, the size and nature of engineered infrastructure that is included in the study as a D.C. project, vs. infrastructure that is considered as a local service, to be emplaced separately by landowners, pursuant to a development agreement.

The following policy guidelines are general principles by which staff will be guided in considering development applications. Each application, however, will be considered in the context of these policy guidelines as subsection 59 (2) of the *Development Charges Act, 1997*, on its own merits having regard to, among other factors, the nature, type and location of the development and any existing and proposed development in the surrounding area, as well as the location and type of services required and their



relationship to the proposed development and to existing and proposed development in the area.

### Alignment with the Town's Strategic Direction

Corporate Strategic Plan's goal for Growth Management with the objective to "Establish the parameters to guide the Town's future growth as a community which leads to sustainable practices, wellness and takes account of community needs and views."

### **3. Roles and Responsibilities**

All Town employees engaged in the development application approval process and associated spending and reimbursement decisions related to D.C. funding will abide by the principles, rules, and guidelines set out in this policy and associated procedures.

For works carried out by the developer(s) through a development agreement, staff shall review and approve the proposed works as detailed by the developer(s) to determine what portions of the works are creditable or reimbursable through D.C. funding.

Finance staff shall ensure that the D.C. funds are allocated in accordance with the guidelines detailed in this policy, and that all spending and reimbursement decisions are in accordance with the Town's financial policies.

### **4. General Provisions**

#### Services Related to a Highway

#### **1. Roads**

- 1.1 **Collector Roads Internal to Development** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service).
- 1.2 **Roads (Collector and Arterial) External to Development** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates. If the works are outside the area to which the plan relates, include in the D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A. (dependent on local circumstances).



- 1.3 **Stream Crossing and Rail Crossing Road Works, Excluding Underground Utilities but Including all Other Works within Lands to be Dedicated to the Town or Rail Corridors** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates. If the works are outside the area to which the plan relates, include in the D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A. (dependent on local circumstances).

## 2. Traffic Signals

- 2.1 **Traffic Signalization External to Development** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates. If the works are outside the area to which the plan relates, include in the D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A.

## 3. Intersection Improvements

- 3.1 **New Roads (Collector and Arterial) and Road (Collector and Arterial) Improvements** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates. If the works are outside the area to which the plan relates, include in the D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A. (dependent on local circumstances). These works are included as part of road costing noted in item 1 to the limits of the R.O.W.
- 3.2 **Intersections Improvement within Specific Developments and All Works Necessary to Connect to Entrances (Private and Specific Subdivision) to the Roadway** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates. If the works are outside the area to which the plan relates, include in the D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A. (dependent on local circumstances).
- 3.3 **Intersections with County Roads** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates. Otherwise, include in the D.C.



calculation to the extent permitted under s. 5 (1) of the D.C.A. (dependent on local circumstances) and for the works for which the Town is responsible.

- 3.4 **Intersection Improvements on Other Roads Due to Development Growth Increasing Traffic** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates. Otherwise, include in the D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A. (dependent on local circumstances).

#### 4. **Streetlights**

- 4.1 **Streetlights on External Roads** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates. Otherwise, include in the D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A. These works are included as part of road costing noted in item 1 to the limits of the R.O.W.
- 4.2 **Streetlights within Specific Developments** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates.

#### 5. **Sidewalks**

- 5.1 **Sidewalks on M.T.O. and Regional Roads** – Include in the D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A. In exceptional circumstances, the works may be local improvement or direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates.
- 5.2 **Sidewalks on Area Municipal Roads** – Include in the D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A. These works are included as part of road costing noted in item 1 to the limits of the R.O.W.
- 5.3 **Other Sidewalks External to Development (which are a Local Service within the Area to which the Plan Relates)** – Direct



developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates. Otherwise, include in the D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A., and as part of the costs of arterial, collector, local road, and stream crossing and rail crossing works.

## **6. Bike Routes/Bike Lanes/Bike Paths/Multi-use Trails/Naturalized Walkways**

- 6.1 Bike Routes and Bike Lanes, within Road Allowance, External to Development** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates. Otherwise, include in the D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A. and consistent with the service standard provisions of the D.C.A., s. 5 (1). These works are included as part of road costing noted in item 1 to the limits of the R.O.W.
- 6.2 Bike Paths/Multi-use Trails/Naturalized Walkways External to Development** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates. Otherwise, include in the D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A. and consistent with the service standard provisions of the D.C.A., s. 5 (1). These works are included as part of road costing noted in item 1 to the limits of the R.O.W.
- 6.3 Bike Lanes, within Road Allowance, Internal to Development** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates.
- 6.4 Bike Paths/Multi-use Trails/Naturalized Walkways Internal to Development** – Direct developer responsibility as a local service provision (under s. 59 of D.C.A.) to the extent the works are within the area to which the plan relates.



6.5 **Trail Bridges/Underpasses and Associated Works** – Include in the area D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A. consistent with the service standard provisions of the D.C.A., s. 5 (1). These works are included as part of road costing noted in item 1 to the limits of the R.O.W.

## 7. **Noise Abatement Measures**

7.1 **Internal to Development** – Direct developer responsibility through local service provisions (s. 59 of the D.C.A.).

7.2 **External to Development** – Direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works are within the area to which the plan relates and are required to mitigate the impacts of development.

## 8. **Traffic Control Systems**

8.1 **Traffic Control Systems** – Include in the D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A.

## 9. **Land Acquisition for Road Allowances**

9.1 **Land Acquisition for Arterial Roads** – Dedication under s. 51 of the *Planning Act* as a condition to the approval of the plan. In areas with limited or no development, include in the D.C. calculation to the extent permitted under s. 2 (4) and s. 5 (1) of the D.C.A.

9.2 **Land Acquisition for Collector Roads** – Dedication under s. 51 of the *Planning Act* as a condition to the approval of the plan. In areas with limited or no development, include in the D.C. calculation to the extent permitted under s. 2 (4) and s. 5 (1) of the D.C.A.

9.3 **Land Acquisition for Grade Separations (Beyond Normal Dedication Requirements)** – If an internal works, direct developer responsibility under s. 59 of the D.C.A. (as a local service) to the extent the works is within the area to which the plan relates. If an



external works, include in the D.C. calculation to the extent permitted under s. 2 (4) and s. 5 (1) of the D.C.A.

## 10. Land Acquisition for Easements

10.1 **Land Acquisition for Easements** – Dedication under s. 51 of the *Planning Act* as a condition to the approval of the plan.

### Parkland Development

## 11. Recreational Trails

11.1 **Recreational Trails (Multi-use Trails)** that do not form part of the Town's active transportation network, and their associated infrastructure (landscaping, bridges, trail surface, etc.) – Include in area municipal parkland D.C. calculation.

## 12. Parkland

12.1 **Parkland Development for Community Parks, District Parks, Neighbourhood Parks and Village Squares** – Direct developer responsibility to provide at base condition, as follows:

- Clearing and grubbing. Tree removals as per the subdivision's tree preservation and removals plan.
- Topsoil stripping, screening, and stockpiling.
- Rough grading (pre-grading) to allow for positive drainage of the park, with minimum slopes of 2%. If necessary, this may include some minor drainage tile work and grading as per the overall subdivision grading design complete with any required swales or catch basins. Runoff from the development property shall not drain into the park unless approved by the Director of Infrastructure Services.
- Spreading of topsoil to 150 mm depth (import topsoil if existing on-site is insufficient to reach required depth).
- Seeding of site with Town-approved seed mix. Maintenance of seed until acceptance by Town.
- Parks shall be free of any contaminated soil or subsoil.





- Parks shall not be mined for fill.
- Parks shall be conveyed free and clear of all encumbrances.
- 100% of 1.5 m chain link perimeter fencing to the municipal standards to separate the development lands from the municipal lands or lands to be dedicated to the Town, unless the perimeter fencing is on land that will be dedicated to the Town to fulfil the requirement of parkland dedication under the *Planning Act*, in which case the cost shall be shared 50/50.
- When park parcels cannot be developed in a timely manner, they shall be graded to ensure positive drainage, and seeded to minimize erosion and dust. These shall be maintained by the developer until construction commences thereon.
- The park block shall not be used for topsoil or other construction material, equipment storage, or sales pavilions.
- Required heritage features within the park as set out within the planning approval conditions.

**12.2 Program Facilities, Amenities, and Furniture within Parkland –**  
Included in the D.C. calculation.

**13. Landscape Buffer Blocks, Features, Cul-de-sac Islands, Berms, Grade Transition Areas, Walkway Connections to Adjacent Arterial Roads, Open Space, etc.**

13.1 The cost of developing all landscape buffer blocks, landscape features, cul-de- sac islands, berms, grade transition areas, walkway connections to adjacent arterial roads, open space and other remnant pieces of land conveyed to the Town – Direct developer responsibility as a local service. Such costs include but are not limited to:

- Seeding of site with Town-approved seed mix. Maintenance of seed until acceptance by Town.
- Parks shall be free of any contaminated soil or subsoil.



## **14. Natural Heritage System (N.H.S.)**

- 14.1 N.H.S. includes engineered and in situ stream corridors, natural buffers for woodlots, wetland remnants, etc., as well as subwatersheds within the boundaries of the Town.
- 14.2 Direct developer responsibility as a local service provision including but not limited to the following:
- Riparian planting and landscaping requirements (as required by the Town, Conservation Authority or other authorities having jurisdiction) as a result of creation of, or construction within in the N.H.S. and associated buffers.
  - Perimeter fencing of the N.H.S. to the Municipal standard located on the public property side of the property line adjacent land uses (residential, industrial, commercial) as required by the Town.
  - All works to be in conformance with the Town's "Restoration Framework" for stream corridors, natural buffers, and subwatershed areas as directed by the approved studies and reports related to the Secondary Plan that development occurs in.
- 14.3 Infrastructure Assets Constructed by Developers
- All infrastructure assets constructed by developers must be designed in accordance with the Town's Engineering and Parks Standards.
  - All infrastructure assets shall be conveyed in accordance with the Town's Engineering and Parks Standards.
  - Any parks and open space infrastructure assets approved to be built by the developer on behalf of the Town shall be in accordance with the Town's Park Development Methods.

### Stormwater Management

## **15. Stormwater Facilities**

- 15.1 Stormwater facilities for quality and/or quantity management, including downstream erosion works, inclusive of land and all



associated infrastructure, such as landscaping and perimeter fencing – Direct developer responsibility under s. 59 of the D.C.A. (as a local service).

- 15.2 Oversizing cost of stormwater facilities capacity, excluding land, to accommodate runoff from new, widened, extended, or upgraded municipal arterial roads that are funded as a D.C. project – Included as part of road costing funded through D.C.s.
- 15.3 Erosion works, inclusive of all restoration requirements, related to a development application – Direct developer responsibility under s. 59 of the D.C.A. (as a local service).
- 15.4 Monitoring works – Included in D.C. calculation consistent with the D.C.A., s. 5 (1).
- 15.5 Storm sewer systems and drainage works that are required for a specific development, either internal or external to the area to which the plan relates – Direct developer responsibility under s. 59 of the D.C.A. (as a local service).
- 15.6 Note: for stormwater minimum pipe sizes, refer to section 16.

## Underground Services

### **16. Stormwater, Water, and Wastewater**

Underground services (linear infrastructure for stormwater, water, and sanitary services) within the road allowance are not included in the cost of road infrastructure and are treated separately. The responsibility for such services as well as stormwater management ponds and pumping stations, which are undertaken as part of new developments or redevelopments, will be determined by the following principles:

**The costs of the following items shall be direct developer responsibilities as a local service:**

- 16.1 Providing all underground services internal to the development, including storm, water, and sanitary services;



- 16.2 Providing service connections from existing underground services to the development;
- 16.3 Providing new underground services or upgrading existing underground services external to the development if the services are required to service the development, and if the pipe sizes are up to 200 mm for water and sanitary services and up to 900 mm for stormwater services. If external services are required by two or more developments, the developer for the first development will be responsible for the cost of the external services and may enter into front-ending/cost-sharing agreements with other developers independent of the Town;
- 16.4 Providing stormwater management ponds and other facilities required by the development including all associated features such as landscaping and fencing; and
- 16.5 Water booster pumping stations, reservoir pumping stations and/or sanitary pumping stations serving individual developments.

**The costs of the following items shall be paid through D.C.s:**

- 16.6 Water treatment, storage facilities, transmission mains, re-chlorination/sampling stations and wells associated with municipal service areas to be included in the D.C. calculation;
- 16.7 Wastewater treatment plants and transmission mains associated with municipal service areas shall be included in the D.C. calculation;
- 16.8 External underground services involving trunk infrastructure and pipe sizes exceeding 200 mm for water and sanitary services and 900 mm for stormwater services; and
- 16.9 Water reservoir and/or sanitary pumping stations not required for the individual development.



**Financing strategy:** having a financial plan is critical for putting an A.M.P. into action. By having a strong financial plan, municipalities can also demonstrate that they have made a concerted effort to integrate the A.M.P. with financial planning and municipal budgeting and are making full use of all available infrastructure financing tools.

Commensurate with the above, the Town prepared an A.M.P. in 2022 for its existing assets; however, it did not take into account future growth-related assets for all services included in the D.C. calculations. As a result, the asset management requirement for the D.C. must be undertaken in the absence of this information.

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

1. The non-D.C. recoverable portion of the projects that will require financing from municipal financial resources (i.e., taxation, rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 2024 D.C. capital works have been presented based on a sinking fund basis. The assets have been considered over their estimated useful lives.
3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are approximately \$23.37 million.
5. Consideration was given to the potential new taxation and user fee revenues which will be generated as a result of new growth. These revenues will be available to finance the expenditures above. The new operating revenues are approximately \$9.71 million. This amount, totaled with the existing operating revenues of approximately \$39.79 million, provides annual revenues of approximately \$49.51 million by the end of the period.



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

Town of Erin  
Asset Management – Future Expenditures and Associated Revenues  
2024\$

	<b>Buildout Total</b>
<b>Expenditures (Annualized)</b>	
Annual Debt Payment on Non-Growth Related Capital <sup>1</sup>	5,031,792
<b>Annual Lifecycle</b>	<b>\$8,971,050</b>
<b>Incremental Operating Costs (for D.C. Services)</b>	<b>\$9,363,166</b>
<b>Total Expenditures</b>	<b>\$23,366,009</b>
<b>Revenue (Annualized)</b>	
Total Existing Revenue <sup>2</sup>	\$39,795,952
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$9,713,923
<b>Total Revenues</b>	<b>\$49,509,875</b>

<sup>1</sup> Non-Growth Related component of Projects

<sup>2</sup> As per Sch. 10 of FIR



# Appendix G

## Proposed Development Charges By-law



# Appendix G: Proposed Development Charges By-law

**The Corporation of the Town of Erin  
By-Law Number 24 -  
Being a By-law for the Imposition of Development Charges**

**WHEREAS** the Town of Erin will experience growth through development and re-development;

**AND WHEREAS** development and re-development requires the provision of physical and social services by the Town of Erin;

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

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

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

**AND WHEREAS** the Council of The Corporation of the Town of Erin has given notice of and held a public meeting on the 27<sup>th</sup> day of June, 2024 in accordance with the Act and the regulations thereto;





**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF ERIN ENACTS AS FOLLOWS:**

**1. INTERPRETATION**

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

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

“Affordable Residential Unit” means a Dwelling Unit that meets the criteria set out in subsection 4.1 (2) or 4.1(3) of the Act;

“Apartment unit” means any residential unit within a building containing more than four dwelling units where the units are connected by a public corridor or passageway;

“Attainable Residential Unit” means a Dwelling Unit that meets the criteria set out in subsection 4.1(4) of the Act;

“Bed and breakfast” means a dwelling or part thereof in which the proprietor resides and supplies accommodation and meals to overnight guests on a temporary basis and contains no more than three guest rooms;

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

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

“Boarding, lodging or rooming house” means a dwelling in which meals are regularly served for a fee or compensation for three up to eight persons other than the owner, lessee or tenant of the dwelling, or members of his/her immediate family;

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



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

“Capital cost” shall have the same meaning as described in Section 5 of the *Development Charges Act, 1997*, as amended;

“Class” means a grouping of services combined to create a single service for the purposes of this By-law and as provided in Section 7 of the *Development Charges Act, 1997*, as amended;

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

“Council” means the Council of the Town;

“Development” means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that the effect of increasing the size of usability thereof, and includes redevelopment;

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

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

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

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

“Garden suite” means a one-unit detached residential structure containing bathroom and kitchen facilities that is ancillary to an existing residential structure and that is designed to be temporary;



“Gross floor area” means:

- (a) in the case of a residential building or structure, the total area of all floors above grade of a dwelling unit measured between the outside surfaces of exterior walls or between the outside surfaces of exterior walls and the centre line of party walls dividing the dwelling unit from any other dwelling unit or other portion of a building; and
- (b) in the case of a non-residential building or structure, or in the case of a mixed-use building or structure in respect of the non-residential portion thereof, the total area of all building floors above or below grade measured between the outside surfaces of the exterior walls, or between the outside surfaces of exterior walls and the centre line of party walls dividing a non-residential use and a residential use, except for:
  - (i) a room or enclosed area within the building or structure above or below that is used exclusively for the accommodation of heating, cooling, ventilating, electrical, mechanical or telecommunications equipment that service the building;
  - (ii) loading facilities above or below grade; and
  - (iii) a part of the building or structure below grade that is used for the parking of motor vehicles or for storage or other accessory use;

“Hotel” means a building that contains four or more suites and that provides sleeping accommodation for the travelling public or for recreational purposes with or without kitchen facilities for the exclusive use of individual occupants and may include motel and hostel;

“Industrial” means lands, buildings or structures used or designed or intended for use for manufacturing, processing, fabricating or assembly of raw goods, warehousing or bulk storage of goods, and includes office uses and the sale of commodities to the general public where such uses are accessory to an industrial use, but does not include self storage facilities or the sale of commodities to the general public through a warehouse club;

“Institutional use” means development of a building or structure intended for use:



- (a) as a long-term care home within the meaning of subsection 2(1) of the Fixing Long-Term Care Act, 2021, S.O. 2021, c. 39, Sched. 1 (“Fixing Long-Term Care Act”);
- (b) as a retirement home within the meaning of subsection 2(1) of the Retirement Homes Act, 2010, S.O. 2010, c. 11
- (c) by any of the following post-secondary institutions for the objects of the institution:
  - (i) a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario,
  - (ii) a college or university federated or affiliated with a university described in subclause (i), or
  - (iii) an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institutes Act, 2017, S.O. 2017, c. 34, Sched. 20;

“Interest rate” means the annual rate of interest as set out in section 26.3 of the Act

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

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

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



“Non-profit housing development” means Development of a building or structure that meets the criteria set out in section 4.2 of the Act;

“Non-residential use” means a building or structure of any kind whatsoever used, designed or intended to be used for other than a residential use;

“Official Plan” means the Official Plan adopted for the Town, as amended and approved;

“Owner” means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed’

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

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

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

“Rental housing development” means development of a building or structure with four or more residential units all of which are intended for use as rented residential premises;

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

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

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



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

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

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

“Special care facilities” means lands, buildings or structures used or designed or intended for uses for the purpose of providing supervision, nursing care or medical treatment, which do not comprise dwelling units, that are licensed, approved or supervised under any special or general statute, and excludes the special care/special dwelling portions of the building;

“Special care/special dwelling” a residential portion of a special care facilities building containing two or more dwelling units, which units have a common entrance from street level:

- (a) Where the occupants have the right to use in common, halls, stairs, yards, common rooms, and accessory buildings;
- (b) Which may or may not have exclusive sanitary and/or culinary facilities;
- (c) That is designed to accommodate persons with specific needs, including, but not limited to, independent permanent living arrangements;
- (d) Where support services such as meal preparation, grocery shopping, laundry, housekeeping, nursing, respite care and attendant services are provided at various levels; and
- (e) Includes, but is not limited to, retirement houses, nursing homes, group homes and hospices;

“Town” means the Corporation of the Town of Erin and/or the area within the geographic limits of the Town of Erin;



“Zoning By-Law” means the Zoning By-Law of the Town of Erin, including the former Village of Erin, the former Township of Erin or any successor thereof passed pursuant to section 34 of the *Planning Act*, S.O. 1998.

## **2. DESIGNATION OF SERVICES / CLASS OF SERVICES**

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

- (a) Services Related to a Highway;
- (b) Fire Protection Services;
- (c) Parks and Recreation Services
- (d) Growth Studies; and
- (e) Water Services.

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

## **3. APPLICATION OF BY-LAW RULES**

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

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

### **Area to Which By-law Applies**

3.2 Subject to subsection 3.3, this By-law applies to all lands in the Town whether or not the land or use thereof is exempt from taxation under section 13 of the *Assessment Act*.

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



- (a) the Town or a local board thereof;
- (b) a board of education; or
- (c) the Corporation of the County of Wellington or a local board thereof.

### Approvals for Development

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





- (c) Despite subsection 3.4 (b), if two or more of the actions described in subsection 3.4 (a) occur at different times, additional development charges shall be imposed if the subsequent action has the effect or increasing the need for services.

### Exemptions for Intensification of Existing or New Housing

- 3.5 Notwithstanding any other provision of this By-law, Development Charges shall not be imposed with respect to:
  - (a) an enlargement to an existing Dwelling Unit;
  - (b) the creation of additional Dwelling Units equal to the greater of one (1) or 1% of the existing Dwelling Units in an existing Residential rental building containing four (4) or more Dwelling Units or prescribed ancillary structure to the existing Residential building;
- 3.6 Notwithstanding any other provision of this By-law, Development Charges shall not be imposed with respect to the creation of any of the following in existing Single Detached Dwellings, Semi-Detached Dwellings, Back-to-back Townhouse Dwellings or Stacked Townhouse Dwellings:
  - (a) A second Dwelling Unit on a parcel of land on which Residential Use, other than ancillary Residential Use, is permitted, if all buildings and structures ancillary to the existing Residential structure cumulatively contain no more than one (1) Dwelling Unit.
  - (b) A third Dwelling Unit on a parcel of land on which Residential Use, other than ancillary Residential Use, is permitted, if no building or structure ancillary to the existing Residential structure contains any Dwelling Units.
  - (c) One Dwelling Unit on a parcel of urban Residential land, if the existing structure contains no more than two (2) Dwelling Units and no other building or structure ancillary to the existing Residential structure contains any Dwelling Units.
- 3.7 Notwithstanding any other provision of this By-law, Development Charges shall not be imposed with respect to the creation of any of the following in new Single



Detached Dwellings, Semi-Detached Dwellings, Back-to-back Townhouse Dwellings or Stacked Townhouse Dwellings:

- (a) A second Dwelling Unit on a parcel of land on which Residential Use, other than ancillary Residential Use, is permitted, if all buildings and structures ancillary to the new Residential structure cumulatively will contain no more than one (1) Dwelling Unit.
- (b) A third Dwelling Unit on a parcel of land on which Residential Use, other than ancillary Residential Use, is permitted, if no building or structure ancillary to the new Residential structure contains any Dwelling Units.
- (c) One (1) Dwelling Unit in a building or structure ancillary to a new Residential structure on a parcel of urban Residential land, if the new Residential structure contains no more than two (2) Dwelling Units and no other building or structure ancillary to the new Residential structure contains any Dwelling Units

#### Rules with Respect to an Industrial Expansion Exemption

3.8 If a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge that is payable in respect of the enlargement is determined in accordance with the following:

- (a) Subject to subsection 3.8 (c), if the gross floor area is enlarged by 50 per cent or less of the lesser of:
    - (i) the gross floor area of the existing industrial building, or
    - (ii) the gross floor area of the existing industrial building before the first enlargement for which:
      - a. an exemption from the payment of development charges was granted, or
      - b. a lesser development charge than would otherwise be payable under this by-law, or predecessor thereof, was paid,
- pursuant to section 4 of the Act and this subsection,



the amount of the development charge in respect of the enlargement is zero;

- (b) Subject to subsection 3.8 (c), if the gross floor area is enlarged by more than 50 per cent or less of the lesser of:
  - (i) the gross floor area of the existing industrial building, or
  - (ii) the gross floor area of the existing industrial building before the first enlargement for which:
    - a. an exemption from the payment of development charges was granted, or
    - b. a lesser development charge than would otherwise be payable under this by-law, or predecessor thereof, was paid,

pursuant to section 4 of the Act and this subsection,

the amount of the development charge in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:

- (i) determine the amount by which the enlargement exceeds 50 per cent of the gross floor area before the first enlargement, and
  - (ii) divide the amount determined under subsection (i) by the amount of the enlargement.
- (c) For the purposes of calculating the extent to which the gross floor area of an existing industrial building is enlarged in subsection 3.8 (b), the cumulative gross floor area of any previous enlargements for which:
    - (i) An exemption from the payment of development charges was granted, or
    - (ii) A lesser development charge than would otherwise be payable under this by-law, or predecessor thereof, was paid,

pursuant to section 4 of the Act and this subsection,



shall be added to the calculation of the gross floor area of the proposed enlargement.

- (d) For the purposes of this subsection, the enlargement must not be attached to the existing industrial building by means only of a tunnel, bridge, passageway, canopy, shared below grade connection, such as a service tunnel, foundation, footing or parking facility.

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

### Other Exemptions

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

- (a) lands, buildings or structures used or to be used for a place of worship or for the purposes of a cemetery or burial ground exempt from taxation under the *Assessment Act*;
- (b) a public hospital receiving aid under the *Public Hospitals Act*, R.S.O. 1990, Chap. P.40, as amended, or any successor thereof;
- (c) the development of non-residential farm buildings constructed for bona fide farm uses, which qualify as a farm business, being that which operates with a valid Farm Business Registration Number and is assessed in the Farmland Realty Tax Class;
- (d) one additional dwelling unit in any other existing residential accessory building;
- (e) garden suite constructed in accordance with the *Planning Act*;
- (f) bed and breakfast establishment that is not considered a hotel;
- (g) boarding, lodging or rooming house that is not considered a hotel;
- (h) Land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education is exempt from development charges imposed under the



Development Charges Act, 1997 if the development in respect of which development charges would otherwise be payable is intended to be occupied and used by the university;

- (i) Non-profit Residential Development;
- (j) Affordable Residential Units required pursuant to section 34 and 16(4) of the Planning Act (Inclusionary Zoning).
- (k) As of the date on which section 4.1 of the Act is proclaimed into force, the following shall be exempt from Development Charges:
  - (i) Affordable Residential Units; and
  - (ii) Attainable Residential Units
- (l) Notwithstanding any other provision of this By-law, the Development Charges payable for Residential Developments, where the Dwelling Units are intended as Rental Housing, will be reduced based on the number of bedrooms in each Dwelling Unit in accordance with section 26.2(1.1) of the Act, as follows:
  - (i) Three (3) or more Bedrooms – 25% reduction;
  - (ii) Two (2) Bedrooms – 20% reduction; and
  - (iii) Fewer than two (2) Bedrooms – 15% reduction

### Amount of Charges

#### Residential

3.11 The development charges set out in Schedule B shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed-use building or structure, on the residential uses in the mixed-use building or structure, according to the type of residential unit, and calculated with respect to each of the services according to the type of residential use.



## Non-Residential

3.12 The development charges described in Schedule B to this by-law shall be imposed on non-residential uses of lands, buildings or structures, and, in the case of a mixed-use building or structure, on the non-residential uses in the mixed-use building or structure and calculated with respect to each of the services according to the total floor area of the non-residential use.

## Reduction of Development Charges for Redevelopment

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

- (a) in the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under subsection 3.11 by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and
- (b) in the case of a non-residential building or structure or, in the case of mixed-use building or structure, the non-residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charges under subsection 3.12, by the gross floor area that has been or will be demolished or converted to another principal use;

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

## Time of Payment of Development Charges

3.14 Development charges imposed under this by-law are calculated, payable, and collected upon issuance of a building permit for the development.



- 3.15 Notwithstanding subsection 3.14, development charges for rental housing and institutional developments are due and payable in six equal annual instalment payments commencing with the first instalment payable on the date of occupancy, and each subsequent instalment, including interest (calculated in accordance with Section 26.3 of the Act), payable on the anniversary date each year thereafter.
- 3.16 Where the development of land results from the approval of a site plan or zoning by-law amendment application received between January 1, 2020 and June 5, 2024, and the approval of the application occurred within two years of building permit issuance, the development charges under sections 3.11 and 3.12 of this by-law shall be calculated on the rates set out in Schedule "B" on the date of the receipt of a complete planning application, including interest. Where both planning applications apply development charges under sections 3.11 and 3.12 of this by-law shall be calculated on the rates payable on the anniversary date each year thereafter, set out in Schedule "B" on the date of the later planning application, including interest (calculated in accordance with section 26.3 of the Act).
- 3.17 Where the development of land results from the approval of a site plan or zoning by-law amendment application received on or after June 6, 2024, and the approval of the application occurred within 18 months of building permit issuance, the development charges under sections 3.11 and 3.12 of this by-law shall be calculated on the rates set out in Schedule "B" on the date of the receipt of a complete planning application, including interest. Where both planning applications apply development charges under sections 3.11 and 3.12 of this by-law shall be calculated on the rates payable on the anniversary date each year thereafter, set out in Schedule "B" on the date of the later planning application, including interest (calculated in accordance with section 26.3 of the Act).
- 3.18 Despite section 3.14, Council from time to time, and at any time, may enter into agreements providing for all or any part of a development charge to be paid before or after it would otherwise be payable, in accordance with section 27 of the Act.



## Complaints

3.19 Complaints about development charges may be filed to Council in accordance to section 20 of the Act.

## **4. PAYMENT BY SERVICES**

4.1 Despite the payment required under subsections 3.11 and 3.12, Council may, by agreement, give a credit towards a development charge in exchange for work that relates to a service to which a development charge relates under this By-law.

## **5. INDEXING**

5.1 Development charges imposed pursuant to this by-law shall be adjusted annually, without amendment to this by-law, commencing on January 1<sup>st</sup> each year thereafter, in accordance with the prescribed index in the Act.

## **6. SCHEDULES**

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

Schedule A – Components of Services Designated in subsection 2.1

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

## **7. CONFLICTS**

7.1 Where the Town and an owner or former owner have entered into an agreement with respect to land within the area to which this by-law applies, and a conflict exists between the provisions of this by-law and such agreement, the provisions of the agreement shall prevail to the extent that there is a conflict.

7.2 Notwithstanding section 8.1, where a development which is the subject of an agreement to which section 8.1 applies, is subsequently the subject of one or more of the actions described in subsection 3.4 (a), an additional development charge in respect of the development permitted by the action shall be calculated, payable and collected in accordance with the provisions of this by-law if the development has the effect of increasing the need for services, unless such agreement provides otherwise.





**8. SEVERABILITY**

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

**9. DATE BY-LAW IN FORCE**

9.1 This By-law shall come into effect at 12:01 AM on \_\_\_\_\_, 2024.

**10. DATE BY-LAW EXPIRES**

10.1 This By-law will expire at 12:01 AM on \_\_\_\_\_, 2034 unless it is repealed by Council at an earlier date.

**11. EXISTING BY-LAW REPEALED**

11.1 By-law Number 19-32 is hereby repealed as of the date and time of this By-law coming into effect.

**READ A FIRST, SECOND, AND THIRD TIME  
AND FINALLY PASSED THIS**

\_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk



## SCHEDULE “A” TO BY-LAW \_\_\_\_\_

### COMPONENTS OF SERVICES DESIGNATED IN SUBSECTION 2.1

- Services Related to a Highway
  - Roads
  - Sidewalks, Streetlights and Bridges
  - Public Works Facilities
  - Vehicles and Equipment
- Fire Protection Services
  - Fire Facilities
  - Fire Vehicles, Equipment and Gear
- Parks and Recreation Services
  - Parkland Development, Amenities and Trails
  - Recreation Facilities
  - Parks and Recreation Vehicles and Equipment
- Growth Studies
- Water Services
  - Facilities and Storage
  - Distribution Systems



**SCHEDULE B TO BY-LAW \_\_\_\_\_  
SCHEDULE OF DEVELOPMENT CHARGES**

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
<b>Town Wide Services:</b>						
Services Related to a Highway	13,117	9,842	7,970	5,820	4,487	5.40
Fire Protection Services	3,751	2,814	2,279	1,664	1,283	1.55
Parks and Recreation Services	14,638	10,983	8,894	6,495	5,007	3.55
Growth Studies	653	490	397	290	223	0.27
<b>Total Town Wide Services</b>	<b>32,159</b>	<b>24,129</b>	<b>19,540</b>	<b>14,269</b>	<b>11,000</b>	<b>10.77</b>
<b>Urban Services</b>						
Water Services	19,244	14,439	11,692	8,539	6,582	7.66
<b>Total Urban Services</b>	<b>19,244</b>	<b>14,439</b>	<b>11,692</b>	<b>8,539</b>	<b>6,582</b>	<b>7.66</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>32,159</b>	<b>24,129</b>	<b>19,540</b>	<b>14,269</b>	<b>11,000</b>	<b>10.77</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>51,403</b>	<b>38,568</b>	<b>31,232</b>	<b>22,808</b>	<b>17,582</b>	<b>18.43</b>