



Development Charges Update Study

Township of Oro-Medonte

September 9, 2022

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Report



Chapter 1

Introduction



1. Introduction

1.1 Background

The Township of Oro-Medonte imposes development charges (D.C.) to recover capital costs arising from the increase in needs for service related to growth. The Township's D.C. by-law imposes charges for the following services:

- Township-Wide Services:
 - Services Related to a Highway;
 - Fire Protection Services;
 - Outdoor Recreation Services;
 - Indoor Recreation Services;
 - Engineering Studies; and
 - Community Based Studies.
- Area Specific Services Specific to Horseshoe Valley Settlement Area:
 - Water Services; and
 - Wastewater Services.
- Area Specific Services Specific to Warminster Water Service Area:
 - Water Services.

The D.C.s came into effect on October 23, 2019 and are imposed through by-law 2019-100. The basis for the calculations and policies of the Township's existing development charges are documented in the "2019 Development Charges Background Study and Draft By-Law".

The Township's D.C.s have been indexed (in accordance with Section 5 of the by-law) annually on January 1st, beginning in 2020, and are currently 9.84% higher than the rates implemented under By-law 2019-100. The 2019 D.C.s (unindexed), are shown in Table 1-1.

The purpose of this report is to update the current D.C. by-law to amend the non-residential D.C. rates as directed through the September 7, 2022 Council Motion No. SC220907-2. The full non-residential D.C. will be imposed on developments up to a maximum total charge of \$300,000 and any D.C.s payable above this amount would be subject to a 75 per cent discount.



Table 1-1
Township of Oro-Medonte
Development Charges (unindexed)
As per By-law 2019-100

SCHEDULE OF DEVELOPMENT CHARGES

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Township-Wide Services:						
Services Related to a Highway	6,047	4,907	3,541	2,474	2,231	2.32
Fire Protection Services	1,729	1,403	1,012	707	638	0.66
Outdoor Recreation Services	1,824	1,480	1,068	746	673	0.38
Indoor Recreation Services	2,378	1,930	1,392	973	877	0.49
Engineering Studies	398	323	233	163	147	0.15
Community Based Studies	252	205	148	103	93	0.10
Total Township-Wide Services	12,628	10,248	7,394	5,166	4,659	4.10

SCHEDULE OF AREA-SPECIFIC DEVELOPMENT CHARGES

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Area-Specific Services - Horseshoe Valley Settlement Area						
Water Services	4,611	3,742	2,700	1,886	1,701	2.65
Total Urban Services	4,611	3,742	2,700	1,886	1,701	2.65

Note: This charge is payable in addition to the Township-Wide Services (Hard and Soft Services)



Table 1-1 (Con't)
Township of Oro-Medonte
Development Charges (unindexed)
As per By-law 2019-100

Service	RESIDENTIAL
	Per Unit
Area-Specific Additional Charge - Horseshoe Valley Settlement Area - Water Services	
New Well and Pump	5,191

Note: This charge is payable in addition to the Township-Wide Services (Hard and Soft Services)

Service	RESIDENTIAL
	Per Unit
Area-Specific Additional Charge - for Development within:	
- Heights of Horseshoe Phase 2	
- Landscapes Phase 3 & 4	
Wastewater Services	9,555

Note: This charge is payable in addition to the Township-Wide Services (Hard and Soft Services) and Horseshoe Valley Area Specific Charges in Schedule D

Service	RESIDENTIAL
	Per Unit
Area-Specific Additional Charge - Warminster Water Service Area	
Water Services	9,303

Note: This charge is payable in addition to the Township-Wide Services (Hard and Soft Services)



1.2 Existing Policies (Rules)

Appendix A of this report sets out the rules governing the calculation, payment, and collection of D.C.s as provided in By-law 2019-100.

1.3 Basis for the D.C. By-law Update

This D.C. update study provides for an amendment to the Township's current D.C. by-law (By-law 2019-100). The purpose of this amendment is to include a 75 percent discount to the non-residential D.C.s. after the first \$300,000 have been paid.

Details of the changes to the by-law are presented in Chapter 3 of this report. The draft amending by-law is presented in Appendix B to this report.

1.4 Summary of the Process

The public meeting required under Section 12 of the D.C.A. has been scheduled for October 5, 2022. Its purpose is to present the update study to the public and to solicit public input. The meeting is also being held to answer any questions regarding the study's purpose, methodology, and the proposed modifications to the Township's D.C. by-law.

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

- Consideration of responses received prior to, at, or immediately following the Public Meeting; and
- Council consideration of the amending by-law on November 9, 2022.

Table 1-2 outlines the proposed schedule to be followed with respect to the D.C. by-law adoption process.



Table 1-2
Schedule of Key D.C. Process Dates for the Township of Oro-Medonte

Schedule of Study Milestone	Dates
1. Policy review with Township Staff	August to September, 2022
2. D.C. Background study update report and proposed amending D.C. by-law available to public (two weeks prior to the public meeting and 60 days prior to by-law passage)	September 9, 2022
3. Notice of Public Meeting	No later than September 14, 2022
4. Public meeting of Council	October 5, 2022
5. Council considers adoption of background study and passage of amending by-law	November 9, 2022
6. Newspaper notice given of by-law passage	By 20 days after passage
7. Last day for by-law appeal	40 days after passage
8. Township makes pamphlet available (where by-law is not appealed)	By 60 days after in force date

1.5 Policy Recommendations

It is recommended that the Township's current D.C. policies, as identified in Appendix A of this report, be continued.



Chapter 2

Anticipated Development



2. Anticipated Development

2.1 Growth Forecast in the 2019 D.C. Study

The 2019 D.C. study provided for the anticipated residential and non-residential growth within the Township of Oro-Medonte. For the purposes of this D.C. update, the 2019 D.C. Study growth forecast remains unchanged as the incremental growth is anticipated to remain the same.



Chapter 3

Updates to the Township's D.C. By-law



3. Updates to the Township’s D.C. By-law

As noted earlier, the Township’s D.C. By-law 2019-100 came into effect on October 23, 2019, being a by-law for the purposes of establishing and collecting a D.C. in accordance with the provisions of the D.C.A. The 2019 D.C. Study identified anticipated capital needs for recovery through D.C.s for municipal-wide and area-specific services. This chapter of the report summarizes the changes to the D.C. by-law.

3.1 Non-Residential D.C. Discount

Through the September 7, 2022 Council meeting, Council voted to amend the D.C. by-law to implement a discount to the current non-residential D.C rate. This decision is outlined as part of the Council Motion No. SC220907-2.

Through the Council motion, it is proposed that the full non-residential D.C. will be imposed up to a maximum total charge of \$300,000. Any D.C. amounts that are payable above \$300,000 would be subject to a 75 per cent discount. Therefore, the following formula will be provided for non-residential developments that exceed the \$300,000 total D.C. payable:

$$\begin{array}{l}
 1) \quad \frac{\$300,000}{100\% \text{ of the Applicable Non-Residential Development Charge Rate}} = \begin{array}{l} \text{'Product'} \\ \text{(Square footage of} \\ \text{the development} \\ \text{subject to the} \\ \text{\$300,000)} \end{array} \\
 \\
 2) \quad (\text{Total Sq.ft.} - \text{'Product' sq.ft.}) \times \frac{75\% \text{ Discounted Non-Residential Development Charge Rate}}{100\% \text{ of the Applicable Non-Residential Development Charge Rate}} = \text{Development Charges payable in addition to the } \$300,000
 \end{array}$$

An example of the formula is presented below using the 2019 unindexed rates in the D.C. by-law.

For Township-wide services, where the sq.ft. times the non-residential D.C. is greater than \$300,000:



$$1) \quad \frac{\$300,000}{\$4.10} = 73,171 \text{ sq.ft.}$$

(100% of the Township-Wide Non-Residential D.C. Rate)

(Square footage of the development subject to the \$300,000)

$$2) \quad (\text{Total Sq.ft.} - 73,171 \text{ sq.ft.}) \times 75\% \text{ Discounted Non-Residential D.C. Rate} = \text{D.C. Payable in addition to the } \$300,000$$

Based on the above, non-residential developments for Township-wide services up to 73,171 sq.ft. will be subject to the full non-residential D.C. rate. Any developments that exceed 73,171 sq.ft. will have a 75% discount to the non-residential D.C. rate for every additional sq.ft.

For developments within the Horseshoe Valley Area, where the sq.ft. times the non-residential D.C. is greater than \$300,000:

$$1) \quad \frac{\$300,000}{\$6.75} = 44,444 \text{ sq.ft.}$$

(100% of the Horseshoe Valley Area-Specific Non-Residential D.C. Rate)

(Square footage of the development subject to the \$300,000)

$$2) \quad (\text{Total Sq.ft.} - 44,444 \text{ sq.ft.}) \times 75\% \text{ Discounted Non-Residential D.C. Rate} = \text{D.C. Payable in addition to the } \$300,000$$

Based on the above, non-residential developments in the Horseshoe Valley area up to 44,444 sq.ft. will be subject to the full non-residential D.C. rate (both Township-wide and Horseshoe Valley Area-specific D.C.s). Any developments that exceed 44,444 sq.ft. will have a 75% discount to the non-residential D.C. rate for every additional sq.ft.

This proposed revision will be reflected in the amending D.C. by-law in Appendix B.



Chapter 4

Recommendations



4. Recommendations

It is recommended that Council:

“Approve the Development Charges Update Study dated September 9, 2022, as amended (if applicable)”;

“Approve the by-law revisions set out in Chapter 3 of the Development Charges Update Study dated September 9, 2022”;

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

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



Appendix A

Existing Policies under By-law 2019-100



Appendix A: Existing Policies under By-law 2019-100

The following subsections set out the rules governing the calculation, payment and collection of D.C.s as provided in By-law 2019-100 as amended, in accordance with the D.C.A.

Development Charges Imposed

Subject to subsection (3.4), development charges shall be calculated and collected in accordance with the provisions of the by-law and be imposed on land to be developed for residential and non-residential uses, where, the development requires:

- a) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
- b) the approval of a minor variance under section 45 of the *Planning Act*;
- c) a conveyance of land to which a by-law passed under section 50 (7) of the *Planning Act* applies;
- d) the approval of a plan of subdivision under section 51 of the *Planning Act*;
- e) a consent under section 53 of the *Planning Act*;
- f) the approval of a description under section 9 of the *Condominium Act*;
- g) the issuing of a permit under the *Building Code Act* in relation to a building or structure.

Calculation of Development Charges

The development charge with respect to the uses of any land, building or structure shall be calculated as follows:

- a) The development charges described in the by-law shall be imposed on residential uses of lands, buildings or structures, including a dwelling unity accessory to a non-residential use and, in the case of a 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.

- b) The development charges described in the 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 gross floor area of the non-residential use.

Rules with Respect to Redevelopment

Despite any other provisions of the 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 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 3.6 and 3.7 and of this by-law by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and
- b) provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

Exemptions

This by-law shall not apply to lands that are owned by and used for the purpose of:

- a) and Municipality or a “local board” thereof;
- b) a “Board of Education”;
- c) an enlargement of the gross floor area of an existing industrial building in accordance with Section 4 of the Act;



- d) the issuance of a building permit in accordance with Section 2(3) of the Act;
- e) farm buildings as defined herein;
- f) a place of worship exempt under Section 3 of the Assessment Act; or
- g) a public hospital under the Public Hospitals Act.

Rules with Respect to an Industrial Expansion Exemption

Notwithstanding 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:

- (i) Subject to subsection (iii), if the gross floor area is enlarged by 50 per cent or less of the lesser of:
 - 1. The gross floor area of the existing industrial building, or
 - 2. 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;
- (ii) If the gross floor area is enlarged by more than 50 per cent or less of the lesser of:
 - 1. The gross floor area of the existing industrial building, or
 - 2. 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,
- (iii) The amount of the development charge in respect to the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:
 - 1. Determine the amount by which the enlargement exceeds 50 per cent of the gross floor area before the first enlargement, and
 - 2. Divide the amount determined under subsection (A) by the amount of the enlargement
- (iv) For the purposes of calculating the extent to which the gross floor area of an existing industrial building is enlarged in subsection 3.5.1 (ii), the cumulative gross floor area of any previous enlargements for which:
 - 1. An exemption from the payment of development charges was granted, or
 - 2. A lesser development charge 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.
- (v) 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.

Indexing

Development charges imposed pursuant to this by-law may be adjusted annually, without amendment to this by-law, commencing on January 1, 2020, and on each January 1 annually thereafter, in accordance with the Act. The amount of the adjustment shall be determined by the annual change in Statistics Canada Non-residential Billing Construction Price Index.



Timing of Calculation and Payment

Development charges imposed under this section are payable upon issuance of a building permit with respect to each dwelling unit, building or structure.



Appendix B

Draft Amending Development Charge By-law



Township of Oro-Medonte

By-law Number _____

Being a By-law of the Township of Oro-Medonte to Amend By-law 2019-100 Respecting Development Charges

Whereas the Township of Oro-Medonte (the “Township”) enacted By-law 2019-100 pursuant to the *Development Charges Act, 1997*, S.O. 1997, c. 27, as amended (the “Act”), which Act authorizes Council to pass By-laws for the imposition of development charges against land;

And Whereas the Township has undertaken a study pursuant to the Act which has provided updated Schedules to By-law 2019-100;

And Whereas the Council of the Township of Oro-Medonte (“Council”) has before it a report entitled “Township of Oro-Medonte 2022 Development Charge Update Study” prepared by Watson & Associates Economists Ltd., dated September 9, 2022 (the “update study”);

And Whereas the update study and proposed amending By-law were made available to the public on September 9, 2022 and Council gave notice to the public pursuant to Section 12 of the Act.

And Whereas Council, on October 5, 2022 held a meeting open to the public, pursuant to Section 12 of the Act, at which Council considered the study, and written and oral submissions from the public;

NOW THEREFORE Council hereby enacts as follows:

1. By-law 2019-100 is hereby amended as follows:

- A. Addition to the amount of charges with respect to non-residential uses to Section 3.7. This will be included after Section 3.7.1 of the development charges by-law:

New Section:

- (3.7.2) For the purposes of 3.7.1, 100 per cent of the non-residential rate will be imposed up to a maximum total charge of \$300,000.



(3.7.3) For the purposes of 3.7.2, non-residential developments that have a greater payable than \$300,000 shall have the following formula apply:

$$\begin{array}{l}
 1) \quad \frac{\$300,000}{100\% \text{ of the Applicable Non-Residential Development Charge Rate}} = \begin{array}{l} \text{'Product'} \\ \text{(Square footage of} \\ \text{the development} \\ \text{subject to the} \\ \text{\$300,000)} \end{array} \\
 \\
 2) \quad (\text{Total Sq.ft.} - \text{'Product' sq.ft.}) \times \begin{array}{l} 75\% \text{ Discounted Non-} \\ \text{Residential Development} \\ \text{Charge Rate} \end{array} = \begin{array}{l} \text{Development Charges} \\ \text{payable in addition to the} \\ \text{\$300,000} \end{array}
 \end{array}$$

B. Relabel the “Time of Payment of Development Charges” section from 1.9 to 3.9.

C. Schedule “B” is deleted, and the attached Schedule “B” is substituted, therefore.

D. Schedule “C” is deleted, and the attached Schedule “C” is substituted, therefore.

E. Schedule “D” is deleted, and the attached Schedule “D” is substituted, therefore.

2. This By-law shall come into force and effect at 12:01AM on November 9, 2022.

3. Except as amended by this By-law, all provisions of By-law 2019-100 are and shall remain in full force and effect.

By-law read a First, Second and Third time, and passed this 9th day of November, 2022.

Mayor: _____

Clerk: _____



**SCHEDULE “B”
TO BY-LAW NO. 2019-100
SCHEDULE OF DEVELOPMENT CHARGES – HARD SERVICES**

Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	Special Care/Special Dwelling Units	Per sq.ft. of Gross Floor Area - up to \$300,000	Per sq.ft. of Gross Floor Area - over \$300,000
Township-Wide Services:						Full D.C. Rate	Discounted D.C. Rate: 75%
Services Related to a Highway	6,047	3,541	2,474	4,907	2,231	2.32	0.58
Fire Protection Services	1,729	1,012	707	1,403	638	0.66	0.17
Engineering Studies	398	233	163	323	147	0.15	0.04
Total Township-wide Services	8,174	4,786	3,344	6,633	3,016	3.13	0.78



**SCHEDULE “C”
TO BY-LAW NO. 2019-100
SCHEDULE OF DEVELOPMENT CHARGES – SOFT SERVICES**

Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	Special Care/Special Dwelling Units	Per sq.ft. of Gross Floor Area - up to \$300,000	Per sq.ft. of Gross Floor Area - over \$300,000
Township-Wide Services:						Full D.C. Rate	Discounted D.C. Rate: 75%
Outdoor Recreation Services	1,824	1,068	746	1,480	673	0.38	0.10
Indoor Recreation Services	2,378	1,392	973	1,930	877	0.49	0.12
Community Based Studies	252	148	103	205	93	0.10	0.03
Total Township-wide Services	4,454	2,608	1,822	3,615	1,643	0.97	0.24



**SCHEDULE “D”
TO BY-LAW NO. 2019-100
SCHEDULE OF AREA SPECIFIC DEVELOPMENT CHARGES – HORSESHOE VALLEY SETTLEMENT AREA**

Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	Per sq.ft. of Gross Floor Area - up to \$300,000	Per sq.ft. of Gross Floor Area - over \$300,000
Area-Specific Services - Horseshoe Valley Settlement Area						Full D.C. Rate	Discounted D.C. Rate: 75%
Water Services	4,611	3,742	2,700	1,886	1,701	2.65	0.66
Total Urban Services	4,611	3,742	2,700	1,886	1,701	2.65	0.66

Note: This charge is payable in addition to the Township-Wide Services (Hard and Soft Services)

Service	RESIDENTIAL
	Per Unit
Area-Specific Additional Charge - Horseshoe Valley Settlement Area - Water Services	
New Well and Pump	5,191

Note: This charge is payable in addition to the Township-Wide Services (Hard and Soft Services)