



# Committee of the Whole

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**Meeting Date:** May 28, 2024

**Submitted by:** Paul Shipway, General Manager of Strategic Initiatives & Innovation

**Subject:** Development Charges Background Study

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## **BACKGROUND:**

On January 30, 2024, the Middlesex County Budget Committee directed staff to complete a Development Charges (DC) Background Study, for Roads and Roads Related Services, for Council consideration.

Development Charges are a legislated financial tool for municipalities in managing growth and ensuring that the cost of providing infrastructure to new development is not borne disproportionately by existing ratepayers through property taxes. Specifically, Development Charges are fees that are paid by new development, generally upon the issuance of a building permit, to fund a portion of the capital cost of growth-related services constructed throughout the municipality.

The [Development Charges Act, 1997](#) requires a full Development Charges By-law approval process, including a Development Charges Background Study and the holding of a statutory public meeting.

Middlesex County does not have an existing Development Charges By-law. The Middlesex County Council historical consideration of Development Charges is attached hereto as Appendix 'A'.

## **LOCAL CONTEXT**

In Middlesex County, six (6) local municipalities have implemented Development Charges. The City of London also has implemented Development Charges. An overview of Middlesex County area Development Charges levied against residential, single detached dwellings is as follows<sup>1</sup>:

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<sup>1</sup> Rates obtained from most recent Development Charges document available on municipal websites as of May 1, 2024. Urban rates are inclusive of water and wastewater related Development Charges. Where multiple comparable area rates existed, generally, the lower rate was selected for the table.

Development Charges Assessment		
Municipality	Single & Semi-Detached Dwelling - Urban	Single & Semi-Detached Dwelling - Rural
Newbury	N/A	N/A
Southwest Middlesex	N/A	N/A
Strathroy-Caradoc	\$30,703	\$11,339
Thames Centre	\$43,142	\$14,653
Middlesex Centre	\$35,338	\$17,217
North Middlesex	\$25,929	\$3,701
Adelaide-Metcalf	N/A	\$11,438
Lucan-Biddulph	\$30,063	\$3,096
City of London	\$46,975	\$30,178

**PROVINCIAL CONTEXT**

Provincially, 16 of 30 upper-tier municipalities have implemented the utilization of Development Charges as of January 1, 2024.

Highlights of Development Charges extracted from the 2022 Ministry of Municipal Affairs & Housing Financial Information Return (FIR) identifies:

- The average Municipal-Wide County Development Charge, reported in the 2022 FIR, is \$6,378.13 (Single Detached Dwelling)<sup>2</sup>

From a provincial context, in November 2022, the province passed the [More Homes Built Faster Act, 2022 \(Bill 23\)](#). The Bill introduced sweeping impacts to Development Charges. A focal point of the legislation was a Development Charges audit, by the province, of six GTA municipalities.

On May 4, 2023, Ernst & Young was identified as the provincial auditor, with the audits expected to commence by July 2023. The province took the position that Development-Charges fees unnecessarily added, substantially, to the cost of building homes in many Ontario municipalities.

Municipalities took the position that the Bill 23 amendments to the Development Charges Act would result in a loss of a critical revenue stream, higher property taxes and could also mean reductions in levels of service.

On December 13, 2023, the province, unexpectedly, announced the cancellation of the audits. The six GTA municipalities have subsequently called for the release of the findings of the audits as they speculate the audits identify ‘value for money’ Development Charges findings.

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<sup>2</sup> Roads & Roads Related Services generally comprises the majority of County Development Charges.

On April 10, 2024, the province [released Bill 185: Cutting Red Tape to Build More Homes Act](#). If implemented, this Bill will reverse many of the key Development Charges changes that were implemented through Bill 23.

**ANALYSIS**

The Middlesex County Budget Committee discussed legislatively available revenue tools versus tax rate increases and/or unsustainable reliance on reserves and reserve funds to fund replacement of existing assets and the costs to improve or expand infrastructure to meet growth needs.

The implementation of Middlesex County Development Charges was discussed as a commonly utilized, legislatively available revenue tool to fund a portion of the capital cost of growth-related services constructed throughout the County. Not as a way to reduce tax rate increases, but as a method to mitigate future increase through the use of all available legislative revenue tools.

Through only considering Roads and Roads Related Development Charges, Middlesex County intends to pursue a more graduated approach to implementing Development Charges while taking into consideration:

- the economic climate including housing demand
- the pressures on the County and residents which may be leading to imbalances that can be addressed, in part, by Development Charges
- a reflection of the Development Charges costs in comparison to the provincial landscape

External consultants, Watson and Associates, Economists Ltd. and an interdepartmental staff working group developed the Middlesex County Development Charges Background Study, attached hereto as Appendix ‘B’. As identified in the Middlesex County Development Charges Background Study, the proposed Middlesex County Development Charges are as follows:

Proposed Middlesex County Development Charges						
Service/Class of 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)
<b>Municipal Wide Services/Class of Service:</b>						
Services Related to a Highway	\$5,462	\$4,188	\$3,779	\$2,405	\$1,955	\$3.64
Growth Studies	\$22	\$17	\$15	\$10	\$8	\$0.01
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$5,484</b>	<b>\$4,205</b>	<b>\$3,794</b>	<b>\$2,415</b>	<b>\$1,963</b>	<b>\$3.65</b>

The Development Charges Background Study has been prepared pursuant to the prescriptive methodology required under the Development Charges Act.

The proposed Middlesex County Development Charges By-law works to align closely with all local Development Charges By-laws, specifically collection procedures and

exemptions. The proposed Middlesex County Development Charges By-law also explicitly exempts industrial development, to support County Council efforts to diversify the Middlesex County assessment base.

The proposed Middlesex County Development Charges By-law has been drafted to immediately implement the Development Charges Act amendments contemplated in Bill 185: Cutting Red Tape to Build More Homes Act, should it receive Royal Assent.

The next steps in the consideration of Middlesex County Development Charges will be as follows:

1. Development Charges Public Meeting – June 26, 2024  
Any person who attends, virtually or in person, may make representations relating to the proposed Development Charges By-law.
2. Development Charges By-law Consideration – July 16, 2024

## **CONCLUSION:**

Development Charges are calculated based on a municipality specific Development Charges Background Study and actual growth; however, for illustration purposes, if Middlesex County charged the proposed Middlesex County Development Charge, it would generate approximately \$3,420,919/year<sup>3</sup>.

\$3,420,919 represents 6.20% on the 2024 Middlesex County tax levy. Utilizing this data, in this hypothetical scenario, it can be calculated that implementing Middlesex County Development Charges would represent cost avoidance of \$56.18/year in County taxes on the median single detached residential unit (\$303,000) in Middlesex County. This amount also closely corresponds with capital contributions from reserves and reserve funds for Transportation Capital in recent years.

In Ontario, municipalities have limited legislated ability to generate revenue. With the elongated provincial pause of the reassessment program, and increased cost to procure and provide infrastructure, municipalities must constantly evaluate utilization of all available revenue generation tools.

When Middlesex County is advocating for additional infrastructure funding and financial tools, it may undermine advocacy efforts when Middlesex County is not utilizing the current legislatively available tools at its disposal. With the current Middlesex County financial realities and the forthcoming asset management plan updates, it is beneficial to

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<sup>3</sup> Calculation is based on the five-year average of new residential units/year in Middlesex County.

consider implementation of Middlesex County, Road and Road Related, Development Charges.

**FINANCIAL IMPLICATIONS:**




Implementation of Middlesex County Development Charges is not expected to incur additional expenses beyond the legislated Development Charges Background Study updates, currently every five (5) years.

Annually, staff must prepare a Development Charges informational brochure and issue a Development Charges Treasurer's Statement. This will be completed by existing staffing resources.

The collecting of Development Charges will also require the efforts of each of the local municipalities. Middlesex County has consulted other Development Charges collecting counties that are a combination of upper and lower-tier and all of them had a single point of Development Charges collection at the local municipality. Through upcoming staff meetings, a standardized process should minimize resourcing from all parties.

**ALIGNMENT WITH STRATEGIC FOCUS:**

This report aligns with the following Strategic Focus, Goals, or Objectives:

Strategic Focus	Goals	Objectives
Cultivating Community Vitality 	Advance a diverse, healthy, and engaged community across Middlesex County	<ul style="list-style-type: none"> <li>Promote and support community wellness</li> </ul>
Connecting Through Infrastructure 	Ensure communities are built on a sustainable foundation that is connected and thriving	<ul style="list-style-type: none"> <li>Commit to a sound asset management strategy to maintain and fund critical infrastructure</li> <li>Use County infrastructure in an innovative way to provide a seamless service experience for residents</li> </ul>
Promoting Service Excellence 	Innovate and transform municipal service delivery	<ul style="list-style-type: none"> <li>Anticipate and align municipal service delivery to emerging needs and expectations</li> </ul>

**RECOMMENDATION:**

**THAT** the Development Charges Background Study Report be received for information.

## **APPENDIX 'A' – MIDDLESEX COUNTY DEVELOPMENT CHARGES CHRONOLOGY**

On June 13, 1989, the Council of the Corporation of the County of Middlesex passed the following resolution:

**THAT** the Development Charges Act be referred to the Finance and Legislative Committee for review and report.

On September 13, 1990, the Council of the Corporation of the County of Middlesex held a public hearing regarding the Middlesex County proposal to pass a by-law to establish Development Charges for new residential, commercial, industrial, and institutional development and for non-residential building additions in Middlesex County.

The decision on consideration of a Development Charges By-law was reserved and the matter was referred to the Road Committee for further consideration.

On May 10, 2005, the Council of the Corporation of the County of Middlesex considered a report from the Director of Planning & Economic Development regarding Development Charges. A motion was put forward to Council for consideration and was defeated as follows:

**THAT** Item B6 - Development Charges, be referred to the Administration for a report back to Council.

On April 28, 2015, the Council of the Corporation of the County of Middlesex considered a report from the County Engineer and Manager of Planning regarding Development Charges and passed the following resolution:

**THAT** the report be received.

On April 28, 2015, the Council of the Corporation of the County of Middlesex considered a Notice of Motion by Councillor Edmondson as follows:

Notice of Motion is hereby given to complete a Development Charges Study for the County of Middlesex, noting that the County Engineer has estimated that a consultant would charge around \$50,000 for a study of this scope.

On May 12, 2015, the Council of the Corporation of the County of Middlesex passed the following resolution:

**THAT** staff prepare and issue a Request for Proposals (RFP) for a Development Charges Study for the County of Middlesex;

**AND THAT** a report be presented to County Council on the RFP Submissions.

On October 25, 2016, the Council of the Corporation of the County of Middlesex considered and defeated the following motion regarding consulting services for a Development Charges Analysis:

**THAT** the Request for Proposal submitted by Hemson Consulting Limited in the amount of \$35,370 before HST for Consulting Services for a Development Charges Analysis be accepted and that this amount be included in the 2017 Budget.





# Development Charges Background Study

Middlesex County

May 13, 2024

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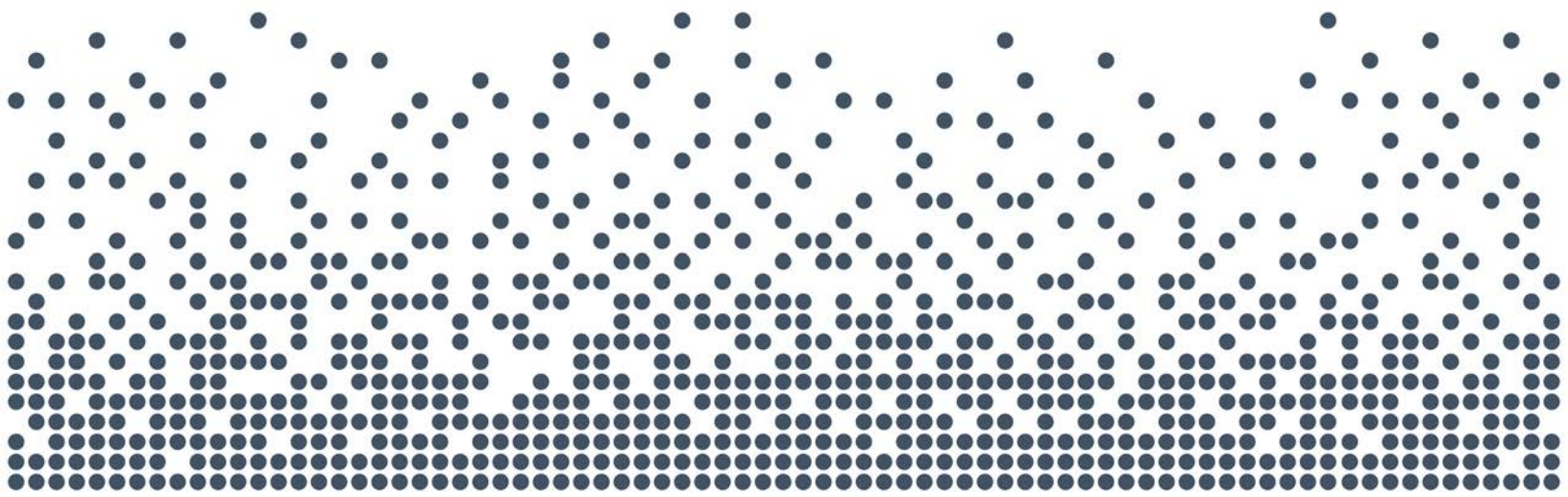
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## List of Acronyms and Abbreviations

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



# Executive Summary





# Executive Summary

1. The report provided herein represents the Development Charges (D.C.) Background Study for Middlesex County 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 – Summary of the residential and non-residential growth forecasts for the County;
  - Chapter 3 – Approach to calculating the D.C.;
  - Chapter 4 – Review of historical service standards and identification of future capital requirements to service growth and related deductions and allocations;
  - Chapter 5 – Calculation of the D.C.s;
  - Chapter 6 – D.C. policy recommendations and rules; and
  - Chapter 7 – 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 3; 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. Since 2015, there have been numerous changes to the D.C.A. arising from 8 different bills. These legislative changes include the following:
- Area-rating: Council must consider the use of area-specific charges.
  - Asset Management Plan for New Infrastructure: The D.C. background study must include an asset management plan (A.M.P.) that deals with all assets proposed to be funded, in whole or in part, by D.C.s. The A.M.P. must show that the assets are financially sustainable over their full lifecycle.
  - 60-day Circulation Period: The D.C. background study must be released to the public at least 60-days prior to passage of the D.C. by-law.
  - Timing of Collection of Development Charges: The D.C.A. now requires D.C.s to be collected at the time of the first building permit.
  - Instalment Payments: Effective January 1, 2020, rental housing and institutional developments shall pay D.C.s in six (6) equal annual payments commencing at first occupancy. Non-profit housing developments shall pay D.C.s in 21 equal annual payments (note, non-profit housing developments are now exempt from D.C.s). Interest may be charged on the instalments, and any unpaid amounts inclusive of interest payable shall be added to the property tax roll and collected in the same manner as taxes.
  - Rate Freeze: Effective January 1, 2020, the D.C. amount for all developments occurring within two years of a Site Plan or Zoning By-law Amendment planning approval (for applications made after January 1, 2020), shall be determined based on the D.C. by-law in effect on the day of Site Plan or Zoning By-law Amendment application.
  - Mandatory 10% Deduction: the mandatory 10% deduction is removed. This applies to all D.C.-eligible services.
  - Community Benefits Charges: a new charge was introduced to include D.C.-ineligible services, parkland dedication, and bonus zoning contributions. Upper-tier governments cannot impose a C.B.C.
  - New exemptions:
    - Development of land intended for use by a university that receives operating funds from the Government.
    - Additional residential unit exemption;
    - Affordable units;



- Attainable units;
- Inclusionary zoning units; and
- Non-Profit Housing developments.
- Housing Services: removed from the D.C. as an eligible service;
- Historical Level of Service: extended to 15-year period instead of the previous requirement of 10-years;
- Capital Cost definition: revised to remove studies and prescribe services for which land or an interest in land will be restricted;
- Mandatory Phase-in: the D.C. for all by-laws passed after January 1, 2022, must be phased in 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: by-laws now have a maximum life of 10 years after the date the by-law comes into force;
- Rental Housing Discount: D.C. for Rental Housing developments 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 Instalments and Determination of Charge for Eligible Site Plan and Zoning By-law Amendment Applications: the maximum interest rate is now 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.
- Reporting requirements: additional requirements for reporting in the annual Treasurer's statement on D.C. reserve funds and the requirement for publication of the statement.

**Bill 185: *Cutting Red Tape to Build More Homes Act, 2024* (Proposed)**

On April 10, 2024, the Province introduced Bill 185: *Cutting Red Tape to Build More Homes Act*. If implemented, this Bill would reverse many of the changes that were



recently introduced through *Bill 23: More Homes, Built Faster Act, 2022*. Further discussion is provided in section 1.6 of this report. The following provides a summary of the proposed changes:

- The definition of capital costs is proposed to be amended to reinstate studies as an eligible capital cost. Note, this background study includes the calculation for the inclusion of studies. If the Province does not implement this change, then the applicable charge for growth studies will not be imposed;
  - The five-year mandatory phase-in introduced by Bill 23 has been proposed to be removed;
  - A process for minor amendments to D.C. by-laws is being introduced;
  - The time for the D.C. rate freeze related to site plan and zoning by-law amendment applications would be reduced from two (2) years to 18 months;
  - Modernization of public notice requirements which allow municipalities to provide public notice requirements on a municipal website if a local newspaper is not available; and
  - Implementation of the Affordable Residential Unit exemptions as of June 1, 2024.
4. The growth forecast (Chapter 2) on which the County-wide D.C. is based, projects the following population, housing, and non-residential floor area for the 10-year (2024 to 2033) period.

Table ES-1  
Middlesex County  
Summary of Growth Forecast by Planning Period

Measure	10-year 2024 to 2033
(Net) Population Increase	13,128
Residential Unit Increase	7,294
Non-Residential Gross Floor Area Increase (sq.ft.)	3,545,700

Source: Watson & Associates Economists Ltd. Forecast 2024

5. The County is undertaking a D.C. public process and anticipates passing a new by-law for Services Related to a Highway and Growth-related Studies. The



mandatory public meeting has been set for June 26, 2024 with adoption of the by-law anticipated for July 16, 2024.

6. The County does not currently impose a D.C. This report has undertaken a calculation of charges based on future identified needs (presented in Schedule ES-3 for residential and non-residential). Charges have been provided on a County-wide basis for all services. The corresponding single detached unit charge is \$5,484. The non-residential charge is \$3.65 per sq.ft. of G.F.A. These rates are submitted to Council for its consideration.
  
7. The D.C.A. requires a summary be provided of the gross capital costs and the net costs to be recovered over the life of the by-law. This calculation is provided by service and is presented in Table 5-2. A summary of these costs is provided below:

Table ES-2  
Middlesex County  
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	\$113,890,000
Less: Benefit to existing development	\$58,851,000
Less: Post planning period benefit	\$0
Less: Other Deductions	\$5,305,000
Less: Grants, subsidies and other contributions	\$0
<b>Net costs to be recovered from development charges</b>	<b>\$49,734,000</b>

This suggests that for the non-D.C. cost over the 10-year D.C. by-law (benefit to existing development, ineligible services, and grants, subsidies and other contributions), approximately \$64.16 million (or an annual amount of approximately \$6.42 million) will need to be contributed from taxes and rates, or other sources.

Based on the above table, the County plans to spend \$113.89 million over the next 10 years, of which \$49.73 million (44%) is recoverable from D.C.s. Of this net amount, \$36.80 million is recoverable from residential development and



\$12.93 million from non-residential development. It is noted also that any exemptions or reductions in the charges would reduce this recovery further.

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

- Services Related to a Highway is calculated based on a County-wide 10-year forecast; and
- A class of service has been established for Growth Studies, which are calculated based on a County-wide 10-year forecast.

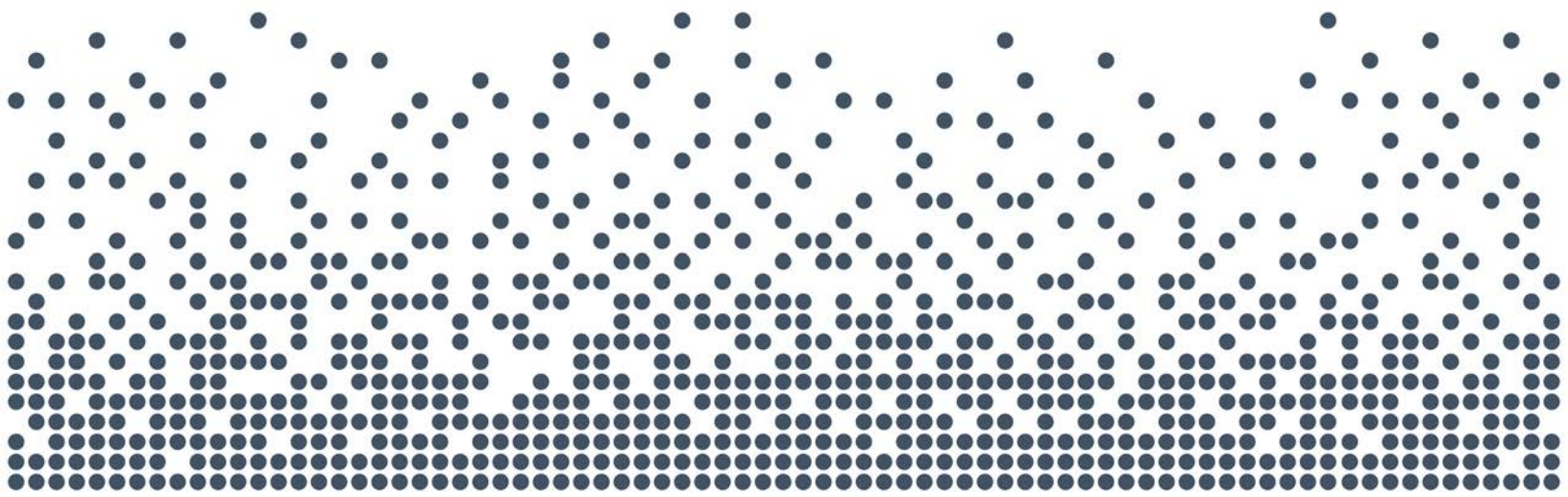
Council will consider the findings and recommendations provided in the report and, in conjunction with public input, approve such policies and rates it deems appropriate. These directions will refine the draft D.C. by-law which is appended in Appendix G. These decisions may include:

- 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  
Middlesex County  
Schedule of Development Charges

Service/Class of 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)
<b>County Wide Services/Class of Service:</b>						
Services Related to a Highway	5,462	4,188	3,779	2,405	1,955	3.64
Growth Studies	22	17	15	10	8	0.01
<b>Total County Wide Services/Class of Services</b>	<b>5,484</b>	<b>4,205</b>	<b>3,794</b>	<b>2,415</b>	<b>1,963</b>	<b>3.65</b>



# Report



# Chapter 1

## Introduction





# 1. Introduction

## 1.1 Purpose of this Document

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This background study has been prepared pursuant to the requirements of the *Development Charges Act, 1997*, as amended, (D.C.A.) (section 10) and, accordingly, recommends development charges (D.C.s) and policies for Middlesex County.

The County retained Watson & Associates Economists Ltd. (Watson), to undertake the D.C. study process in 2024. Watson worked with County staff in preparing the D.C. analysis and policy recommendations.

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

This report has been prepared, in the first instance, to meet the statutory requirements applicable to the County's D.C. background study, as summarized in Chapter 3. It also addresses the requirement for "rules" (contained in Chapter 6) and the proposed by-law to be made available as part of the approval process (included as Appendix G).

In addition, the report is designed to set out sufficient background on the legislation (Chapter 3), and the growth anticipated within the County (Chapter 2), to make the exercise understandable to those who are involved.

Finally, it addresses post-adoption implementation requirements (Chapter 7) which are critical to the successful application of the new policy.

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



## 1.2 Summary of the Process

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The public meeting required under section 12 of the D.C.A. has been scheduled for June 26, 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 approach to the County'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 13, 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 Middlesex County

Schedule of Study Milestone	Dates
1. Data collection, staff review, D.C. calculations and policy work	January to April 2024
2. Public release of final D.C. Background Study and proposed by-law	May 13, 2024
3. Public meeting advertisement placed in newspaper(s)	No later than June 5, 2024
4. Public meeting of Council	June 26, 2024
5. Council considers adoption of background study and passage of by-law	July 16, 2024
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. County makes pamphlet available (where by-law not appealed)	By 60 days after in force date



## **1.3 Changes to the D.C.A.: Bill 73 – Smart Growth for our Communities Act, 2015**

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With the amendment of the D.C.A. in 2015 (as a result of Bill 73 and O. Reg. 428/15), there are a number of areas that must be addressed to ensure that the County is in compliance with the D.C.A. The following provides an explanation of the changes to the Act that affect the County's background study and how they have been dealt with to ensure compliance with the amended legislation.

### **1.3.1 Area Rating**

Bill 73 introduced two new sections where Council must consider the use of area-specific charges:

- 1) Section 2 (9) of the Act 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) Section 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 development charge by-law to reflect different needs for services in different areas."

In regard to the first item, there are no services or specific municipalities identified in the regulations which must be area rated. The second item requires Council to consider the use of area rating.

### **1.3.2 Asset Management Plan for New Infrastructure**

The legislation now requires that a D.C. background study must include an asset management plan (A.M.P.) (subsection 10 (2) (c.2)). The A.M.P. must deal with all assets that are proposed to be funded, in whole or in part, by D.C.s. The current regulations provide very extensive and specific requirements for the A.M.P. related to transit services; however, they are silent with respect to how the asset management plan is to be provided for all other services. As part of any A.M.P., the examination should be consistent with the municipality's existing assumptions, approaches, and policies on asset management planning. This examination may include both qualitative



and quantitative measures such as examining the annual future lifecycle contributions needs (discussed further in Appendix F of this report).

### **1.3.3 60-Day Circulation of the D.C. Background Study**

Previously the legislation required that a D.C. background study be made available to the public at least two weeks prior to the public meeting. The amended legislation now provides that the D.C. background study must also be made available to the public (including posting on the municipal website) at least 60 days prior to passage of the D.C. by-law. No other changes were made to timing requirements for such things as notice of the public meeting and notice of by-law passage.

This D.C. study is being provided to the public on May 13, 2024 to ensure the new requirements for release of the study are met.

### **1.3.4 Timing of Collection of D.C.s**

The D.C.A. has been refined by Bill 73 to require that D.C.s are collected at the time of the first building permit. There may be instances, however, where several building permits are to be issued and either the size of the development or the uses will not be definable at the time of the first building permit. In these instances, the County may enter into a delayed payment agreement in order to capture the full development.

### **1.3.5 Other Changes**

It is also noted that a number of other changes were made through Bill 73 and O. Reg. 428/15, including changes to the way in which transit D.C. service standards are calculated, the inclusion of waste diversion, and the ability for collection of additional levies; however, these sections do not impact the County's D.C.

## **1.4 Further Changes to the D.C.A.: Bill 108, 138, 197, 213, 109 and 134**

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### **1.4.1 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 proposes changes to the D.C.A. The Bill was introduced as part of the Province's "More Homes, More Choice:

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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. Non-profit housing developments will pay D.C.s in 21 equal annual payments (non-profit housing now exempt as per Bill 23). Interest may be charged on the instalments, and any unpaid amounts may be added to the property and collected as taxes.
- 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 the earlier of the date of issuance of a building permit.

On February 28, 2020, the Province released updated draft regulations related to the D.C.A. and the *Planning Act*. A summary of these changes to take effect upon proclamation by the Lieutenant Governor is provided below:

**Changes to Eligible Services** – Prior to Bill 108, the D.C.A. provided a list of ineligible services whereby municipalities could include growth related costs for any service that was not listed. With Bill 108, the changes to the D.C.A. would now specifically list the services that are eligible for inclusion in the by-law. Further, the initial list of eligible services under Bill 108 was limited to "hard services", with the "soft services" being removed from the D.C.A. These services would be considered as part of a new community benefits charge (discussed below) imposed under the Planning Act. As noted in the next section this list of services has been amended through Bill 197.

**Mandatory 10% deduction** – The amending legislation would remove the mandatory 10% deduction for all services that remain eligible under the D.C.A.



**Remaining Services to be Included in a New Community Benefits Charge (C.B.C.) Under the Planning Act** – It is proposed that a municipality may, by by-law, impose a C.B.C. against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies. The C.B.C. was proposed to include formerly eligible D.C. services that are not included in the above listing, in addition to parkland dedication and bonus zoning contributions.

#### ***1.4.2 Bill 138: Plan to Build Ontario Together Act, 2019***

On November 6, 2019, the Province release Bill 138 which provided further amendments to the D.C.A. and Planning Act. This Bill received Royal Assent on December 10, 2019 and was proclaimed which resulted in sections related to the D.C.A. (schedule 10) becoming effective on January 1, 2020. The amendments to the D.C.A. included removal of instalment payments for commercial and industrial developments that were originally included in Bill 108.

#### ***1.4.3 Bill 197: COVID-19 Economic Recovery Act, 2020***

In response to the global pandemic that began affecting Ontario in early 2020, the Province released Bill 197 which provided amendments to a number of Acts, including the D.C.A. and Planning Act. This Bill also revised some of the proposed changes identified in Bill 108. Bill 197 was tabled on July 8, 2020, received Royal Assent on July 21, 2020, and was proclaimed on September 18, 2020. The following provides a summary of the changes:



### 1.4.3.1 D.C. Related Changes

#### List of D.C. Eligible Services

- As noted above, under Bill 108 some services were to be included under the D.C.A. and some would be included under the C.B.C. authority. Bill 197, however, revised this proposed change and has included all services (with some exceptions) under the D.C.A. These services are as follows:
  - Water supply services, including distribution and treatment services.
  - Wastewater services, including sewers and treatment services.
  - Storm water drainage and control services.
  - Services related to a highway.
  - Electrical power services.
  - Toronto-York subway extension.
  - Transit services.
  - Waste diversion services.
  - Policing services.
  - Fire protection services.
  - Ambulance services.
  - Library services.
  - Long-term Care services
  - Parks and Recreation services, but not the acquisition of land for parks.
  - Public Health services.
  - Childcare and early years services.
  - Housing services.
  - Provincial Offences Act services.
  - Services related to emergency preparedness.
  - Services related to airports, but only in the Regional Municipality of Waterloo.
  - Additional services as prescribed.



## Classes of Services – D.C.

Pre-Bill 108/197 legislation (i.e. D.C.A., 1997) allowed for categories of services to be grouped together into a minimum of two categories (90% and 100% services).

The Act (as amended) repeals and replaces the above with the four following subsections.

- A D.C. by-law may provide for any eligible service or capital cost related to any eligible service to be included in a class, set out in the by-law.
- A class may be composed of any number or combination of services and may include parts or portions of the eligible services or parts or portions of the capital costs in respect of those services.
- A D.C. by-law may provide for a class consisting of studies in respect of any eligible service whose capital costs are described in paragraphs 5 and 6 of s. 5 of the D.C.A.
- A class of service set out in the D.C. by-law is deemed to be a single service with respect to reserve funds, use of monies, and credits.

As well, the removal of the 10% deduction for soft services under Bill 108 has been maintained.

Note: An initial consideration of “class” appears to mean any group of services.

## 10-Year Planning Horizon

The 10-year planning horizon has been removed for all services except transit.

### *1.4.3.2 C.B.C. Related Changes*

#### C.B.C. Eligibility

- The C.B.C. is limited to lower-tier and single tier municipalities; upper-tier municipalities will not be allowed to impose this charge.





### 1.4.3.3 Combined D.C. and C.B.C. Impacts

#### D.C. vs. C.B.C. Capital Cost

- A C.B.C. may be imposed with respect to the services listed in s. 2 (4) of the D.C.A. (eligible services), “provided that the capital costs that are intended to be funded by the community benefits charge are not capital costs that are intended to be funded under a development charge by-law.”

### 1.4.4 **Bill 213: Better for People, Smarter for Business Act, 2020**

On December 8, 2020, Bill 213 received Royal Assent. One of the changes of the Bill that took effect upon Royal Assent included amending the Ministry of Training, Colleges and Universities Act by introducing a new section that would exempt the payment of D.C.s for developments of land intended for use by a university that receives operating funds from the Government. As a result, this mandatory exemption will be included in the D.C. by-law.

### 1.4.5 **Bill 109: More Homes for Everyone Act, 2022**

On April 14, 2022, Bill 109 received Royal Assent. One of the changes of the Bill and Ontario Regulation (O. Reg.) 438/22 that took effect upon Royal Assent included amending the D.C.A. and O. Reg. 82/98 related to the requirements for the information which is to be included in the annual Treasurer’s statement on D.C. reserve funds and the requirement for publication of the statement.

- The following additional information must be provided for each D.C. service being collected for during the year:
  - a. whether, as of the end of the year, the municipality expects to incur the amount of capital costs that were estimated, in the relevant development charge background study, to be incurred during the term of the applicable development charge by-law; and
  - b. if the answer to a) is no, the amount the municipality now expects to incur and a statement as to why this amount is expected; and



- For any service for which a D.C. was collected during the year but in respect of which no money from a reserve fund was spent during the year, a statement as to why there was no spending during the year.

The changes to the D.C.A. has also been amended to now require that the annual Treasurer's statement be made available to the public on the website of the municipality or, if there is no such website, in the municipal office.

## **1.5 Changes to the D.C.A. – Bill 23: More Homes Built Faster Act, 2022**

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On November 28, 2022, Bill 23 received Royal Assent. This Bill amends a number of pieces of legislation including the Planning Act and D.C.A. The following provides a summary of the changes to the D.C.A.:

### ***1.5.1 Additional Residential Unit Exemption***

The rules for these exemptions are now provided in the D.C.A., rather than the regulations and are summarized as follows:

- Exemption for residential units in existing rental residential buildings – For rental residential buildings with four or more residential units, the greater of one unit or 1% of the existing residential units will be exempt from D.C.
- Exemption for additional residential units in existing and new residential buildings
  - The following developments will be exempt from a D.C.:
    - A second unit in a detached, semi-detached, or rowhouse if all buildings and ancillary structures cumulatively contain no more than one residential unit;
    - A third unit in a detached, semi-detached, or rowhouse if no buildings or ancillary structures contain any residential units; and
    - One residential unit in a building or structure ancillary to a detached, semi-detached, or rowhouse on a parcel of urban land, if the detached, semi-detached, or rowhouse contains no more than two residential units and no other buildings or ancillary structures contain any residential units.



### **1.5.2 Removal of Housing as an Eligible D.C. Service**

Housing is removed as an eligible service as of November 28, 2022. Municipalities with by-laws that include a charge for housing services can no longer collect for this service. It is noted that the charge for housing services is still applicable where rates have been frozen for the purposes of instalment payments under the D.C.A.

### **1.5.3 New Statutory Exemption for Non-Profit Housing**

Non-profit housing units are exempt from D.C.s and D.C. instalment payments due after November 28, 2022.

### **1.5.4 New Statutory Exemptions for Affordable Units, Attainable Units, and Affordable Inclusionary Zoning Units**

Affordable units, attainable units, and inclusionary zoning units (affordable) are exempt from the payment of D.C.s, as follows:

- Affordable Rental Units: Where rent is no more than 80% of the average market rent as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing.
- Affordable Owned Units: Where the price of the unit is no more than 80% of the average purchase price as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing.

*Note: As discussed in Section 1.4.6, the definitions above of an Affordable Rental Unit and Affordable Owned Unit have been modified through Bill 134*

- 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 exemptions are not currently in force. These exemptions will be in force upon proclamation and revisions to the regulations. The bulletin has yet to be published as at the time of writing this report.*



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

### **1.5.5 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.

### **1.5.6 Revised Definition of Capital Costs**

The definition of capital costs has been revised to remove studies. Further, 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.

### **1.5.7 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.

### **1.5.8 D.C. By-law Expiry**

A D.C. by-law now expires 10 years after the day it comes into force (unless the by-law provides for an earlier expiry date). This extends the by-law's life from five (5) years, prior to Bill 23.

### **1.5.9 Instalment Payments**

Non-profit housing development has been removed from the instalment payment section of the Act (subsection 26.1), as these units are now exempt from the payment of a D.C.



### **1.5.10 Rental Housing Discount**

The D.C. payable for rental housing development will be reduced based on the number of bedrooms in each unit as follows:

- Three or more bedrooms – 25% reduction;
- Two bedrooms – 20% reduction; and
- All other bedroom quantities – 15% reduction.

### **1.5.11 Maximum Interest Rate for Instalments and Determination of Charge for Eligible Site Plan and Zoning By-law Amendment Applications**

No maximum interest rate was previously prescribed. As per Bill 23, the maximum interest rate is set at the average prime rate plus 1%. This maximum interest rate provision would apply to all instalment payments and eligible site plan and zoning by-law amendment applications occurring after November 28, 2022.

### **1.5.12 Requirement to Allocate Funds Received**

Annually, beginning in 2023, municipalities will be required to spend or allocate at least 60% of the monies in a reserve fund at the beginning of the year for water, wastewater, and services related to a highway. Other services may be prescribed by the regulation.

### **1.5.13 Bill 134: Affordable Homes and Good Jobs Act, 2023**

The exemption for affordable residential units was included in the More Homes Built Faster Act (Bill 23), enacted by the Province on November 28, 2022. Under this legislation, affordable residential units were defined within subsection 4.1 of the D.C.A. and exemptions for D.C.s were provided in respect of this definition. While the legislation was enacted in November 2022, the ability for municipalities to implement the exemptions required the Minister of Municipal Affairs and Housing to publish an “Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin.” This bulletin would inform the average market rent and purchase price to be used in determining which developments qualify as affordable residential units. As of the time of writing, this bulletin had not been published by the Minister.

Bill 134 received Royal Assent on December 4, 2023 and provides for a modification to the affordable residential unit definition by:



- Introducing an income-based test for affordable rent and purchase price; and
- Increasing the threshold for the market test of affordable rent and purchase price.

This change provides the exemption based on the lesser of the two measures.

Moreover, the rules in subsection 4.1 of the D.C.A. are unchanged with respect to:

- The tenant and purchaser transacting the affordable unit being at arm’s length;
- The intent of maintaining the affordable residential unit definition for a 25-year period, requiring an agreement with the municipality (which may be registered on title); and
- Exemptions for attainable residential units and associated rules (requiring further regulations).

The following table provides a comparison of the definitions provided through Bill 23 and those provided through Bill 134 (underlining added for emphasis).

Item	Bill 23 Definition	Bill 134 Definition (Current D.C.A. Definition)
Affordable residential unit rent (subsection 4.1 (2), para. 1)	The rent is no greater than <u>80 per cent of the average market rent</u> , as determined in accordance with subsection (5).	The rent is no greater than <u>the lesser of</u> , i. the <u>income-based affordable rent</u> for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (5), and ii. the <u>average market rent</u> identified for the residential unit set out in the Affordable Residential Units bulletin.
Average market rent/rent based on income (subsection 4.1 (5)) for the purposes of subsection 4.1 (2), para. 1	The <u>average market rent for the year in which the residential unit is occupied by a tenant</u> , as identified in the bulletin entitled the “Affordable Residential Units for the Purposes of	The Minister of Municipal Affairs and Housing shall, (a) determine the <u>income of a household</u> that, in the Minister’s opinion, is <u>at the 60<sup>th</sup> percentile of gross annual incomes</u>



Item	Bill 23 Definition	Bill 134 Definition (Current D.C.A. Definition)
	the Development Charges Act, 1997 Bulletin.”	<p>for renter households in the applicable local municipality; and</p> <p>(b) identify the <u>rent</u> that, in the Minister’s opinion, is equal to 30 per cent of the <u>income of the household</u> referred to in clause (a).</p>
Affordable residential unit ownership (subsection 4.1 (3), para. 1)	The price of the residential unit is no greater than <u>80 per cent of the average purchase price</u> , as determined in accordance with subsection (6).	<p>The price of the residential unit is no greater than <u>the lesser of</u>,</p> <ul style="list-style-type: none"> <li>i. the <u>income-based affordable purchase price</u> for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (6), and</li> <li>ii. <u>90 per cent of the average purchase price</u> identified for the residential unit set out in the Affordable Residential Units bulletin.</li> </ul>
Average market purchase price/purchase price based on income (subsection 4.1 (6)) for the purposes of subsection 4.1 (3), para. 1	The <u>average purchase price for the year in which the residential unit is sold</u> , as identified in the bulletin entitled the “Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin,” as it is amended from time to time, that is published by the Minister of Municipal Affairs and Housing on a website of the Government of Ontario.	<p>The Minister of Municipal Affairs and Housing shall,</p> <ul style="list-style-type: none"> <li>(a) determine the <u>income of a household</u> that, in the Minister’s opinion, is at the <u>60<sup>th</sup> percentile of gross annual incomes for households in the applicable local municipality</u>; and</li> <li>(b) identify the <u>purchase price</u> that, in the Minister’s opinion, <u>would result in annual accommodation costs equal to 30 per cent of the income of the</u></li> </ul>



Item	Bill 23 Definition	Bill 134 Definition (Current D.C.A. Definition)
		household referred to in clause (a)

Note: the Province has indicated that it intends for the Affordable Unit exemption to come into force on June 1, 2024.

## **1.6 Proposed Changes to the D.C.A. – Bill 185: *Cutting Red Tape to Build More Homes Act***

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On April 10, 2024, the Province released Bill 185: *Cutting Red Tape to Build More Homes Act*. If implemented, this Bill will reverse many of the key changes that were implemented through Bill 23. The following sections provide a summary of the changes being recommended.

### **1.6.1 Revised Definition of Capital Costs**

Bill 185 proposes to reverse the capital cost amendments of Bill 23 by reinstating studies as an eligible capital cost. The following paragraphs are proposed to be 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 proposed amendment will allow municipalities to fund studies, consistent with by-laws passed prior to the *More Homes Built Faster Act* (Bill 23). Note: this background study includes a calculation of the growth studies charge, consistent with the proposed amendment. If this change is not implemented by the time the by-law is passed, then the corresponding growth studies charge in this background study and draft by-law will not be imposed.

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

As noted in Section 1.5.7 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





proposes to remove this mandatory phase-in. This change would be effective for any D.C. by-laws passed after Bill 185 comes 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).

### **1.6.3 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 proposes to allow 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 takes 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).

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

Bill 108 (see Section 1.4.1 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 proposes to reduce the two-year timeframe to 18 months.

#### **1.6.5 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 proposed regulatory changes would modernize public notice requirements by allowing municipalities to provide notice on a municipal website if a local newspaper is not available.



# Chapter 2

## Anticipated Development in Middlesex County



## 2. Anticipated Development in Middlesex County

### 2.1 Requirement of the Act

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Chapter 3 provides the methodology for calculating a D.C. as per the D.C.A. Figure 2-1 presents this methodology graphically. It is noted in the first box of the schematic that in order to determine the D.C. that may be imposed, it is a requirement of Section 5 (1) of the D.C.A. that “the anticipated amount, type and location of development, for which development charges can be imposed, must be estimated.”

The growth forecast contained in this chapter (with supplemental tables in Appendix A) provides for the anticipated development for which Middlesex County will be required to provide services, over a 10-year (Mid-2024 to Mid-2034) time horizon.

### 2.2 Basis of Population, Household and Non-Residential Gross Floor Area Forecast

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The D.C. growth forecast has been derived by Watson in consultation with Middlesex County. In preparing the growth forecast, the following information sources were consulted to assess the residential and non-residential development potential for the County over the forecast period, including:

- Middlesex County Official Plan, July 7, 2023;
- Middlesex County Housing Growth Forecast and Allocations by Local Municipality, December 2020, Watson & Associates Economists Ltd.;
- 2011, 2016 and 2021 population, household, and employment Census data;
- Historical residential and non-residential building permit data over the 2014 to 2023 period;
- Residential supply opportunities as provided by Middlesex County staff; and
- Discussions with County staff regarding anticipated residential and non-residential development in Middlesex County.

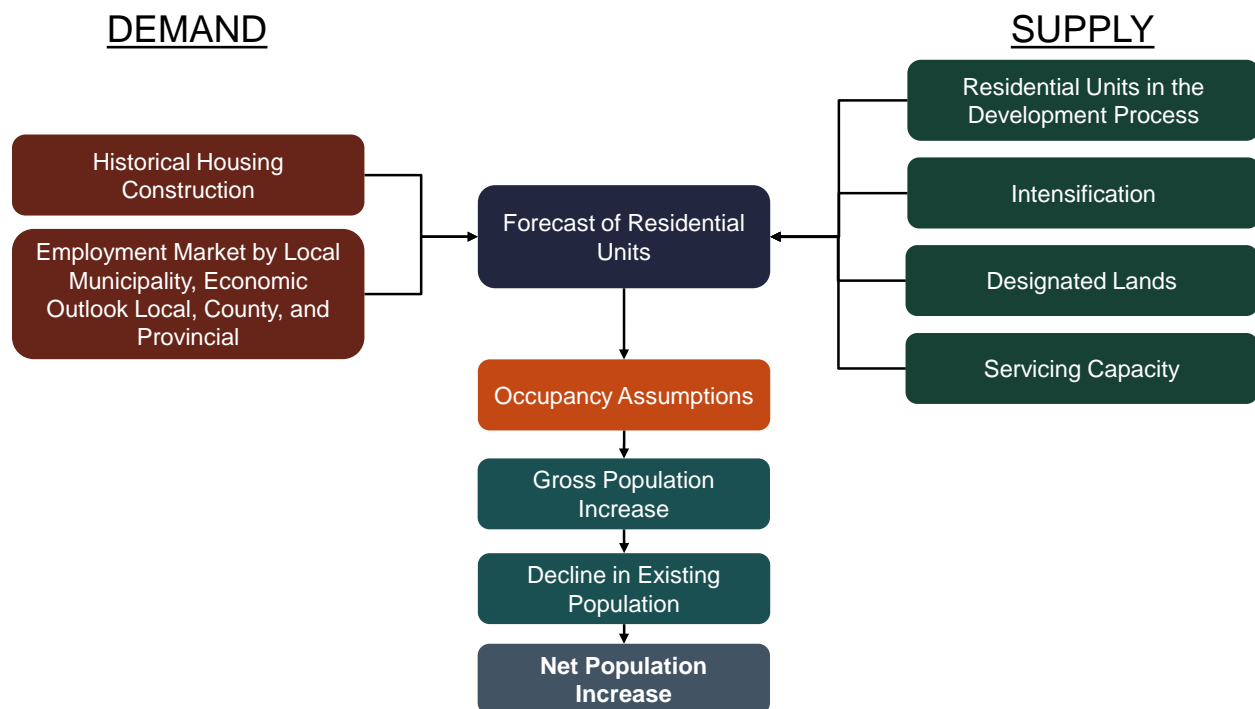


## 2.3 Summary of Growth Forecast

A detailed analysis of the residential and non-residential growth forecasts is provided in Appendix A and the methodology employed is illustrated in Figure 2-1. The discussion provided herein summarizes the anticipated growth for the County and describes the basis for the forecast. The results of the residential growth forecast analysis are summarized in Table 2-1 below, and *Schedule 1* in Appendix A.

As identified in Table 2-1 and Appendix A, *Schedule 1*, population in Middlesex County is anticipated to reach approximately 94,700 by Mid-2034, resulting in an increase of approximately 13,130 persons.<sup>[1]</sup>

Figure 2-1  
Population and Household Forecast Model



<sup>[1]</sup> The population figures used in the calculation of the 2024 D.C. exclude the net Census undercount, which is estimated at approximately 3.5%.



**Table 2-1  
Middlesex County  
Residential Growth Forecast Summary**

	Year	Population (Including Census Undercount) <sup>[1]</sup>	Excluding Census Undercount			Housing Units					Person Per Unit (P.P.U.): Total Population/ Total Households
			Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi-Detached	Multiple Dwellings <sup>[2]</sup>	Apartments <sup>[3]</sup>	Other	Total Households	
Historical	Mid 2011	75,530	73,000	1,395	71,605	23,975	643	1,599	426	26,643	2.740
	Mid 2016	74,190	71,704	1,209	70,495	24,060	780	1,655	405	26,900	2.666
	Mid 2021	80,950	78,239	1,049	77,190	25,880	980	2,150	490	29,500	2.652
Forecast	Mid 2024	84,400	81,570	1,102	80,468	27,116	1,318	2,353	490	31,277	2.608
	Mid 2034	97,980	94,698	1,357	93,341	32,823	2,002	3,024	490	38,339	2.470
Incremental	Mid 2011 - Mid 2016	-1,340	-1,296	-186	-1,110	85	137	56	-21	257	
	Mid 2016 - Mid 2021	6,760	6,535	-160	6,695	1,820	200	495	85	2,600	
	Mid 2021 - Mid 2024	3,450	3,331	53	3,278	1,236	338	203	0	1,777	
	Mid 2024 - Mid 2034	13,580	13,128	255	12,873	5,707	684	671	0	7,062	

[1] Population includes the Census undercount estimated at approximately 3.5% and has been rounded.

[2] Includes townhouses and apartments in duplexes.

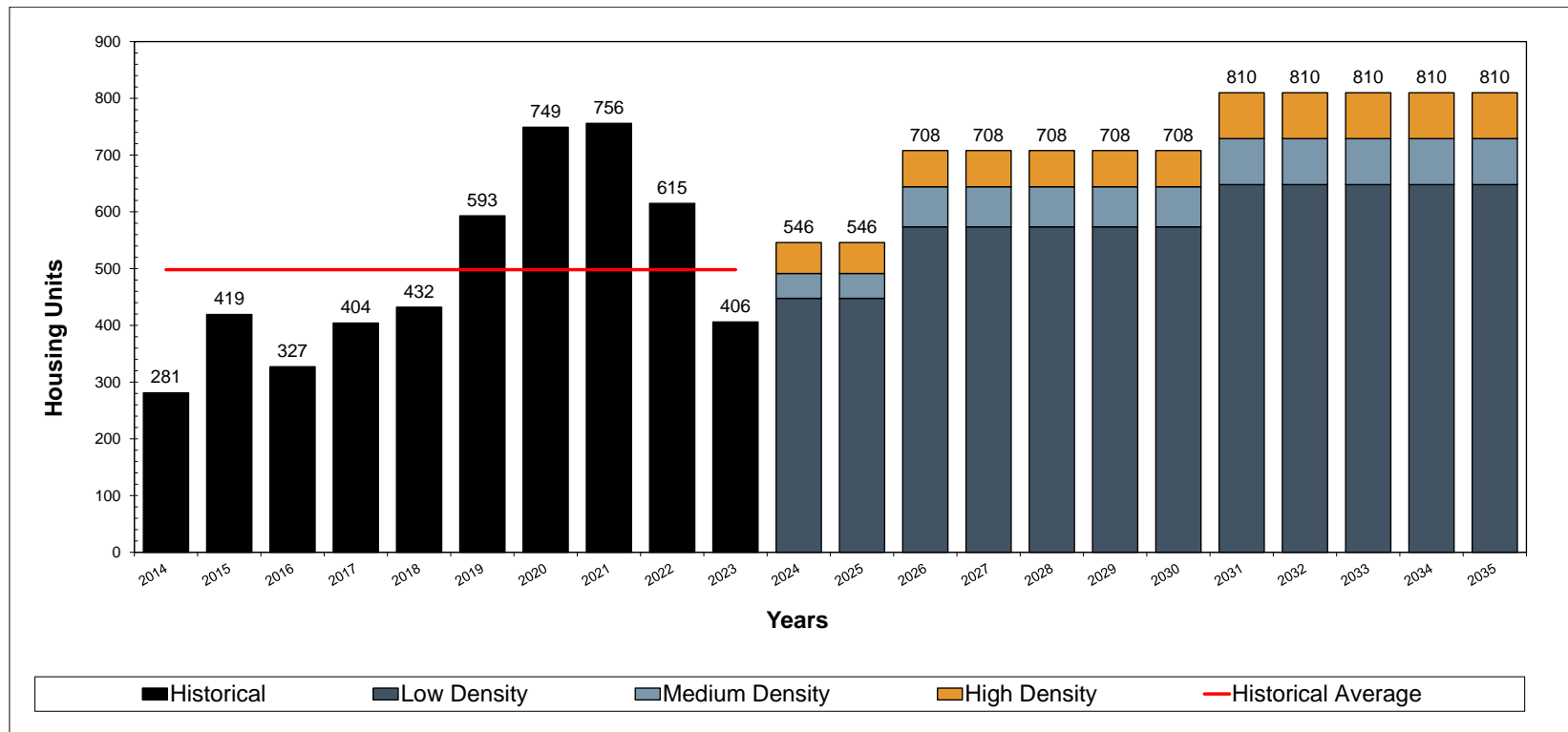
[3] Includes bachelor, 1-bedroom, and 2-bedroom+ apartment units.

Note: Population including the undercount has been rounded.

Source: Derived from Middlesex County Housing Growth Forecast and Allocations by Local Municipality, December 2020, by Watson & Associates Economists Ltd.



Figure 2-2  
Middlesex County  
Annual Housing Forecast <sup>[1]</sup>



<sup>[1]</sup> Growth forecast represents calendar year.

Source: Historical housing activity derived from Statistics Canada building permit data for Middlesex County, 2014-2018, and building permit data provided by Middlesex County staff, 2019 to 2023, by Watson & Associates Economists Ltd.



Provided below is a summary of the key assumptions and findings regarding the Middlesex County D.C. growth forecast:

### 1. Housing Unit Mix (Appendix A – Schedules 1 and 4)

- The housing unit mix for the County was derived from a detailed review of historical development activity (as per Schedule 4), as well as active residential development applications and discussions with County staff regarding anticipated development trends for Middlesex County.
- Based on the above indicators, the 2024 to 2034 household growth forecast for the County is comprised of a unit mix of 81% low density units (single detached and semi-detached), 10% medium density (multiples except apartments) and 9% high density (bachelor, 1-bedroom and 2-bedroom apartments).

### 2. Planning Period

- The D.C.A. limits the planning horizon for transit services to a 10-year planning horizon. All other services can utilize a longer planning period if the municipality has identified the growth-related capital infrastructure needs associated with the longer-term growth planning period. A 10-year time horizon was utilized for this study to align with the capital needs identified.

### 3. Population in New Housing Units (Appendix A - Schedules 2 and 3)

- The number of housing units to be constructed by 2034 in Middlesex County over the forecast period is presented in Figure 2-2. Over the 2024 to 2034 forecast period, the County is anticipated to average 706 new housing units per year.
- Institutional population<sup>[1]</sup> is anticipated to increase by approximately 260 people between 2024 to 2034.
- Population in new units is derived from Schedules 2 and 3 which incorporate historical development activity, anticipated units (see unit mix discussion) and average persons per unit (P.P.U.) by dwelling type for new units.
- Schedule 5a summarizes the average P.P.U. assumed for new housing units by age and type of dwelling based on Statistics Canada 2021 custom Census data

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[1] Institutional population largely includes special care facilities such as nursing home or residences for senior citizens. A P.P.U. of 1.100 depicts 1-bedroom and 2- or more bedroom units in collective households.





for Middlesex County. Due to data limitations, medium and high density P.P.U. data was derived from Middlesex County Census Division, which includes Middlesex County, and is outlined in Schedule 5b. The total calculated P.P.U. for all density types has been adjusted accordingly to account for the P.P.U. trends which has been recently experienced in both new and older units. The total calculated 15-year average P.P.U.s by dwelling type are as follows:

- Low density: 3.073
- Medium density: 2.356
- High density<sup>[1]</sup>: 1.822

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

- Existing households for Mid-2024 are based on the 2021 Census households, plus estimated residential units constructed between mid-2021 to the beginning of the growth period, assuming a minimum 6-month lag between construction and occupancy (see Schedule 2).
- The change in average occupancy levels for existing housing units is calculated in Schedules 2 and 3.<sup>[2]</sup> The forecast population change in existing households over the 2024 to 2034 forecast period is forecast to decline by approximately 7,500.

#### 5. Employment (Appendix A, Schedules 7a and 7b)

- The employment projections provided herein are largely based on the activity rate method, which is defined as the number of jobs in the County divided by the number of residents. Key employment sectors include primary, industrial, commercial/ population-related, institutional, and work at home, which are considered individually below.

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[1] Includes bachelor, 1-bedroom and 2- or more bedroom apartments.

[2] Change in occupancy levels for existing households occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.



- 2016 employment data <sup>[1],[2]</sup> (place of work) for Middlesex County is outlined in Schedule 7a. The 2016 employment base is comprised of the following sectors:
  - 1,660 primary (7%);
  - 4,355 work at home employment (19%);
  - 6,328 industrial (27%);
  - 6,363 commercial/population related (28%); and
  - 4,360 institutional (19%).
- The 2016 employment by usual place of work, including work at home, is 23,065. An additional 3,160 employees have been identified for the County in 2016 that have no fixed place of work (N.F.P.O.W.).<sup>[3]</sup>
- Total employment, including work at home and N.F.P.O.W. for the County is anticipated to reach approximately 38,300 by Mid-2034. This represents an employment increase of approximately 6,650 for the 10-year forecast period.
- Schedule 7b, Appendix A, summarizes the employment forecast, excluding work at home employment and N.F.P.O.W. employment, which is the basis for the D.C. employment forecast. The impact on municipal services from work at home employees has already been included in the population forecast. The need for municipal services related to N.F.P.O.W. employees has largely been included in the employment forecast by usual place of work (i.e. employment and gross floor area generated from N.F.P.O.W. construction employment). Furthermore, since these employees have no fixed work address, they cannot be captured in the non-residential gross floor area (G.F.A.) calculation.
- Total employment for Middlesex County (excluding work at home and N.F.P.O.W. employment) is anticipated to reach approximately 27,040 by Mid-

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[1] 2016 employment is based on Statistics Canada 2016 Place of Work Employment dataset by Watson & Associates Economists Ltd.

[2] Statistics Canada 2021 Census place of work employment data has been reviewed. The 2021 Census employment results have not been utilized due to a significant increase in work at home employment captured due to Census enumeration occurring during the provincial COVID-19 lockdown from April 1, 2021 to June 14, 2021.

[3] No fixed place of work is defined by Statistics Canada as "persons who do not go from home to the same work place location at the beginning of each shift". Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc.



2034. This represents an employment increase of approximately 4,750 for the 10-year forecast period. [1]

## 6. Non-Residential Sq.ft. Estimates (G.F.A., Appendix A, Schedule 7b)

- Square footage estimates were calculated in Schedule 7b based on the following employee density assumptions:
  - 3,000 sq.ft. per employee for primary;
  - 1,300 sq.ft. per employee for industrial;
  - 510 sq.ft. per employee for commercial/population-related; and
  - 650 sq.ft. per employee for institutional employment.
- The County-wide incremental Gross Floor Area (G.F.A.) is anticipated to increase by 3.5 million sq.ft. over the 10-year forecast period.
- In terms of percentage growth, the 2024 to 2034 incremental G.F.A. forecast by sector is broken down as follows:
  - primary – 8%
  - industrial – 41%;
  - commercial/population-related – 29%; and
  - institutional – 22%.

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[1] G.F.A. and employment associated within special care institutional dwellings treated as residential, resulting in an institutional employment difference between Schedules 7a and 7b. Total employment growth in Schedule 7b (excluding work at home and N.F.P.O.W. employment) has been downwardly adjusted to account for institutional employment associated with special care facilities. Total employment in Schedule 7b is anticipated to reach approximately 26,910 by Mid-2034.



# Chapter 3

## The Approach to the Calculation of the Charge



## 3. The Approach to the Calculation of the Charge

### 3.1 Introduction

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This chapter addresses the requirements of subsection 5 (1) of the D.C.A. with respect to the establishment of the need for service which underpins the D.C. calculation. These requirements are illustrated schematically in Figure 3-1.

### 3.2 Services Potentially Involved

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Table 3-1 lists the full range of municipal services that are provided within the County.

A number of these services are not listed as an eligible service for inclusion in the D.C. by-law as per subsection 2 (4) of the D.C.A. These are shown as “ineligible” on Table 3-1. Two ineligible costs defined in subsection 5 (3) of the D.C.A. are “computer equipment” and “rolling stock with an estimated useful life of (less than) seven years.” In addition, local roads are covered separately under subdivision agreements and related means (as are other local services). Services that are potentially eligible for inclusion in the County’s D.C. are indicated with a “Yes.”

### 3.3 Increase in the Need for Service

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The D.C. calculation commences with an estimate of “the increase in the need for service attributable to the anticipated development,” for each service to be covered by the by-law. There must be some form of link or attribution between the anticipated development and the estimated increase in the need for service. While the need could conceivably be expressed generally in terms of units of capacity, subsection 5 (1) 3, which requires that County Council indicate that it intends to ensure that such an increase in need will be met, suggests that a project-specific expression of need would be most appropriate.





Table 3-1  
Categories of Municipal Services to be Addressed as Part of the Calculation

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

Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
1. Services Related to a Highway	Yes	1.1 Arterial roads	100
	Yes	1.2 Collector roads	100
	Yes	1.3 Bridges, culverts and roundabouts	100
	No	1.4 Local municipal roads	0
	Yes	1.5 Traffic signals	100
	No	1.6 Sidewalks and streetlights	100
	Yes	1.7 Active transportation	100
2. Other Transportation Services	n/a	2.1 Transit vehicles <sup>1</sup> & facilities	100
	n/a	2.2 Other transit infrastructure	100
	Ineligible	2.3 Municipal parking spaces - indoor	0
	Ineligible	2.4 Municipal parking spaces - outdoor	0
	Yes	2.5 Works yards	100
	Yes	2.6 Rolling stock <sup>1</sup>	100
	n/a	2.7 Ferries	0
	Ineligible	2.8 Airport <sup>2</sup>	0
3. Stormwater Drainage and Control Services	n/a	3.1 Main channels and drainage trunks	100
	n/a	3.2 Channel connections	100
	n/a	3.3 Retention/detention ponds	100

<sup>1</sup>with 7+ year life-time

<sup>2</sup>only eligible for the Region of Waterloo



Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
4. Fire Protection Services	No	4.1 Fire stations	100
	No	4.2 Fire pumpers, aerials and rescue vehicles <sup>1</sup>	100
	No	4.3 Small equipment and gear	100
5. Parks Services	Ineligible	5.1 Acquisition of land for parks, woodlots and E.S.A.s	0
	n/a	5.2 Development of area municipal parks	100
	n/a	5.3 Development of district parks	100
	n/a	5.4 Development of municipal-wide parks	100
	n/a	5.5 Development of special purpose parks	100
	n/a	5.6 Parks and trails rolling stock <sup>1</sup> and yards	100
	n/a	5.7 Recreation Trails	100
6. Recreation Services	No	6.1 Arenas, indoor pools, fitness facilities, community centres, etc. (including land)	100
	No	6.2 Recreation vehicles and equipment <sup>1</sup>	100
7. Library Services	No	7.1 Public library space (incl. furniture and equipment)	100
	n/a	7.2 Library vehicles <sup>1</sup>	100
	No	7.3 Library materials	100
8. Emergency Preparedness Services	No	8.1 Facility space (incl. furniture and equipment)	100
	No	8.2 Vehicles <sup>1</sup>	100
	No	8.3 Equipment	100
9. Electrical Power Services	Ineligible	9.1 Electrical substations	0
	Ineligible	9.2 Electrical distribution system	0
	Ineligible	9.3 Electrical system rolling stock	0

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<sup>1</sup>with 7+ year life-time





Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
10. Provision of Cultural, Entertainment and Tourism Facilities and Convention Centres	Ineligible	10.1 Cultural space (e.g. art galleries, museums and theatres)	0
	Ineligible	10.2 Tourism facilities and convention centres	0
11. Wastewater Services	n/a	11.1 Treatment plants	100
	n/a	11.2 Sewage trunks	100
	n/a	11.3 Local systems	0
	n/a	11.4 Vehicles and equipment <sup>1</sup>	100
12. Water Supply Services	n/a	12.1 Treatment plants	100
	n/a	12.2 Distribution systems	100
	n/a	12.3 Local systems	0
	n/a	12.4 Vehicles and equipment <sup>1</sup>	100
13. Waste Management Services	Ineligible	13.1 Landfill collection, transfer vehicles and equipment	0
	Ineligible	13.2 Landfills and other disposal facilities	0
	n/a	13.3 Waste diversion facilities	100
	n/a	13.4 Waste diversion vehicles and equipment <sup>1</sup>	100
14. Policing Services	n/a	14.1 Policing detachments	100
	n/a	14.2 Policing rolling stock <sup>1</sup>	100
	n/a	14.3 Small equipment and gear	100
15. Long-term Care	No	15.1 Homes for the aged space	100
	No	15.2 Vehicles <sup>1</sup>	100
16. Child Care and Early Years	No	16.1 Child care space	100
	No	16.2 Vehicles <sup>1</sup>	100
17. Public Health	No	17.1 Health department space	100
	No	17.2 Health department vehicles <sup>1</sup>	100
18. Housing Services	Ineligible	18.1 Housing Services space	0
	Ineligible	18.2 Vehicles <sup>1</sup>	0

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<sup>1</sup>with 7+ year life-time



Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
19. Provincial Offences Act (P.O.A.)	n/a	19.1 P.O.A. including By-law Enforcement space	100
	n/a	19.2 P.O.A. including By-law Enforcement vehicles and equipment <sup>1</sup>	100
20. Social Services	Ineligible	20.1 Social service space	0
21. Ambulance Services	No	21.1 Ambulance station space	100
	No	21.2 Vehicles <sup>1</sup>	100
	No	21.3 Equipment and gear	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	23.1 Office space	0
	Ineligible	23.2 Office furniture	0
	Ineligible	23.3 Computer equipment	0
24. Other Services	Ineligible <sup>3</sup>	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	0
	Yes	24.2 Interest on money borrowed to pay for growth-related capital	0-100

<sup>1</sup>with a 7+ year life-time

<sup>2</sup>same percentage as service component to which it pertains

<sup>3</sup>proposed to be an eligible capital cost through the changes introduced as part of Bill 185



## 3.4 Local Service Policy

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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 County's detailed Local Service Policy is provided in Appendix E.

## 3.5 Capital Forecast

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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; and
- e) interest on money borrowed to pay for the above-referenced costs.

Note, the Province released Bill 185 on April 10, 2024, which proposes to reinstate studies as an eligible capital cost. This proposed amendment will allow municipalities to fund studies. As part of this Background Study, a calculation for studies has been undertaken, should this proposed change be implemented by the Province.

In order for an increase in need for service to be included in the D.C. calculation, County 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 County's approved and proposed capital budgets and master servicing/needs studies.

### **3.6 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 service.” Subsection 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. Given that the County does not currently have D.C.s in place, there are no outstanding credit obligations to be included in the D.C. calculations.

### **3.7 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. Further, 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 includes a class of service for growth studies (if enacted by the Province).

### **3.8 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 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 future forecast periods, which underlie the D.C. calculation herein.

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

Since the County does not currently have a D.C. by-law, no adjustments for reserve fund balances are required.

## **3.9 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.

### ***3.9.1 Reduction Required by Level of Service Ceiling***

This is designed to ensure that the increase in need included in section 3.3 does “not include an increase that would result in the level of service (for the additional development increment) exceeding the average level of the service provided in the municipality over the 15-year period immediately preceding the preparation of the



background study” (D.C.A., subsection 5 (1) 4). O. Reg. 82/98 (section 4) goes further to indicate that “both the quantity and quality of a service shall be taken into account in determining the level of service and the average level of service.”

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

With respect to transit services, the changes to the Act introduced in 2015 have provided for an alternative method for calculating the service standard ceiling. Transit services must now utilize a forward-looking service standard analysis, described later in this section.

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

### ***3.9.2 Reduction for Uncommitted Excess Capacity***

Paragraph 5 of subsection 5 (1) requires a deduction from the increase in the need for service attributable to the anticipated development that can be met using the County’s “excess capacity,” other than excess capacity which is “committed.”

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



### **3.9.3 Reduction for Benefit to Existing Development**

Section 5 (1) 6 of the D.C.A. provides that, “The increase in the need for service must be reduced by the extent to which an increase in service to meet the increased need would benefit existing development.” The general guidelines used to consider benefit to existing development include:

- the repair or unexpanded replacement of existing assets that are in need of repair;
- an increase in average service level of quantity or quality (compare water as an example);
- the elimination of a chronic servicing problem not created by growth; and
- providing services where none previously existed (generally considered for water or wastewater services).

This step involves a further reduction in the need, by the extent to which such an increase in service would benefit existing development. The level of service cap in section 3.9.1 is related but is not the identical requirement. Sanitary, storm, and water trunks are highly localized to growth areas and can be more readily allocated in this regard than other services such as services related to a highway, which do not have a fixed service area.

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

### **3.9.4 Reduction for Anticipated Grants, Subsidies and Other Contributions**

This step involves reducing the capital costs necessary to provide the increased services by capital grants, subsidies, and other contributions (including direct developer contributions required due to the local service policy) made or anticipated by Council and in accordance with various rules such as the attribution between the share related to new vs. existing development. That is, some grants and contributions may not



specifically be applicable to growth or where Council targets fundraising as a measure to offset impacts on taxes (O. Reg. 82/98, section 6).

### **3.10 County-wide vs. Area Rating**

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This step involves determining whether all of the subject costs are to be recovered on a uniform County-wide basis or whether some or all are to be recovered on an area-specific basis. Under the amended D.C.A., it is now mandatory to “consider” area rating of services (providing charges for specific areas and services), however, it is not mandatory to implement area rating. Further discussion is provided in section 6.4.4.

### **3.11 Allocation of Development**

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This step involves relating the costs to anticipated development for each period under consideration and using allocations between residential and non-residential development and between one type of development and another, to arrive at a schedule of charges.

### **3.12 Asset Management**

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The legislation now requires that a D.C. background study must include an asset management plan (A.M.P.) (subsection 10 (2) c. 2). The A.M.P. must deal with all assets that are proposed to be funded, in whole or in part, by D.C.s. The current regulations provide very extensive and specific requirements for the A.M.P. related to transit services (as noted in the subsequent subsection); however, they are silent with respect to how the A.M.P. is to be provided for all other services. As part of any A.M.P., the examination should be consistent with the municipality’s existing assumptions, approaches, and policies on the asset management planning. This examination has been included in Appendix F.

### **3.13 Transit**

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Bill 73 (*Smart Growth for our Communities Act, 2015*) introduced a number of significant changes relating to transit services. These changes relate to the following areas of the calculations, as follows:





- A. The background study requires the following in regard to transit costs (as per subsection 8 (2) of the regulations):
1. The calculations that were used to prepare the estimate for the planned level of service for transit services, as mentioned in subsection 5.2 (3) of the Act.
  2. An identification of the portion of the total estimated capital cost relating to the transit services that would benefit,
    - i. the anticipated development over the 10-year period immediately following the preparation of the background study, or
    - ii. the anticipated development after the 10-year period immediately following the preparation of the background study.
  3. An identification of the anticipated excess capacity that would exist at the end of the 10-year period immediately following the preparation of the background study.
  4. An assessment of ridership forecasts for all modes of transit services proposed to be funded by the D.C. over the 10-year period immediately following the preparation of the background study, categorized by development types, and whether the forecast ridership will be from existing or planned development.
  5. 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.
- B. A new forward-looking service standard (as per subsection 6.1 (2) of the regulations) requires the following:
1. The service is a discrete service.
  2. 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.



3. 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.

C. A very detailed asset management strategy and reporting requirements (subsection 6.1 (3) of the regulation) that includes lifecycle costs, action plans that will enable the assets to be sustainable, a summary of how to achieve the proposed level of service, discussion on procurement measures and risk are required.

The County does not currently provide transit services. At this time, no transit-related capital needs have been identified. Therefore, the above calculation and reporting requirements are not required.

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

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For all D.C. by-laws passed after January 1, 2022, the charge must be phased-in relative to the maximum charge that could be imposed under the by-law. The phase-in for the first five (5) years that the by-law is in force, is 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 – 100% of the maximum charge.

Note: as part of the changes proposed by the Province through Bill 185, this mandatory phase-in is proposed to be removed for any D.C. by-laws passed after Bill 185 receives Royal Assent.



# Chapter 4

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



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

### 4.1 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 3 was followed in determining D.C.-eligible costs.

The nature of the capital projects and timing identified in the Chapter reflects Council's current intention. Over time, however, County 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.

### 4.2 Service Levels and Capital Costs to Service Growth to 2033 for Middlesex County's D.C. Calculation

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This section evaluates the development-related capital requirements for those services with 10-year capital costs. Note that the growth forecast identified in Chapter 2 identifies growth from mid-2024 to mid-2034 which equates to 10 full calendar years of growth. As the capital needs are budgeted using calendar years, the capital needs forecast is based on the period 2024 to 2033.

#### 4.2.1 Services Related to a Highway

##### 4.2.1.1 Services Related to a Highway: Roads and Related

Middlesex County currently owns and maintains:

- 65.03 km of urban roads;
- 795.85 km of rural roads;
- 122 bridges;
- 127 culverts; and
- 39 intersection traffic signals.



The level of service provided over the historical 15-year period translates to an average investment of \$26,716 per capita and a maximum D.C. eligible amount of approximately \$350.73 million for recovery over the forecast period.

The County has identified the following growth-related projects for inclusion in the D.C.:

- **Traffic Signals:** the total cost identified is \$10 million over the 10-year forecast period. This cost estimate is based on installing 2 new sets of signalized intersections each year over the forecast. The benefit to existing share of the project cost reflects that six (6) of the 20 signalizations will address the current backlog of projects.
- **Additions Related to Cycling Master Plan:** The County has identified \$20 million in costs related to works identified in the Cycling Master Plan. Although these additions are adding capacity to the overall transportation network, a deduction of \$5 million has been made to recognize that there is some benefit to the existing community.
- **Glendon Drive:** Upgrades and widenings to this road have been identified at a total capital cost of \$42.35 million. The project has been broken down into various segments. The non-growth component of each sub-project is reflective of the incremental road standard being provided. The total benefit to existing deduction is \$21.17 million. In addition, other deductions in the amount of \$5.30 million has been made to account for the portion of works that would be the local municipality's responsibility. The net-growth related cost to be included in the D.C. calculation for Glendon Drive is \$15.88 million.
- **Provision for Road Assumptions – Upgrades to County Standard:** a capital cost of \$37.50 million has been identified related to upgrading existing roads assumed from local municipalities to a County standard. The benefit to existing share reflects the cost of replacing the existing road, whereas the growth-related share of \$9.65 million reflects the incremental cost of upgrading the roads to the County standard.

In total, the County has identified future capital needs totaling approximately \$109.85 million, of which approximately \$57.02 million is attributable to existing development.



These capital projects include road upgrades/widenings, intersection improvements, traffic signals, and active transportation infrastructure. Other deductions in the amount of \$5.30 million have been made to account for the portion of costs that local municipalities would be responsible for (e.g., water/wastewater mains).

In total, after deducting the benefit to existing development and costs related to the local municipalities, the net D.C. recoverable amount included in the D.C. calculation is approximately \$47.53 million.

These costs are shared between residential and non-residential development based on the population to employment ratio over the forecast period, resulting in a 74% allocation to residential development and 26% allocation to non-residential development.



**Table 4-5**  
**Infrastructure Costs Included in the Development Charges Calculation**  
**Services Related to a Highway**

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2033	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 74%	Non-Residential Share 26%
1	Traffic Signals	2024-2033	10,000,000	-		10,000,000	3,000,000		7,000,000	5,180,000	1,820,000
2	Various Additions Related to Cycling Master Plan	2024-2033	20,000,000	-		20,000,000	5,000,000		15,000,000	11,100,000	3,900,000
3	<b>Glendon Drive</b>										
3a	Highway 402 easterly to west of Komoka Road	2028	12,739,000	-	3,955,000	8,784,000	7,201,000		1,583,000	1,171,420	411,580
3b	East of Komoka Road easterly to Jefferies	2028	23,536,000	-	1,345,000	22,191,000	9,796,000		12,395,000	9,172,300	3,222,700
3c	Jefferies Road easterly to Kilworth Park Drive	2028	3,124,000	-		3,124,000	2,273,000		851,000	629,740	221,260
3d	Kilworth Park Drive easterly to Thames River Bridge	2028	1,498,000	-		1,498,000	1,228,000		270,000	199,800	70,200
3e	Old River Road Intersection Relocation	2028	536,000	-		536,000	439,000		97,000	71,780	25,220
3f	Coldstream Road Including Glendon Intersection	2028	917,000	-		917,000	229,000		688,000	509,120	178,880
4	Provision for Road Assumptions - Upgrades to County Standard	2024-2033	37,500,000	-		37,500,000	27,850,000		9,650,000	7,141,000	2,509,000
	<b>Total</b>		<b>109,850,000</b>	<b>-</b>	<b>5,300,000</b>	<b>104,550,000</b>	<b>57,016,000</b>	<b>-</b>	<b>47,534,000</b>	<b>35,175,160</b>	<b>12,358,840</b>



#### 4.2.1.2 *Services Related to a Highway: Facilities and Fleet (Public Works)*

The County operates its Public Works Division out of seven (7) facilities located in Dorchester, Bryanston, Hyde Park, Melbourne, Parkhill, Glencoe, and Strathroy. The 15-year historical average level of service is approximately 1.80 sq.ft. per capita, which equates to a level of investment of \$632 per capita. This level of service provides the County with a maximum D.C.-eligible amount of approximately \$8.29 million for recovery over the forecast period.

The County currently utilizes 53 vehicles and equipment for services related to a highway. Over the historical 15-year period, the County has provided an average level of service of 0.6 vehicles and equipment per 1,000 population. This level of service translates to an average investment of \$161 per capita. Over the forecast period, the County would be eligible to collect approximately \$2.11 million from D.C.s for vehicles and equipment.

In total, the D.C. eligible amount for public works is \$10.40 million.

Based on the projected growth over the 2024 to 2033 forecast period, the County has identified the following future capital needs and cost estimates:

- Two (2) additional pick-up trucks: \$280,000;
- Two (2) additional plows: \$820,000; and
- Bryanston Facility Expansion: \$2.70 million.

With respect to the Bryanston Facility expansion, approximately \$1.80 million of the costs are related to renovating the existing space, and therefore has been deducted from the calculations as a benefit to existing development. As a result, the net capital cost that has been in the D.C. calculation for recovery for public works is \$2.00 million.

These costs are shared between residential and non-residential development based on the population to employment ratio over the forecast period, resulting in a 74% allocation to residential development and 26% allocation to non-residential development.





**Table 4-2**  
**Infrastructure Costs Included in the Development Charges Calculation**  
**Services Related to a Highway: Facilities and Fleet**

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2033	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 74%	Non-Residential Share 26%
1	Pick-up Trucks (2)	2024-2033	280,000	-		280,000	-		280,000	207,200	72,800
2	Plows (2)	2024-2033	820,000	-		820,000	-		820,000	606,800	213,200
3	Bryanston Facility Expansion	2026-2033	2,700,000	-		2,700,000	1,800,000		900,000	666,000	234,000
	<b>Total</b>		<b>3,800,000</b>	<b>-</b>	<b>-</b>	<b>3,800,000</b>	<b>1,800,000</b>	<b>-</b>	<b>2,000,000</b>	<b>1,480,000</b>	<b>520,000</b>



## **4.2.2 Growth Studies**

As noted in Chapter 1 of this report, Bill 23 (2022) removed growth studies as an eligible capital cost from the D.C. calculation. The Province has proposed to re-introduce studies related to D.C. services as an eligible capital cost through the changes proposed in Bill 185. As a result of the proposed legislative changes, and should the Province implement Bill 185, a D.C. for studies would take effect. If the Province does not go forward with this change, the charge for growth studies will not be imposed as part of the County's D.C. by-law.

Growth studies would be considered a class of service under the D.C.A., and is comprised of studies related to D.C. eligible services. The County has identified the need for the following studies over the next 10 years:

- Transportation Master Plan;
- D.C. Background Study; and
- Official Plan Growth Projections/Allocation Study.

The total capital costs of these studies total \$240,000. A deduction of \$5,000 has been made to recognize the portion of the Official Plan Growth Projections/Allocation study related to non-D.C. eligible services. In addition, a deduction of \$35,000 has been made to identify the benefit to existing development related to the Transportation Master Plan. As a result of these deductions, the net D.C.-recoverable cost to be included in the calculations is \$200,000.

The capital costs for growth studies have been allocated 74% to residential development and 26% to non-residential development based on the incremental growth in population to employment for the 10-year forecast period.



**Table 4-3**  
**Infrastructure Costs Included in the Development Charges Calculation**  
**Class of Service: Growth Studies**

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2024 to 2033	Timing (year)	Service to Which Project Relates	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 74%	Non-Residential Share 26%
1	Transportation Master Plan	2025-2028	Services Related to a Highway	140,000	-		140,000	35,000		105,000	77,700	27,300
2	Development Charges Background Study	2024	All D.C. Eligible Services	50,000	-		50,000	-		50,000	37,000	13,000
3	Official Plan Growth Projections/Allocation Study	2024-2026	All D.C. Eligible Services	50,000	-	5,000	45,000	-		45,000	33,300	11,700
	<b>Total</b>			<b>240,000</b>	<b>-</b>	<b>5,000</b>	<b>235,000</b>	<b>35,000</b>	<b>-</b>	<b>200,000</b>	<b>148,000</b>	<b>52,000</b>



# Chapter 5

## D.C. Calculation



## 5. D.C. Calculation

Table 5-1 calculates the proposed uniform D.C.s to be imposed on anticipated development in the County for County-wide services over the 2024 to 2033 forecast period.

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

The D.C.-eligible costs for each service component were developed in Chapter 4 for all County services and classes of service, based on their proposed capital programs.

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible-D.C. cost calculations set out in Chapter 4 are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units (Appendix A, Schedule 7) to calculate the charges in Table 5-1.

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

Table 5-2 summarizes the gross capital expenditures and sources of revenue for works to be undertaken during the life of the by-law.



Table 5-1  
Middlesex County  
Development Charge Calculation  
County-wide Services and Classes of Services  
2024 to 2033

SERVICE/CLASS	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
1. <u>Services Related to a Highway</u>				
1.1 Roads and Related	35,175,160	12,358,840	5,241	3.49
1.2 Facilities and Fleet (Public Works)	1,480,000	520,000	221	0.15
	36,655,160	12,878,840	5,462	3.64
2. <u>Growth Studies</u>				
2.1 Studies	148,000	52,000	22	0.01
	148,000	52,000	22	0.01
<b>TOTAL</b>	<b>36,803,160</b>	<b>12,930,840</b>	<b>\$5,484</b>	<b>\$3.65</b>
D.C.-Eligible Capital Cost	\$36,803,160	\$12,930,840		
10-Year Gross Population/GFA Growth (sq.ft.)	20,624	3,545,700		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$1,784</b>	<b>\$3.65</b>		
<b><u>By Residential Unit Type</u></b>	<b><u>P.P.U.</u></b>			
Single and Semi-Detached Dwelling	3.073	\$5,484		
Other Multiples	2.356	\$4,204		
Apartments - 2 Bedrooms +	2.126	\$3,794		
Apartments - Bachelor and 1 Bedroom	1.353	\$2,414		
Special Care/Special Dwelling Units	1.100	\$1,963		



**Table 5-2**  
**Middlesex County**  
**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. Services Related to a Highway							
1.1 Roads and Related	109,850,000	5,300,000	57,016,000	0	0	35,175,160	12,358,840
1.2 Facilities and Fleet	3,800,000	0	1,800,000	0	0	1,480,000	520,000
2. Growth Studies							
2.1 Studies	240,000	5,000	35,000	0	0	148,000	52,000
<b>Total Expenditures &amp; Revenues</b>	<b>\$113,890,000</b>	<b>\$5,305,000</b>	<b>\$58,851,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$36,803,160</b>	<b>\$12,930,840</b>



# Chapter 6

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





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

### 6.1 Introduction

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Subsection 5 (1) 9 of the D.C.A. 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 best practices across Ontario; with consideration for the changes to the D.C.A. resulting from Bills 108, 138, 109, 197, 213, and 23. Note, additional changes to the D.C.A. have been proposed through Bill 185. These proposed changes have been noted throughout this section.



## 6.2 D.C. By-law Structure

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It is recommended that:

- A class of service be established for growth studies (if implemented by the Province as an eligible capital cost); and
- the County use a uniform County-wide D.C. calculation for all services and classes of service.

## 6.3 D.C. By-law Rules

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The following subsections set out the recommended rules governing the calculation, payment and collection of D.C.s in accordance with section 6 of the D.C.A.

**It is recommended that the following sections provide the basis for the D.C.s.:**

### **6.3.1 *Payment in any Particular Case***

In accordance with the D.C.A., subsection 2 (2), a D.C. be calculated, payable, and collected where the development requires one or more of the following:

- “(a) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
- (b) the approval of a minor variance under section 45 of the *Planning Act*;
- (c) a conveyance of land to which a by-law passed under subsection 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, 1998*; or
- (g) the issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.”



### **6.3.2 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 amount 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 services related to a highway and growth studies, a 74% residential/26% non-residential attribution has been made based on the population to employment growth over the 2024 to 2033 forecast period;

### **6.3.3 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;

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

### **6.3.4 Exemptions (full or partial)**

- a) Statutory exemptions:



- industrial building additions of up to and including 50% of the existing G.F.A. (defined in O. Reg. 82/98, section 1) of the building; for industrial building additions that exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50% is subject to D.C.s (subsection 4 (3) of the D.C.A.);
- buildings or structures owned by and used for the purposes of any municipality, local board, or Board of Education (section 3);
- may add up to 2 apartments in an existing or new detached, semi-detached, or rowhouse (including in an ancillary structure);
- add one additional unit or 1% of existing units in an existing rental residential building;
- a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario;
- affordable units (proposed by the Province to be in effect as of June 1, 2024),
- attainable units (to be in force at a later date);
- affordable inclusionary zoning units (to be in force at a later date);
- non-profit housing; and
- discount for rental housing units based on bedroom size (i.e. three or more bedrooms – 25% reduction, two bedrooms – 20% reduction, and all others – 15% reduction).

b) Non-statutory exemptions:

- industrial development;
- land, buildings or structures used for a place of worship or for the purpose of a cemetery or burial ground and exempt from taxation under the Assessment Act, R.S.O. 1990, c.A.31, as amended; and
- bona fide non-residential farm buildings.

### **6.3.5 Phasing in**

As required by Bill 23, the calculated D.C. will be phased-in over a five-year period 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.

It is noted that this phase-in is proposed to be removed for all D.C. by-laws that are passed after Bill 185 receives Royal Assent. Should the County's by-law pass after these changes come into effect, no mandatory phase-in will be included in the by-law.

### **6.3.6 Timing of Collection**

The D.C.s for all services and classes are payable upon issuance of a building permit for each dwelling unit, building, or structure, subject to early or late payment agreements entered into by the County and an owner under s. 27 of the D.C.A.

Rental housing and institutional developments will pay D.C.s in 6 equal annual payments commencing at occupancy.

Moreover, the D.C. amount for all developments occurring within two (2) years of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted after January 1, 2020), shall be determined based on the D.C. in effect on the day the applicable Site Plan or Zoning By-law Amendment application was submitted (as a complete application). Note, the Province has proposed to change the rate freeze period from two (2) years to 18 months through Bill 185.

Installment payments and payments determined at the time of Site Plan or Zoning By-law Amendment application are subject to annual interest charges. The maximum interest rate the County can impose is the average prime rate plus 1%.

### **6.3.7 Indexing**

Indexing of the D.C.s shall be implemented on a mandatory basis annually, commencing on January 1, 2025 and every January 1<sup>st</sup> thereafter, in accordance with the Statistics Canada Quarterly, Non-Residential Building Construction Price Index (Table 18-10-0276-02)<sup>1</sup> for the most recent year-over-year period.

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<sup>1</sup> O. Reg. 82/98 referenced "The Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-007" as the index source. Since implementation, Statistics Canada has modified this index and the above-noted index is the most



### **6.3.8 The Applicable Areas**

The charges developed herein provide charges applicable to all development in the County.

## **6.4 Other D.C. By-law Provisions**

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It is recommended that:

### **6.4.1 Categories of Services/Class of Services for Reserve Fund and Credit Purposes**

It is recommended that the County create new reserve funds for: Services Related to a Highway and Growth Studies.

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

### **6.4.2 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.

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

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

### **6.4.4 Area Rating**

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

1. Section 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

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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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municipalities which are to be regulated (note that at this time, no municipalities or services are prescribed by the regulations).

2. Section 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 development charge by-law to reflect different needs for services in different areas.”

In regard to the first item, there are no services or specific municipalities identified in the regulations which must be area rated. The second item requires Council to consider the use of area rating.

It is recommended that all County services be recovered on a uniform, County-wide basis as a result of the following:

1. All County services require that the average 15-year service standard be calculated. This average service standard, multiplied by growth in the County, establishes an upper ceiling on the amount of funds that can be collected from all developing landowners. Section 4 (4) of O. Reg. 82/98 provides that “if a development charge by-law applies to a part of the municipality, the level of service and average level of service cannot exceed that which would be determined if the by-law applied to the whole municipality.” Put in layman terms, the average service standard multiplied by the growth within the specific area would establish an area-specific ceiling which would significantly reduce the total revenue recoverable for the County, hence potentially resulting in D.C. revenue shortfalls and impacts on property taxes.
2. Expanding on item 1, attempting to impose an area charge potentially causes equity issues in transitioning from a County-wide approach to an area-specific approach. For example, if all services were now built (and funded) within Area A (which is 75% built out) and this was funded with some revenues from Areas B and C, moving to an area rating approach would see Area A contribute no funds to the costs of services in Areas B and C. The D.C.s would be lower in Area A (as all services are now funded) and higher in Areas B and C. As well, funding shortfalls may then potentially encourage the municipality to provide less services to Areas B and C due to reduced revenue.



3. Many services that are provided (roads, trails, childcare and early years programs) are not restricted to one specific area and are often used by all residents. For example, childcare and early years programs located in different parts of the County will be used by residents from all areas depending on the programming of the facility.

For the reasons noted above, it is recommended that Council calculate the charges on a uniform County-wide basis for all services/class of service.

## 6.5 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;”

“Establish a class of service for growth studies;”

“Adopt the D.C. approach to calculate the services on a uniform County-wide basis;”

“Approve the capital project listing set out in Chapter 4 of the D.C.s Background Study dated May 13, 2024, subject to further annual review during the capital budget process;”

“Approve the D.C.s Background Study dated May 13, 2024, as amended (if applicable);”

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

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





# Chapter 7

## By-law Implementation



## 7. By-law Implementation

### 7.1 Public Consultation Process

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#### **7.1.1 Introduction**

This chapter addresses the mandatory, formal public consultation process (section 7.1.2), as well as the optional, informal consultation process (section 7.1.3). The latter is designed to seek the co-operation and participation of those involved, in order to produce the most suitable policy. Section 7.2 addresses the anticipated impact of the D.C. on development from a generic viewpoint.

#### **7.1.2 Public Meeting of Council**

Section 12 of the D.C.A. indicates that before passing a D.C. by-law, Council must hold at least one public meeting, giving at least 20 clear days' notice thereof, in accordance with the Regulation. Council must also ensure that the proposed by-law and background report are made available to the public at least two weeks prior to the (first) meeting.

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

If a proposed by-law is changed following such a meeting, Council must determine whether a further meeting (under this section) is necessary (i.e. if the proposed by-law which is proposed for adoption has been changed in any respect, Council should formally consider whether an additional public meeting is required, incorporating this determination as part of the final by-law or associated resolution. It is noted that Council's decision, once made, is final and not subject to review by a Court or the Ontario Land Tribunal (formerly the Local Planning Appeal Tribunal (LPAT) and Ontario Municipal Board (OMB)).

#### **7.1.3 Other Consultation Activity**

There are three broad groupings of the public who are generally the most concerned with County D.C. policy:



1. The first grouping is the residential development community, consisting of land developers and builders, who are typically responsible for generating the majority of the D.C. revenues. Others, such as realtors, are directly impacted by D.C. policy. They are, therefore, potentially interested in all aspects of the charge, particularly the quantum by unit type, projects to be funded by the D.C. and the timing thereof, and County policy with respect to development agreements, D.C. credits, and front-ending requirements.
2. The second public grouping embraces the public at large and includes taxpayer coalition groups and others interested in public policy.
3. The third grouping is the industrial/commercial/institutional development sector, consisting of land developers and major owners or organizations with significant construction plans, such as hotels, entertainment complexes, shopping centres, offices, industrial buildings, and institutions. Also involved are organizations such as Industry Associations, the Chamber of Commerce, the Board of Trade, and the Economic Development Agencies, who are all potentially interested in County D.C. policy. Their primary concern is frequently with the quantum of the charge, G.F.A. exclusions such as basements, mechanical or indoor parking areas, or exemptions and phase-in or capping provisions in order to moderate the impact.

## **7.2 Anticipated Impact of the Charge on Development**

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

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



## 7.3 Implementation Requirements

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### 7.3.1 Introduction

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

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

The sections that follow present an overview the requirements in each case.

### 7.3.2 Notice of Passage

In accordance with section 13 of the D.C.A., when a D.C. by-law is passed, the County Clerk shall give written notice of the passing and of the last day for appealing the by-law (the day that is 40 days after the day it was passed). Such notice must be given no later than 20 days after the day the by-law is passed (i.e. as of the day of newspaper publication or the mailing of the notice).

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

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

### 7.3.3 By-law Pamphlet

In addition to the “notice” information, the County must prepare a “pamphlet” explaining each D.C. by-law in force, setting out:

- a description of the general purpose of the D.C.s;



- the “rules” for determining if a charge is payable in a particular case and for determining the amount of the charge;
- the services to which the D.C.s relate; and
- a description of the general purpose of the Treasurer’s statement and where it may be received by the public.

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

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

### **7.3.4 Appeals**

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

The County is conducting a public consultation process, in order to address the issues that come forward as part of that process, thereby avoiding or reducing the need for an appeal to be made.

### **7.3.5 Complaints**

A person required to pay a D.C., or his agent, may complain to the County Council imposing the charge that:

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

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



### **7.3.6 Credits**

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

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

### **7.3.7 Front-Ending Agreements**

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

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

### **7.3.8 Severance and Subdivision Agreement Conditions**

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

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

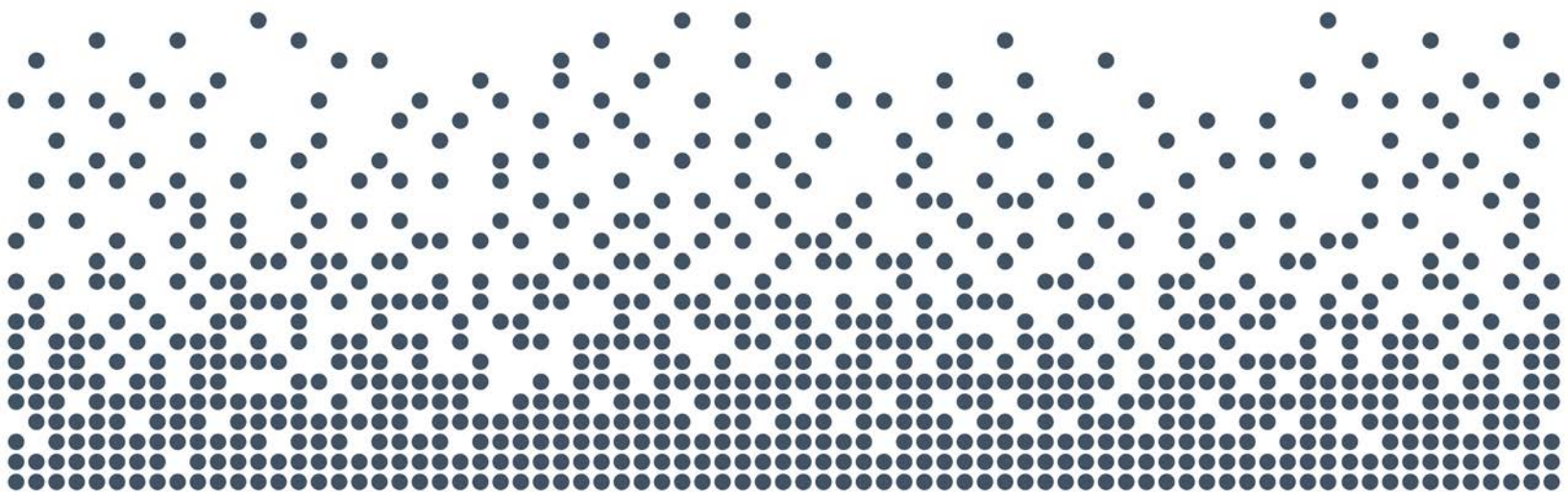


It is also noted that subsection 59 (4) of the D.C.A. requires that the municipal approval authority for a draft plan of subdivision under subsection 51 (31) of the *Planning Act*, use its power to impose conditions to ensure that the first purchaser of newly subdivided land is informed of all the D.C.s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

In this regard, if the County in question is a commenting agency, in order to comply with subsection 59 (4) of the D.C.A. it would need to provide to the approval authority, information regarding the applicable County D.C.s related to the site.

If the County is an approval authority for the purposes of section 51 of the *Planning Act*, it would be responsible to ensure that it collects information from all entities that can impose a D.C.

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



# Appendices





# Appendix A

## Background Information on Residential and Non- Residential Growth Forecast



## Schedule 1 Middlesex County Residential Growth Forecast Summary

	Year	Population (Including Census Undercount) <sup>[1]</sup>	Excluding Census Undercount			Housing Units				Person Per Unit (P.P.U.): Total Population/ Total Households	
			Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi-Detached	Multiple Dwellings <sup>[2]</sup>	Apartments <sup>[3]</sup>	Other		Total Households
Historical	Mid 2011	75,530	73,000	1,395	71,605	23,975	643	1,599	426	26,643	2.740
	Mid 2016	74,190	71,704	1,209	70,495	24,060	780	1,655	405	26,900	2.666
	Mid 2021	80,950	78,239	1,049	77,190	25,880	980	2,150	490	29,500	2.652
Forecast	Mid 2024	84,400	81,570	1,102	80,468	27,116	1,318	2,353	490	31,277	2.608
	Mid 2034	97,980	94,698	1,357	93,341	32,823	2,002	3,024	490	38,339	2.470
Incremental	Mid 2011 - Mid 2016	-1,340	-1,296	-186	-1,110	85	137	56	-21	257	
	Mid 2016 - Mid 2021	6,760	6,535	-160	6,695	1,820	200	495	85	2,600	
	Mid 2021 - Mid 2024	3,450	3,331	53	3,278	1,236	338	203	0	1,777	
	Mid 2024 - Mid 2034	13,580	13,128	255	12,873	5,707	684	671	0	7,062	

[1] Population includes the Census undercount estimated at approximately 3.5% and has been rounded.

[2] Includes townhouses and apartments in duplexes.

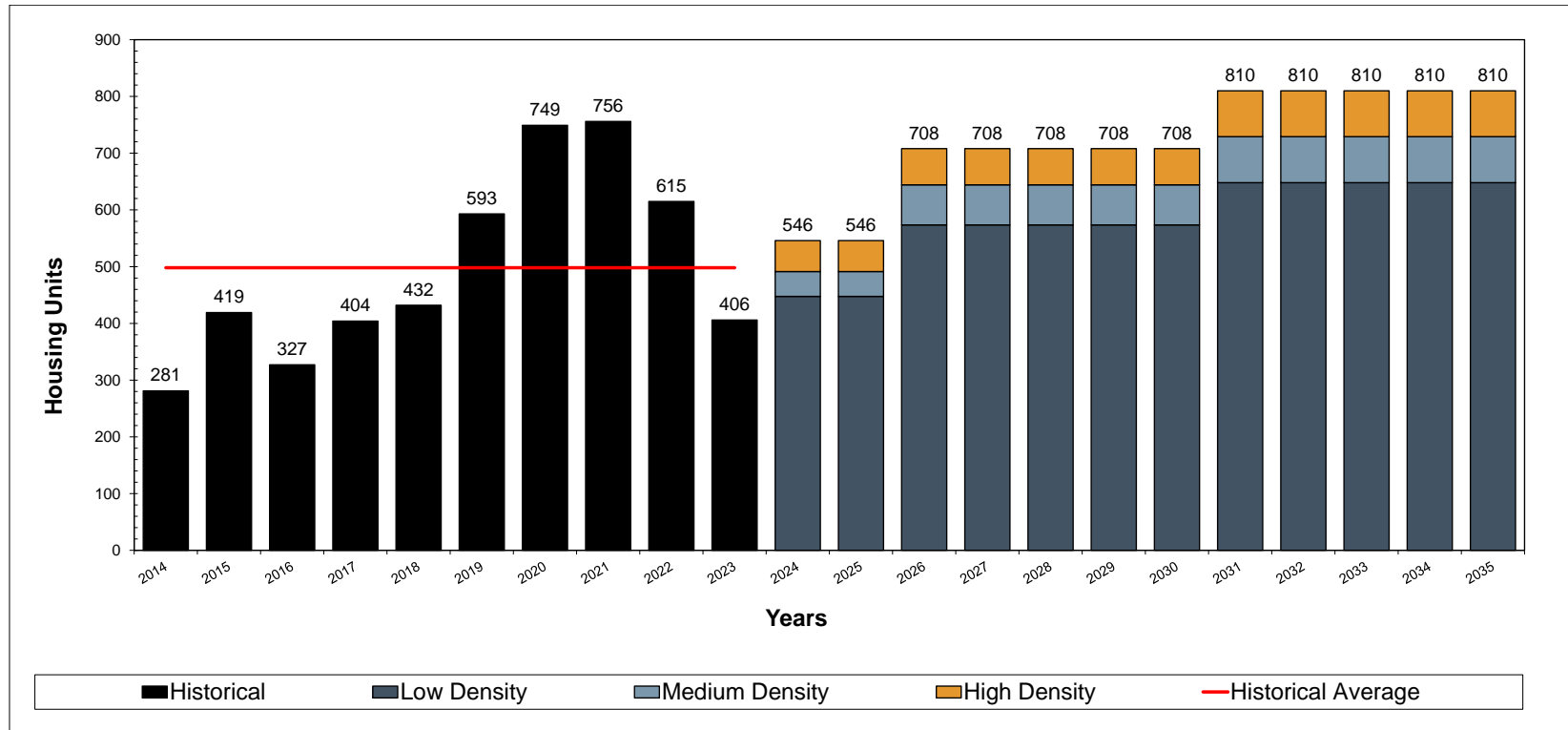
[3] Includes bachelor, 1-bedroom, and 2-bedroom+ apartment units.

Note: Population including the undercount has been rounded.

Source: Derived from Middlesex County Housing Growth Forecast and Allocations by Local Municipality, 2020, by Watson & Associates Economists Ltd.



Figure A-1  
Middlesex County  
Annual Housing Forecast <sup>[1]</sup>



<sup>[1]</sup> Growth forecast represents calendar year.

Source: Historical housing activity derived from Statistics Canada building permit data for Middlesex County, 2014-2018, and building permit data provided by Middlesex County staff, 2019 to 2023, by Watson & Associates Economists Ltd.



Schedule 2  
Middlesex County  
Current Year Growth Forecast  
Mid 2021 to Mid 2024

		Population	
Mid 2021 Population		78,239	
Occupants of New Housing Units, Mid 2021 to Mid 2024	<i>Units (2)</i>	1,777	
	<i>multiplied by P.P.U. (3)</i>	2,742	
	<i>gross population increase</i>	4,872	4,872
Occupants of New Equivalent Institutional Units, Mid 2021 to Mid 2024	<i>Units</i>	48	
	<i>multiplied by P.P.U. (3)</i>	1,100	
	<i>gross population increase</i>	52	52
Decline in Housing Unit Occupancy, Mid 2021 to Mid 2024	<i>Units (4)</i>	29,500	
	<i>multiplied by P.P.U. decline rate (5)</i>	-0.054	
	<i>total decline in population</i>	-1,593	-1,593
Population Estimate to Mid 2024		81,570	
<i>Net Population Increase, Mid 2021 to Mid 2024</i>		3,331	

- (1) 2021 population based on Statistics Canada Census unadjusted for Census undercount.
- (2) Estimated residential units constructed, Mid-2021 to the beginning of the growth period assuming a six-month lag between construction and occupancy.
- (3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit <sup>1</sup> (P.P.U.)	% Distribution of Estimated Units <sup>2</sup>	Weighted Persons Per Unit Average
<i>Singles &amp; Semi Detached</i>	2.941	70%	2.046
<i>Multiples (6)</i>	2.521	19%	0.480
<i>Apartments (7)</i>	1.895	11%	0.217
<b>Total</b>		100%	2.742

<sup>[1]</sup> Based on 2021 Census custom database

<sup>[2]</sup> Based on Building permit/completion activity

- (4) 2021 households taken from Statistics Canada Census.
- (5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.
- (6) Includes townhouses and apartments in duplexes.
- (7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



**Schedule 3  
Middlesex County  
Ten Year Growth Forecast  
Mid 2024 to Mid 2034**

		Population
<b>Mid 2024 Population</b>		<b>81,570</b>
Occupants of New Housing Units, Mid 2024 to Mid 2034	<i>Units (2)</i>	7,062
	<i>multiplied by P.P.U. (3)</i>	2,884
	<i>gross population increase</i>	20,369
Occupants of New Equivalent Institutional Units, Mid 2024 to Mid 2034	<i>Units</i>	232
	<i>multiplied by P.P.U. (3)</i>	1,100
	<i>gross population increase</i>	255
Decline in Housing Unit Occupancy, Mid 2024 to Mid 2034	<i>Units (4)</i>	31,277
	<i>multiplied by P.P.U. decline rate (5)</i>	-0.240
	<i>total decline in population</i>	-7,496
<b>Population Estimate to Mid 2034</b>		<b>94,698</b>
<i>Net Population Increase, Mid 2024 to Mid 2034</i>		<i>13,128</i>

(1) Mid 2024 Population based on:

2021 Population (78,239) + Mid 2021 to Mid 2024 estimated housing units to beginning of forecast period (1,777 x 2.742 = 4,872) + (48 x 1.1 = 52) + (29,500 x -0.054 = -1,593) = 81,570

(2) Based upon forecast building permits/completions assuming a lag between construction and occupancy.

(3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit <sup>1</sup> (P.P.U.)	% Distribution of Estimated Units <sup>2</sup>	Weighted Persons Per Unit Average
<i>Singles &amp; Semi Detached</i>	3.073	81%	2.483
<i>Multiples (6)</i>	2.356	10%	0.228
<i>Apartments (7)</i>	1.822	9%	0.173
<i>one bedroom or less</i>	1.353		
<i>two bedrooms or more</i>	2.126		
<b>Total</b>		100%	2.884

<sup>[1]</sup> Persons per unit based on adjusted Statistics Canada Custom 2021 Census database.

<sup>[2]</sup> Forecast unit mix based upon historical trends and housing units in the development process.

(4) Mid 2024 households based upon 2021 Census (29,500 units) + Mid 2021 to Mid 2024 unit estimate (1,777 units) = 31,277 units.

(5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.

(6) Includes townhouses and apartments in duplexes.

(7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



Schedule 4  
Middlesex County  
Historical Residential Building Permits  
Years 2014 to 2023

Year	Residential Building Permits			
	Singles & Semi Detached	Multiples <sup>[1]</sup>	Apartments <sup>[2]</sup>	Total
2014	252	15	14	281
2015	289	6	124	419
2016	306	10	11	327
2017	373	0	31	404
2018	361	67	4	432
Sub-total	1,581	98	184	1,863
<b>Average (2014 - 2018)</b>	<b>316</b>	<b>20</b>	<b>37</b>	<b>373</b>
% Breakdown	84.9%	5.3%	9.9%	100.0%
2019	453	102	38	593
2020	629	97	23	749
2021	657	71	28	756
2022	365	75	175	615
2023	214	192	0	406
Sub-total	2,318	537	264	3,119
<b>Average (2019 - 2023)</b>	<b>464</b>	<b>107</b>	<b>53</b>	<b>624</b>
% Breakdown	74.3%	17.2%	8.5%	100.0%
2014 - 2023				
Total	3,899	635	448	4,982
<b>Average</b>	<b>390</b>	<b>64</b>	<b>45</b>	<b>498</b>
% Breakdown	78.3%	12.7%	9.0%	100.0%

[1] Includes townhouses and apartments in duplexes.

[2] Includes bachelor, 1-bedroom, and 2-bedroom+ apartment units.

Source: Historical housing activity derived from Statistics Canada building permit data for Middlesex County, 2014-2018, and building permit data provided by Middlesex County staff, 2019 to 2023, by Watson & Associates Economists Ltd.



Schedule 5a  
Middlesex County  
Person Per Unit by Age and Type of Dwelling  
(2021 Census)

Age of Dwelling	Singles and Semi-Detached						15 Year Average	15 Year Average Adjusted <sup>[1]</sup>
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	1.429	2.100	2.966	3.864	2.941		
6-10	-	2.000	1.818	3.049	4.158	3.058		
11-15	-	2.000	2.176	3.044	4.027	3.115		
16-20	-	1.500	1.920	2.975	4.061	2.993		
20-25	-	1.333	2.313	2.980	3.745	3.024	3.038	3.073
25-35	-	1.111	1.667	2.914	4.115	2.876		
35+	-	1.633	1.846	2.655	3.777	2.615		
<b>Total</b>	-	<b>1.565</b>	<b>1.896</b>	<b>2.776</b>	<b>3.870</b>	<b>2.755</b>		

Age of Dwelling	All Density Types					
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total
1-5	1.684	1.434	1.998	3.124	4.204	2.684
6-10	-	1.342	1.929	3.117	4.215	2.755
11-15	-	1.387	1.983	3.056	4.360	2.786
16-20	1.923	1.389	2.008	3.057	4.122	2.769
20-25	-	1.419	2.048	2.911	3.799	2.594
25-35	2.100	1.378	1.976	2.826	3.651	2.476
35+	1.377	1.255	1.897	2.641	3.593	2.282
<b>Total</b>	<b>1.579</b>	<b>1.295</b>	<b>1.928</b>	<b>2.776</b>	<b>3.819</b>	<b>2.417</b>

[1] Adjusted based on historical trends.

[2] Includes townhomes and apartments in duplexes.

[3] Includes bachelor, 1-bedroom, and 2-bedroom+ apartments.

Note: Does not include Statistics Canada data classified as "Other." Single and Semi-Detached P.P.U.s are calculated for Middlesex County, which excludes the City of London.

P.P.U. Not calculated for samples less than or equal to 50 dwelling units and does not include institutional population.



Schedule 5b  
Middlesex County Census Division  
Person Per Unit by Age and Type of Dwelling  
(2021 Census)

Age of Dwelling	Multiples <sup>[1]</sup>						15 Year Average	15 Year Average Adjusted <sup>[3]</sup>
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	1.507	1.986	2.849	4.400	2.521		
6-10	-	1.167	1.821	2.415	-	2.285		
11-15	-	-	1.770	2.379	-	2.200	2.335	2.356
16-20	-	1.455	1.811	2.543	3.375	2.325		
20-25	-	-	1.734	2.550	-	2.259		
25-35	-	-	1.991	2.634	-	2.488		
35+	-	1.239	1.900	2.797	3.081	2.462		
<b>Total</b>	<b>2.650</b>	<b>1.309</b>	<b>1.886</b>	<b>2.714</b>	<b>3.306</b>	<b>2.428</b>		

Age of Dwelling	Apartments <sup>[2]</sup>						15 Year Average	15 Year Average Adjusted <sup>[3]</sup>
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	1.405	1.954	2.854	-	1.895		
6-10	-	1.330	1.967	2.792	-	1.780		
11-15	-	1.363	2.000	2.957	-	1.796	1.824	1.822
16-20	-	1.350	2.101	3.393	-	1.919		
20-25	-	1.435	2.145	3.400	-	1.940		
25-35	1.909	1.365	1.995	2.943	-	1.816		
35+	1.136	1.238	1.940	2.621	2.263	1.640		
<b>Total</b>	<b>1.266</b>	<b>1.277</b>	<b>1.970</b>	<b>2.764</b>	<b>2.333</b>	<b>1.711</b>		

Age of Dwelling	All Density Types					
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total
1-5	1.684	1.434	1.998	3.124	4.204	2.684
6-10	-	1.342	1.929	3.117	4.215	2.755
11-15	-	1.387	1.983	3.056	4.360	2.786
16-20	1.923	1.389	2.008	3.057	4.122	2.769
20-25	-	1.419	2.048	2.911	3.799	2.594
25-35	2.100	1.378	1.976	2.826	3.651	2.476
35+	1.377	1.255	1.897	2.641	3.593	2.282
<b>Total</b>	<b>1.579</b>	<b>1.295</b>	<b>1.928</b>	<b>2.776</b>	<b>3.819</b>	<b>2.417</b>

[1] Includes townhomes and apartments in duplexes.

[2] Includes bachelor, 1-bedroom, and 2-bedroom+ apartments.

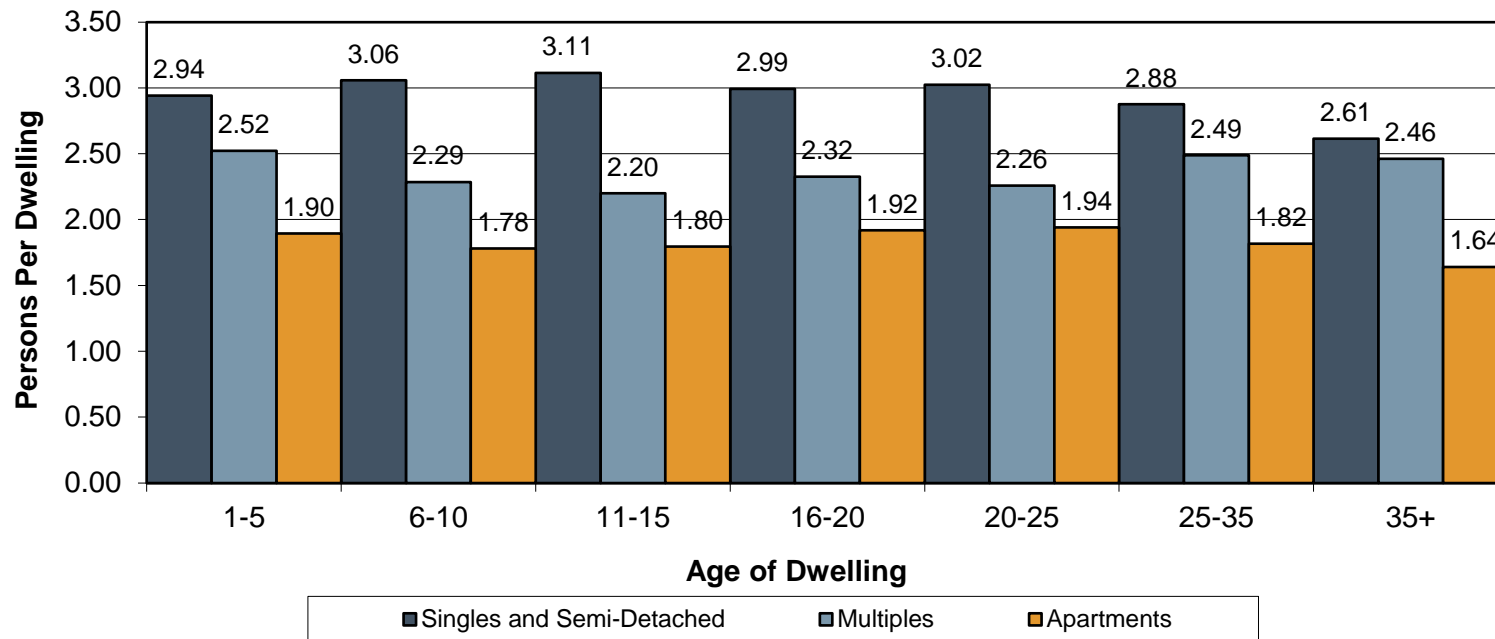
[3] Adjusted based on historical trends.

Note: Does not include Statistics Canada data classified as "Other." Multiple and Apartment P.P.U.s based on Middlesex County Census Division, which includes the City of London. P.P.U. Not calculated for samples less than or equal to 50 dwelling units and does not include institutional population.





Schedule 6  
Middlesex County  
Person Per Unit Structural Type and Age of Dwelling  
(2021 Census)



Multiples and Apartment unit P.P.U.s derived from Middlesex County, which includes the City of London.



Schedule 7a  
Middlesex County  
Employment Forecast, 2024 to 2034

Period	Population	Activity Rate								Employment								Employment Total (Excluding Work at Home and N.F.P.O.W.)
		Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. <sup>[1]</sup>	Total Including N.F.P.O.W.	Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. <sup>[1]</sup>	Total Employment (Including N.F.P.O.W.)	
Mid 2011	73,000	0.017	0.063	0.076	0.079	0.060	0.294	0.023	0.317	1,210	4,565	5,545	5,770	4,380	21,470	1,657	23,127	16,905
Mid 2016	71,704	0.023	0.061	0.088	0.089	0.061	0.322	0.044	0.366	1,660	4,355	6,328	6,363	4,360	23,065	3,157	26,222	18,710
Mid 2024	81,570	0.021	0.062	0.088	0.097	0.067	0.335	0.053	0.388	1,745	5,068	7,211	7,904	5,430	27,357	4,289	31,646	22,289
Mid 2034	94,698	0.019	0.064	0.090	0.105	0.071	0.350	0.055	0.404	1,837	6,099	8,542	9,896	6,761	33,135	5,161	38,296	27,036
Incremental Change																		
Mid 2011 - Mid 2016	-1,296	0.007	-0.002	0.012	0.010	0.001	0.028	0.021	0.049	450	-210	783	593	-20	1,595	1,500	3,095	1,805
Mid 2016 - Mid 2024	9,866	-0.002	0.001	0.000	0.008	0.006	0.014	0.009	0.022	85	713	883	1,541	1,070	4,292	1,132	5,424	3,579
Mid 2024 - Mid 2034	13,128	-0.002	0.002	0.002	0.008	0.005	0.015	0.002	0.016	92	1,031	1,332	1,993	1,331	5,778	872	6,650	4,747
Annual Average																		
Mid 2006 - Mid 2011	612	0.003	-0.002	-0.005	-0.001	0.007	0.003	-0.002	0.000	199	-80	-269	5	509	364	-157	207	444
Mid 2011 - Mid 2016	-259	0.001	0.000	0.002	0.002	0.000	0.006	0.004	0.010	90	-42	157	119	-4	319	300	619	361
Mid 2016 - Mid 2024	1,233	0.000	0.000	0.000	0.001	0.001	0.002	0.001	0.003	11	89	110	193	134	537	142	678	447
Mid 2024 - Mid 2034	1,313	0.000	0.000	0.000	0.001	0.000	0.001	0.000	0.002	9	103	133	199	133	578	87	665	475

<sup>[1]</sup> Statistics Canada defines no fixed place of work (N.F.P.O.W.) employees as "persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc."

Note: Statistics Canada 2021 Census place of work employment data has been reviewed. The 2021 Census employment results have not been utilized due to a significant increase in work at home employment captured due to Census enumeration occurring during the provincial COVID-19 lockdown from April 1, 2021 to June 14, 2021.

Source: Historical 2011 to 2016 data derived from Statistics Canada Place of Work data, forecast prepared by Watson & Associates Economists Ltd.



Schedule 7b  
Middlesex County  
Employment and Gross Floor Area (G.F.A.) Forecast, 2024 to 2034

Period	Population	Employment					Gross Floor Area in Square Feet (Estimated) <sup>[1]</sup>				
		Primary	Industrial	Commercial/ Population Related	Institutional <sup>[3]</sup>	Total	Primary - Non- Bona Fide Farming <sup>[2]</sup>	Industrial	Commercial/ Population Related	Institutional <sup>[3]</sup>	Total
Mid 2011	73,000	1,210	5,545	5,770	4,380	16,905					
Mid 2016	71,704	1,660	6,328	6,363	4,360	18,710					
Mid 2024	81,570	1,745	7,211	7,904	5,430	22,289					
Mid 2034	94,698	1,837	8,542	9,896	6,642	26,917					
<b>Incremental Change</b>											
Mid 2006 - Mid 2011	3,062	995	-1,345	25	2,545	2,220					
Mid 2011 - Mid 2016	-1,296	450	783	593	-20	1,805					
Mid 2016 - Mid 2024	9,866	85	883	1,541	1,070	3,579					
Mid 2024 - Mid 2034	13,128	92	1,332	1,993	1,212	4,628	276,000	1,464,600	1,016,200	788,900	3,545,700
<b>Annual Average</b>											
Mid 2006 - Mid 2011	612	199	-269	5	509	444					
Mid 2011 - Mid 2016	-259	90	157	119	-4	361					
Mid 2016 - Mid 2024	1,233	11	110	193	134	447					
Mid 2024 - Mid 2034	1,313	9	133	199	121	463	27,600	146,460	101,620	78,890	354,570

<sup>[1]</sup> Square Feet Per Employee Assumptions

Primary - Non-Bona Fide Farming	3,000
Industrial	1,300
Commercial/Population-Related	510
Institutional	650

<sup>[2]</sup> Primary industry includes bona-fide, non bona-fide farming and cannabis growing operation related employment.

<sup>[3]</sup> Forecast institutional employment and gross floor area has been adjusted downwardly to account for employment associated with special care units.

Note: Numbers may not add up precisely due to rounding.

Source: Watson & Associates Economists Ltd.



# Appendix B

## Level of Service



# Appendix B: Level of Service

SUMMARY OF SERVICE STANDARDS AS PER DEVELOPMENT CHARGES ACT, 1997, AS AMENDED							
Service Category	Sub-Component	15 Year Average Service Standard					Maximum Ceiling LOS
		Cost (per capita)	Quantity (per capita)		Quality (per capita)		
Service Related to a Highway	Roads	\$19,493.47	0.0112	km of roadways	1,740,488	per km	255,910,274
	Bridges, Culverts & Structures	\$7,002.73	0.0033	Number of Bridges, Culverts & Structures	2,122,039	per item	91,931,839
	Traffic Signals & Streetlights	\$219.93	0.0004	No. of Traffic Signals	549,825	per signal	2,887,241
	Facilities	\$631.56	1.8042	sq.ft. of building area	350	per sq.ft.	8,291,120
	Vehicles & Equipment	\$160.70	0.0006	No. of vehicles and equipment	267,833	per vehicle	2,109,670



**Middlesex County  
Service Standard Calculation Sheet**

Service: Services Related to a Highway - Roads  
Unit Measure: km of roadways

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/km)
Urban	58.07	58.07	58.07	58.07	64.41	64.41	64.84	64.84	64.84	64.84	64.84	65.03	65.03	65.03	65.03	\$2,390,000
Rural	758.11	766.44	766.44	766.44	766.44	766.44	770.15	770.15	770.15	770.15	770.15	795.85	795.85	795.85	795.85	\$1,690,000
<b>Total</b>	<b>816.18</b>	<b>824.52</b>	<b>824.52</b>	<b>824.52</b>	<b>830.86</b>	<b>830.86</b>	<b>835.00</b>	<b>835.00</b>	<b>835.00</b>	<b>835.00</b>	<b>835.00</b>	<b>860.88</b>	<b>860.88</b>	<b>860.88</b>	<b>860.88</b>	

Population	71,788	72,474	73,000	69,157	69,840	70,694	71,808	71,704	75,653	79,210	82,122	79,927	78,239	79,970	81,035
Per Capita Standard	0.0114	0.0114	0.0113	0.0119	0.0119	0.0118	0.0116	0.0116	0.0110	0.0105	0.0102	0.0108	0.0110	0.0108	0.0106

15 Year Average	2009 to 2023
Quantity Standard	0.0112
Quality Standard	\$1,740,488
Service Standard	\$19,493

D.C. Amount (before deductions)	10 Year
Forecast Population	13,127
\$ per Capita	\$19,493
Eligible Amount	\$255,890,781



**Middlesex County  
Service Standard Calculation Sheet**

Service: Services Related to a Highway - Bridges, Culverts & Structures  
Unit Measure: Number of Bridges, Culverts & Structures

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/item)
Bridges	122	122	122	122	122	122	122	122	122	122	122	122	122	122	122	\$3,360,000
Culverts	127	127	127	127	127	127	127	127	127	127	127	127	127	127	127	\$900,000
<b>Total</b>	<b>249</b>	<b>249</b>	<b>249</b>	<b>249</b>	<b>249</b>	<b>249</b>	<b>249</b>	<b>249</b>	<b>249</b>	<b>249</b>	<b>249</b>	<b>249</b>	<b>249</b>	<b>249</b>	<b>249</b>	

Population	71,788	72,474	73,000	69,157	69,840	70,694	71,808	71,704	75,653	79,210	82,122	79,927	78,239	79,970	81,035
Per Capita Standard	0.0035	0.0034	0.0034	0.0036	0.0036	0.0035	0.0035	0.0035	0.0033	0.0031	0.0030	0.0031	0.0032	0.0031	0.0031

15 Year Average	2009 to 2023
Quantity Standard	0.0033
Quality Standard	\$2,122,039
Service Standard	\$7,003

D.C. Amount (before deductions)	10 Year
Forecast Population	13,127
\$ per Capita	\$7,003
Eligible Amount	\$91,924,837



**Middlesex County  
Service Standard Calculation Sheet**

Service: Services Related to a Highway - Traffic Signals & Streetlights  
 Unit Measure: No. of Traffic Signals

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/item)
Intersection Traffic Signals	29	29	30	30	31	32	33	33	33	34	34	35	37	37	39	\$500,000
<b>Total</b>	<b>29</b>	<b>29</b>	<b>30</b>	<b>30</b>	<b>31</b>	<b>32</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>34</b>	<b>34</b>	<b>35</b>	<b>37</b>	<b>37</b>	<b>39</b>	

Population	71,788	72,474	73,000	69,157	69,840	70,694	71,808	71,704	75,653	79,210	82,122	79,927	78,239	79,970	81,035
Per Capita Standard	0.0004	0.0004	0.0004	0.0004	0.0004	0.0005	0.0005	0.0005	0.0004	0.0004	0.0004	0.0004	0.0005	0.0005	0.0005

15 Year Average	2009 to 2023
Quantity Standard	0.0004
Quality Standard	\$549,825
Service Standard	\$220

D.C. Amount (before deductions)	10 Year
Forecast Population	13,127
\$ per Capita	\$220
Eligible Amount	\$2,887,021





**Middlesex County  
Service Standard Calculation Sheet**

Class of Service: Services Related to a Highway - Facilities  
Unit Measure: sq.ft. of building area

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Bld'g Value (\$/sq.ft.)	Value/sq.ft. with land, site works, etc.	
<b>Dorchester - 580 Shaw Road North</b>																		
Equipment Depot	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	\$425	\$476
Salt/Sand Dome	10,764	10,764	10,764	10,764	10,764	10,764	10,764	10,764	10,764	10,764	10,764	10,764	10,764	10,764	10,764	10,764	\$200	\$228
Storage Shed	646	646	646	646	646	646	646	646	646	646	646	646	646	646	646	646	\$50	\$62
<b>Bryanston - 15294 Plovers Road</b>																		
Equipment Depot	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	\$425	\$476
Salt Shed	861	861	861	861	861	861	861	861	861	861	861	861	861	861	861	861	\$50	\$62
Salt/Sand Dome	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274	\$200	\$228
<b>Hyde Park - 1988 Gainsborough Road</b>																		
Roads Administration Depot	29,774	29,774	29,774	29,774	29,774	29,774	29,774	29,774	29,774	29,774	29,774	29,774	29,774	29,774	29,774	29,774	\$425	\$476
Communication Tower*	-	-	-	-	-	-	-	-	-	-	1	1	1	1	1	1		\$656,000
Salt/Sand Dome	7,535	7,535	7,535	7,535	7,535	7,535	7,535	7,535	7,535	7,535	7,535	7,535	7,535	7,535	7,535	7,535	\$200	\$228
Salt Shed	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	\$50	\$62
Storage Shed	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	\$50	\$62
<b>Melbourne - 22681 Melbourne Road</b>																		
Equipment Depot	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	\$425	\$476
Storage Garage	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	\$50	\$62
Salt/Sand Dome	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	\$200	\$228
Storage Shed	689	689	689	689	689	689	689	689	689	689	689	689	689	689	689	689	\$50	\$62
<b>Parkhill - 1754 Elginfield Road, Rr #2</b>																		
Equipment Depot	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	9,257	\$425	\$476
Salt/Sand Dome	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	9,688	\$200	\$228
Equipment Depot	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	\$425	\$476
Salt Shed	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658	\$50	\$62
<b>Glencoe - 21906 Simpson Road</b>																		
Salt/Sand Dome	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	10,226	\$200	\$228
Storage Shed	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	\$50	\$62
Equipment Depot	4,198	4,198	4,198	4,198	4,198	4,198	4,198	4,198	4,198	4,198	4,198	4,198	4,198	4,198	4,198	4,198	\$425	\$476
<b>Strathroy - 3550 Egremont Drive</b>																		
Salt/Sand Dome	-	-	-	-	-	-	-	-	-	-	-	-	-	5,382	5,382	5,382	\$200	\$228
Equipment Depot	-	-	-	-	-	-	-	-	-	-	-	-	5,382	5,382	5,382	5,382	\$425	\$476
<b>Total</b>	<b>132,042</b>	<b>132,042</b>	<b>132,042</b>	<b>132,042</b>	<b>132,042</b>	<b>132,042</b>	<b>132,042</b>	<b>132,042</b>	<b>132,042</b>	<b>132,042</b>	<b>132,043</b>	<b>132,043</b>	<b>142,807</b>	<b>142,807</b>	<b>145,406</b>	<b>145,406</b>		

\*Replacement value based on total cost to replace tower

Population	71,788	72,474	73,000	69,157	69,840	70,694	71,808	71,704	75,653	79,210	82,122	79,927	78,239	79,970	81,035
Per Capita Standard	1.8393	1.8219	1.8088	1.9093	1.8906	1.8678	1.8388	1.8415	1.7454	1.6670	1.6079	1.7867	1.8253	1.8183	1.7944

15 Year Average	2009 to 2023
Quantity Standard	1.8042
Quality Standard	\$350
Service Standard	\$632

D.C. Amount (before deductions)	10 Year
Forecast Population	13,128
\$ per Capita	\$632
Eligible Amount	\$8,291,120



**Middlesex County  
Service Standard Calculation Sheet**

Class of Service: Services Related to a Highway - Vehicles & Equipment  
 Unit Measure: No. of vehicles and equipment

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Value (\$/Vehicle)
1/2 Ton Pick Up	8	8	8	8	8	2	2	2	2	2	2	8	8	8	6	\$70,000
1/2 Ton Pick Up Crew Cab	-	-	-	-	-	1	1	1	1	1	1	2	2	2	4	\$75,000
3/4 Ton Pick Up	4	4	4	4	4	10	10	10	10	10	10	6	6	6	8	\$85,000
3/4 Ton Pick Up Crew Cab	4	4	4	4	4	4	4	4	4	4	4	5	5	5	5	\$90,000
Tandem Plow	11	11	11	11	11	11	11	11	11	11	11	11	11	11	13	\$410,000
Tandem Plow Flat Bed	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$490,000
Triaxle Plow	12	12	12	12	12	9	9	9	9	9	9	10	10	10	11	\$440,000
Tandem w/ 5th wheel	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$100,000
Vactor Vac Truck	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$490,000
Vac-Con Combo Truck	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$100,000
Highway Marker Truck	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$250,000
Survey Van	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$40,000
<b>Total</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>48</b>	<b>48</b>	<b>48</b>	<b>53</b>	

Population	71,788	72,474	73,000	69,157	69,840	70,694	71,808	71,704	75,653	79,210	82,122	79,927	78,239	79,970	81,035
Per Capita Standard	0.0006	0.0006	0.0006	0.0007	0.0006	0.0006	0.0006	0.0006	0.0006	0.0005	0.0005	0.0006	0.0006	0.0006	0.0007

15 Year Average	2009 to 2023
Quantity Standard	0.0006
Quality Standard	\$267,833
Service Standard	\$161

D.C. Amount (before deductions)	10 Year
Forecast Population	13,128
\$ per Capita	\$161
Eligible Amount	\$2,109,670



# Appendix C

## Long-Term Capital and Operating Cost Examination



# Appendix C: Long-Term Capital and Operating Cost Examination

## Middlesex County Annual Capital and Operating Cost Impact

As a requirement of the *Development Charges Act, 1997*, as amended, under subsection 10 (2) (c), an analysis must be undertaken to assess the long-term capital and operating cost impacts for the capital infrastructure projects identified within the development charge. As part of this analysis, it was deemed necessary to isolate the incremental operating expenditures directly associated with these capital projects, factor in cost savings attributable to economies of scale or cost sharing where applicable and prorate the cost on a per unit basis (i.e. sq.ft. of building space, per vehicle, etc.). This was undertaken through a review of the County's approved 2022 Financial Information Return (F.I.R.).

In addition to the operational impacts, over time the initial capital projects will require replacement. This replacement of capital is often referred to as lifecycle cost. By definition, lifecycle costs are all the costs which are incurred during the life of a physical asset, from the time its acquisition is first considered, to the time it is taken out of service for disposal or redeployment. The method selected for lifecycle costing is the sinking fund method which provides that money will be contributed annually and invested, so that those funds will grow over time to equal the amount required for future replacement. The following factors were utilized to calculate the annual replacement cost of the capital projects (annual contribution = factor X capital asset cost) and are based on an annual growth rate of 2% (net of inflation) over the average useful life of the asset:



Table C-1  
Middlesex County  
Lifecycle Cost Factors and Average Useful Lives

Asset	Lifecycle Cost Factors	
	Average Useful Life	Factor
Facilities	50	0.011823
Roads	25	0.031220
Vehicles	10	0.091327

Table C-2 depicts the annual operating impact resulting from the proposed gross capital projects at the time they are all in place. It is important to note that, while County program expenditures will increase with growth in population, the costs associated with the new infrastructure (i.e. facilities) would be delayed until the time these works are in place.



Table C-2  
Middlesex County  
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. Services Related to a Highway</b>				
1.1 Roads and Related	52,834,000	2,706,185	2,027,696	4,733,881
<b>2. Public Works (Facilities and Fleet)</b>				
2.1 Facilities and Fleet	2,000,000	151,100	848,004	999,104
<b>3. Growth Studies</b>				
3.1 Studies	205,000	-	-	-
<b>Total</b>	<b>54,834,000</b>	<b>2,857,285</b>	<b>2,875,701</b>	<b>5,732,986</b>



# Appendix D

## D.C. Reserve Fund Policy



# Appendix D: D.C. Reserve Fund Policy

## D.1 Legislative Requirements

The *Development Charges Act, 1997*, as amended (D.C.A.) requires development charge (D.C.) collections (and associated interest) to be placed in separate reserve funds. Sections 33 through 36 of the D.C.A. provide the following regarding reserve fund establishment and use:

- A municipality shall establish a reserve fund for each service to which the D.C. by-law relates; subsection 7 (1), however, allows services to be grouped into categories of services for reserve fund (and credit) purposes and for classes of services to be established.
- The municipality shall pay each D.C. it collects into a reserve fund or funds to which the charge relates.
- The money in a reserve fund shall be spent only for the “capital costs” determined through the legislated calculation process (as per subsection 5 (1) 2 to 8).
- Money may be borrowed from the fund but must be paid back with interest (O. Reg. 82/98, subsection 11 (1) defines this as Bank of Canada rate either on the day the by-law comes into force or, if specified in the by-law, the first business day of each quarter).
- D.C. reserve funds may not be consolidated with other municipal reserve funds for investment purposes and may only be used as an interim financing source for capital undertakings for which D.C.s may be spent (section 37).

Annually, the Treasurer of the municipality is required to provide Council with a financial statement related to the D.C. by-law(s) and reserve funds. This statement must be made available to the public and may be requested to be forwarded to the Minister of Municipal Affairs and Housing.

Subsection 43 (2) and O. Reg. 82/98 prescribe the information that must be included in the Treasurer’s statement, as follows:

- opening balance;
- closing balance;





- description of each service and/or service category for which the reserve fund was established (including a list of services within a service category);
- transactions for the year (e.g. collections, draws) including each asset's capital costs to be funded from the D.C. reserve fund and the manner for funding the capital costs not funded under the D.C. by-law (i.e. non-D.C. recoverable cost share and post-period D.C. recoverable cost share);
- for projects financed by D.C.s, the amount spent on the project from the D.C. reserve fund and the amount and source of any other monies spent on the project;
- amounts borrowed, purpose of the borrowing, and interest accrued during previous year;
- amount and source of money used by the municipality to repay municipal obligations to the D.C. reserve fund;
- list of credits by service or service category (outstanding at the beginning of the year, given in the year, and outstanding at the end of the year by the holder);
- for credits granted under section 14 of the previous D.C.A., a schedule identifying the value of credits recognized by the municipality, the service to which it applies and the source of funding used to finance the credit; and
- a statement as to compliance with subsection 59 (1) of the D.C.A., whereby the municipality shall not impose, directly or indirectly, a charge related to a development or a requirement to construct a service related to development, except as permitted by the D.C.A. or another Act.

Recent changes arising from Bill 109 (More Homes for Everyone Act, 2022) provide that the Council shall make the statement available to the public by posting the statement on the website or, if there is no such website, in the municipal office. In addition, Bill 109 introduced the following requirements which shall be included in the treasurer's statement.

- For each service for which a development charge is collected during the year:
  - whether, as of the end of the year, the municipality expects to incur the amount of capital costs that were estimated, in the relevant development charge background study, to be incurred during the term of the applicable development charge by-law, and
  - if the answer to subparagraph i is no, the amount the municipality now expects to incur and a statement as to why this amount is expected.



- For any service for which a development charge was collected during the year but in respect of which no money from a reserve fund was spent during the year, a statement as to why there was no spending during the year.

Additionally, as per subsection 35(3) of the D.C.A.:

*35(3) If a service is prescribed for the purposes of this subsection, beginning in the first calendar year that commences after the service is prescribed and in each calendar year thereafter, a municipality shall spend or allocate at least 60 per cent of the monies that are in a reserve fund for the prescribed service at the beginning of the year.*

The services currently prescribed are water, wastewater, and services related to a highway. Therefore, as of 2023, a municipality shall spend or allocate at least 60 percent of the monies in the reserve fund at the beginning of the year. There are generally two (2) ways in which a municipality may approach this requirement:

1. Include a schedule as part of the annual treasurer's statement; or
2. Incorporate the information into the annual budgeting process.

Based upon the above, Figure 1 and Attachments 1 and 2, set out the format for which annual reporting to Council should be provided. Attachment 3 provides for the schedule for allocating reserve fund balances to projects.

## **D.2 D.C. Reserve Fund Application**

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).”*

This provision clearly establishes that reserve funds collected for a specific service are only to be used for that service, or to be used as a source of interim financing of capital undertakings for which a D.C. may be spent.



Figure D-1  
Middlesex County  
Annual Treasurer's Statement of Development Charge Reserve Funds

Description	Services to which the Development Charge Relates		Total
	Services Related to a Highway	Growth Studies	
<b>Opening Balance, January 1, _____</b>			<b>0</b>
Plus:			
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>
Less:			
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>Closing Balance, December 31, _____</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 County 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 another Act.



**Figure D-2a**  
**Middlesex County**  
**Attachment 1**  
**Annual Treasurer's Statement of Development Charge Reserve Funds**  
**Amount Transferred to Capital (or Other) Funds – Capital Fund Transactions**

Capital Fund Transactions	Gross Capital Cost	D.C. Recoverable Cost Share					Non-D.C. Recoverable Cost Share				
		D.C. Forecast Period			Post D.C. Forecast Period		Other Reserve/Reserve Fund Draws	Tax Supported Operating Fund Contributions	Rate Supported Operating Fund Contributions	Debt Financing	Grants, Subsidies Other Contributions
		D.C. Reserve Fund Draw	D.C. Debt Financing	Grants, Subsidies Other Contributions	Post-Period Benefit/ Capacity Interim Financing	Grants, Subsidies Other Contributions					
<b>Services Related to a Highway</b>											
Capital Cost A											
Capital Cost B											
Capital Cost C											
<b>Sub-Total - Services Related to Highways</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Growth Studies</b>											
Capital Cost D											
Capital Cost E											
Capital Cost F											
<b>Sub-Total - Growth Studies</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



**Figure D-2b**  
**Middlesex County**  
**Attachment 1**  
**Annual Treasurer's Statement of Development Charge Reserve Funds**  
**Amount Transferred to Capital (or Other) Funds – Operating Fund Transactions**

Operating Fund Transactions	Annual Debt Repayment Amount	D.C. Reserve Fund Draw		Post D.C. Forecast Period			Non-D.C. Recoverable Cost Share		
		Principal	Interest	Principal	Interest	Source	Principal	Interest	Source
<u>Services Related to a Highway</u>									
Capital Cost J									
Capital Cost K									
Capital Cost L									
<b>Sub-Total - Services Related to a Highway</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	
<u>Growth Studies</u>									
Capital Cost M									
Capital Cost N									
Capital Cost O									
<b>Sub-Total - Growth Studies</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	



Figure D-3  
Middlesex County  
Attachment 2  
Annual Treasurer's Statement of Development Charge Reserve Funds  
Statement of Credit Holder Transactions

Credit Holder	Applicable D.C. Reserve Fund	Credit Balance Outstanding Beginning of Year _____	Additional Credits Granted During Year	Credits Used by Holder During Year	Credit Balance Outstanding End of Year _____
Credit Holder A					
Credit Holder B					
Credit Holder C					
Credit Holder D					
Credit Holder E					
Credit Holder F					



Figure D-4  
 Middlesex County  
 Attachment 3  
 Annual Treasurer's Statement of Development Charge Reserve Funds  
 Statement of Reserve Fund Balance Allocations

<b>Service:</b>	Services Related to a Highway
<b>Balance in Reserve Fund at Beginning of Year:</b>	
<b>60% of Balance to be Allocated (at a minimum):</b>	

**Projects to Which Funds Will be Allocated**

Project Description	Project Number	Total Growth-related Capital Cost Remaining to be Funded	Share of Growth-related Cost Allocated to Date	Share of Growth-related Cost Allocated - Current Year
<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



# Appendix E

## Local Service Policy





# Appendix E: Local Service Policy

## Local Service Policy for Services Related to a Highway

A highway and services related to a highway ensure the needs of all road users are considered and appropriately accommodated through associated land and infrastructure. The highway and services related to a highway support the movement of goods and people via different modes including, but not limited to passenger vehicles, commercial vehicles, transit vehicles, bicycles, and pedestrians. By focusing on the design, reconstruction, or refurbishment of a highway or services related to a highway, the County can implement a complete transportation network that ensures the safe and efficient movement of both persons and goods. This approach supports the increase in travel choices for pedestrians, cyclists, public transit users, and motorists.

The associated infrastructure to achieve this concept shall include, but is not limited to: road pavement structure and curbs; grade separation/bridge structures; grading, drainage and retaining wall features; culvert structures; storm water drainage systems; utilities; traffic control systems; signage; roundabouts; gateway features; street furniture; active transportation facilities; transit lanes, stops, lay-bys and amenities; roadway illumination systems; boulevard and median surfaces; trees and landscaping; parking lanes & lay-bys; and driveway entrances; noise walls; railings and safety barriers.

The following guideline sets out, in general, the range of infrastructure for Services Related to a Highway that constitutes development charge projects.

### Definitions

**Urbanization** shall mean 'Urban Standard' pursuant to Section 2.4.2.3 of the Middlesex County Official Plan.

**Urban standard** shall mean be defined as a road constructed to include curbs, gutters, and an underground stormwater collection system.

#### 1. County Roads and Other Roads

New or upgraded County roads necessitated by increased traffic volumes and unrelated (and not abutting) to a specific development are considered to be



development charge projects, including but not limited to urbanization, road widening, and new roads.

Road realignment required to accommodate a specific development are considered to be the developer's responsibility through a development agreement or County Road Permit.

## 2. Traffic Signals and Intersection Improvements (including roundabouts)

### 2.1 Related to a specific development

Intersection improvements to all roads, private entrances or entrances to specific developments necessitated by abutting or nearby development(s) and relating to County roads are considered to be the developer's responsibility through an agreement or County Road Permit including but not limited to urbanization, road widening, new roads, and intersection improvements.

### 2.2 Unrelated to a specific development

Intersection improvements to County roads, necessitated by increased traffic volumes, are considered to be development charge projects.

## 3. Roadway Illumination

### 3.1 Related to a specific development

Roadway illumination on new infrastructure within a specific development are considered to be the developer's responsibility through a development agreement or County Road Permit.

Roadway illumination at new or existing intersections of County roads necessitated by a specific development (with or without intersection improvements) are considered to be the developer's responsibility through a development agreement or County Road Permit.

### 3.2 Unrelated to a specific development

Roadway illumination on County roads are considered to be the mandated responsibility of the applicable area municipality.



Roadway illumination at intersections along County roads, necessitated by increased traffic volumes, safety concerns, and unrelated to new development(s), are considered to be development charge projects.

#### 4. Cycling Facilities/ Active Transportation

##### 4.1 Related to a specific development

Cycling facilities within and outside road allowances within a specific development are considered to be the developer's responsibility through a development agreement or County Road Permit

Cycling facilities external to a development, which are needed to connect the development to public spaces and/or other bike infrastructure, are considered to be the developer's responsibility through a development agreement or County Road Permit.

##### 4.2 Unrelated to a specific development

Bike paths/lanes within County road allowances located separate from or combined with the road pavement are considered to be development charge projects.

#### 5. Traffic Control Systems

##### 5.1 Related to a specific development

New or upgraded traffic control systems, intended to service a specific and/or several development(s) are considered to be the developer's responsibility through a development agreement or County Road Permit.

##### 5.2 Unrelated to a specific development

On County roads, new and upgraded traffic control systems necessitated by increased traffic volumes and unrelated to a specific development(s), are considered to be development charge projects.

#### 6. Transportation Studies (traffic studies, master plans, secondary corridor studies)

##### 6.1 Related to a specific development



Transportation impact studies undertaken for the benefit of a specific development(s) are considered to be the responsibility of the developer.

## 6.2 Unrelated to a specific development

Master plans and secondary transportation corridor studies, are considered to be development charge projects.

## 7. Land Acquisition (including rights-of-way and utility easements)

### 7.1 Related to a specific development

Land acquisition to upgrade County roads and/or provide utility corridors to the widths required by approved engineering design standards, is considered to be the developer's responsibility, and primarily provided by dedications under the Planning Act as outlined in the Middlesex County Official Plan.

### 7.2 Unrelated to a specific development

In areas where limited or no development is anticipated and direct dedication is unlikely within the time constraints of the proposed capital works project, such land acquisitions are considered to be development charge projects.

## 8. Stormwater

### 8.1 Related to a specific development

New culverts required for a specific development - considered to be the developer's responsibility.

Upsizing of existing culverts/stormwater mains – upsizing cost considered to be the developer's responsibility.

### 8.2 Unrelated to a specific development

New culverts/stormwater mains unrelated to a specific development – included in the development charges calculation.



Upsizing of existing culverts/stormwater mains – upsizing cost included in the development charges calculation.



# Appendix F

## Asset Management Plan



## Appendix F: Asset Management Plan

The recent changes to the Development Charges Act, 1997, as amended (D.C.A.) (new subsection 10 (2) (c.2)) require that the background study must include an asset management plan (A.M.P.) related to new infrastructure. Section 10 (3) of the D.C.A. provides:

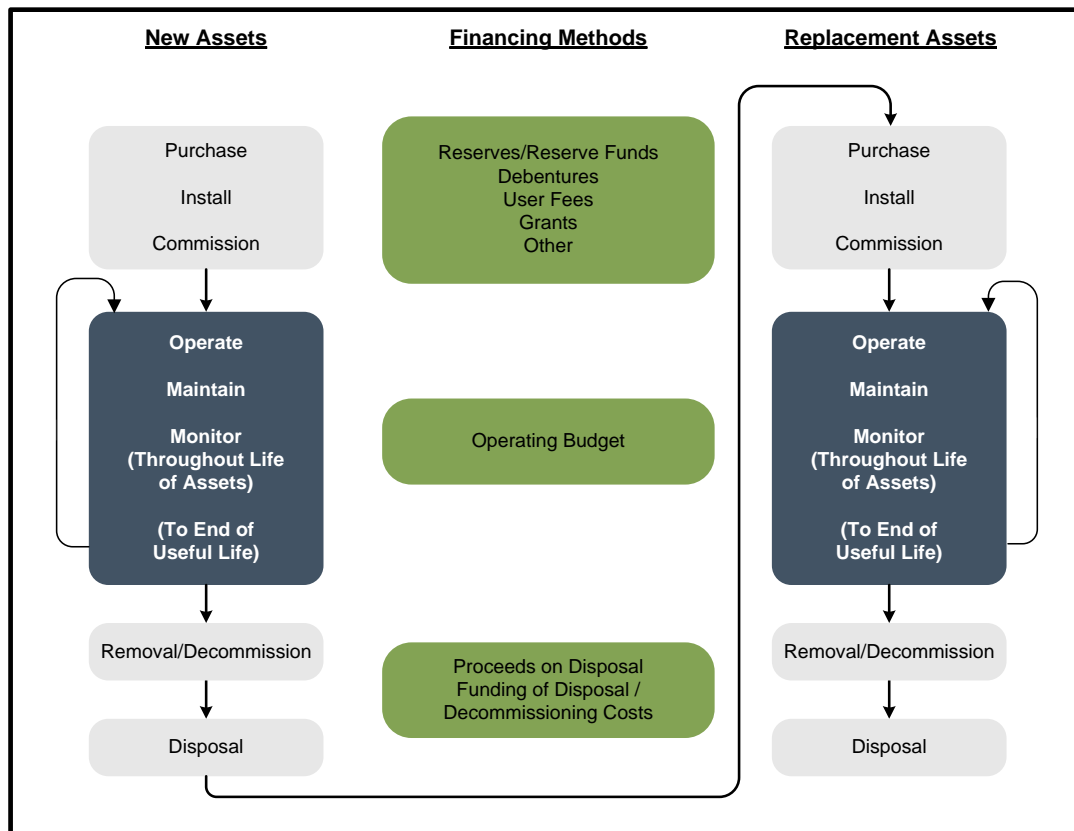
“The asset management plan shall,

- (a) deal with all assets whose capital costs are proposed to be funded under the development charge by-law;
- (b) demonstrate that all the assets mentioned in clause (a) are financially sustainable over their full life cycle;
- (c) contain any other information that is prescribed; and
- (d) be prepared in the prescribed manner.”

In regard to the above, section 8 of the regulations was amended to include subsections (2), (3), and (4) which set out specific detailed requirements for transit (only). For all services except transit, there are no prescribed requirements at this time, thus requiring the municipality to define the approach to include in the background study.

At a broad level, the A.M.P. provides for the long-term investment in an asset over its entire useful life along with the funding. The schematic below identifies the costs for an asset through its entire lifecycle. For growth-related works, the majority of capital costs will be funded by the development charge (D.C.). Non-growth-related expenditures will then be funded from non-D.C. revenues as noted below. During the useful life of the asset, there will be minor maintenance costs to extend the life of the asset along with additional program-related expenditures to provide the full services to the residents. At the end of the life of the asset, it will be replaced by non-D.C. financing sources.

It should be noted that with the recent passing of the *Infrastructure for Jobs and Prosperity Act* (I.J.P.A.) municipalities are now required to complete A.M.P.s, based on certain criteria, which were to be completed by 2022 for core municipal services and 2024 for all other services. The amendments to the D.C.A. do not require municipalities to complete these A.M.P.s (required under I.J.P.A.) for the D.C. background study, rather the D.C.A. requires that the D.C. background study include information to show the assets to be funded by the D.C. are sustainable over their full lifecycle.



In 2012, the Province developed Building Together: Guide for municipal asset management plans which outlines the key elements for an A.M.P., as follows:

**State of local infrastructure:** asset types, quantities, age, condition, financial accounting valuation and replacement cost valuation.

**Desired levels of service:** defines levels of service through performance measures and discusses any external trends or issues that may affect expected levels of service or the municipality's ability to meet them (for example, new accessibility standards, climate change impacts).

**Asset management strategy:** the asset management strategy is the set of planned actions that will seek to generate the desired levels of service in a sustainable way, while managing risk, at the lowest lifecycle cost.

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

In recognition to the schematic above, the following table (presented in 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 County's A.M.P., the present infrastructure gap and associated funding plan have not been considered at this time. Hence the following does not represent a fiscal impact assessment (including future tax/rate increases) but provides insight into the potential affordability of the new assets:

1. The non-D.C. recoverable portion of the projects 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 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 \$9.67 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 \$7.53 million. This amount, totalled with the existing operating revenues of \$146.67 million, provide annual revenues of approximately \$154.21 million by the end of the period.
6. In consideration of the above, the capital plan is deemed to be financially sustainable.



Figure F-1  
Middlesex County  
Asset Management – Future Expenditures and Associated Revenues  
2024\$

	2043 (Total)
<b>Expenditures (Annualized)</b>	
Annual Debt Payment on Non-Growth Related Capital <sup>1</sup>	3,937,801
Annual Debt Payment on Post Period Capital <sup>2</sup>	-
<b>Lifecycle:</b>	
Annual Lifecycle - Municipal-wide Services	\$2,857,285
<b>Incremental Operating Costs (for D.C. Services)</b>	\$2,875,701
<b>Total Expenditures</b>	<b>\$9,670,787</b>
<b>Revenue (Annualized)</b>	
Total Existing Revenue <sup>3</sup>	\$146,673,601
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$7,532,639
<b>Total Revenues</b>	<b>\$154,206,240</b>

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

<sup>2</sup> Interim Debt Financing for Post Period Benefit

<sup>3</sup> As per Sch. 10 of FIR



# Appendix G

## Proposed D.C. By-law



**The Corporation of Middlesex County  
By-Law No. 2023-xxx**

**A By-law to establish Development Charges for  
Middlesex County**

**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 Charges Background Study has been completed in accordance with the Act;

**And whereas** Council has before it a report entitled "Middlesex County Development Charge Background Study" prepared by Watson & Associates Economists Ltd. dated May 13, 2024;

**And whereas** Council approves the capital project listing set out in Chapter 4 of the D.C. Background Study dated May 13, 2024, subject to further annual review during the capital budget process;

**And whereas** the Council of the Corporation of Middlesex County has given notice of and held a public meeting on the 26th day of June, 2024 in accordance with the Act and the regulations thereto;

**And whereas** 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;

**And whereas** Council considered the use of area-specific charges and adopts the approach to calculate the charges on a County-wide basis;

**Now therefore** the Council of the Corporation of Middlesex County hereby enacts as follows:



## 1.0 Definitions

In this by-law:

"Act" means the Development Charges Act, 1997, as amended, S.O. 1997, c.27;

"accessory use" means where used to describe a use, building or structure, that the use, building, or structure is naturally and normally incidental, subordinate in purpose of floor area or both, and exclusively devoted to a principal use, building or structure, but is not an ancillary residential building;

"affordable residential unit" means a residential unit that meets the criteria set out in subsection 4.1(2) or 4.1(3) of the Act;

"agricultural use" means use or intended use for bona fide farming purpose:

(a) including (but not limited to):

- i. cultivation of crops, whether on open land or in greenhouses, including (but not limited to) fruit, vegetables, herbs, grains, field crops, cannabis, sod, trees, shrubs, flowers, and ornamental plants;
- ii. (ii) raising of animals, including (but not limited to) cattle, horses, pigs, poultry, livestock, fish; and
- iii. (iii) agricultural animal husbandry, dairying, equestrian activities, horticulture, fallowing, pasturing, and market gardening;

(b) but excluding:

- i. retail sales activities; including but not limited to restaurants, banquet facilities, hospitality facilities and gift shops;
- ii. services related to grooming, boarding, or breeding of household pets; and
- iii. cannabis processing or production facilities.



“ancillary residential building” means a residential building that would be ancillary to a detached dwelling, semi-detached dwelling, or row dwelling.

“apartment unit” means any residential dwelling unit within a building containing three or more dwelling units where access to each residential unit is obtained through a common entrance or entrances from the street level and the residential units are connected by an interior corridor and includes stacked townhouse dwellings;

“attainable residential unit” means a residential unit that meets the criteria set out in subsection 4.1(4) of the Act;

“back-to-back townhouse dwelling” means a building containing more than two dwelling units separated vertically by a common wall, including a rear common wall, that do not have rear yards;

“bedroom” means a habitable room, including a den, study, or other similar area, but does not include a living room, dining room or kitchen;

“Board of Education” has the same meaning as that specified in the Education Act or any successor thereto;

“building permit” means a permit pursuant to the *Building Code Act, 1992*, S.O. 1992, c. 23, as amended;

“Building Code Act” means the *Building Code Act*, S.O. 1992; Chapter 23, as amended and all Regulations thereto including the Ontario Building Code, 1997, as amended or any successor legislation thereof;

“calculation date” means the date on which the first building permit is issued by the local municipality, unless otherwise stipulated in the D.C.A.;

“class of service” 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.

“commercial purpose” means used, designed, or intended for use for or in connection with the purchase and/or sale and/or rental of commodities; the



provision of services for a fee; or the operation of a business office, and includes hotels and motels;

“Council” means the Council of the County;

“County” means The Corporation of Middlesex County;

“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 has the effect of increasing the size or usability thereof, and includes redevelopment; notwithstanding the foregoing, development does not include temporary structures, including but not limited to, seasonal hoop structures, seasonal fabric structures, tents, or produce sales stands;

“development charge” means a charge imposed with respect to this by-law.

“dwelling room” means either:

- a) each bedroom used, designed, or intended for use by one or more persons living together in a lodging home, dormitories, or
- b) in the case of a special care/special dwelling unit/room, each individual room or suite of rooms used, designed, or intended for use by one or two persons with or without exclusive sanitary and/or culinary facilities.

“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;

“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 and would include wholesale greenhouse facilities and structures;

“grade” means the average level of finished ground adjoining a building or structure at all exterior walls;



“gross floor area” means 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 other dwelling unit or other portion of a building;

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:

- a room or enclosed area within the building or structure above or below grade that is used exclusively for the accommodation of heating, cooling, ventilating, electrical, mechanical or telecommunications equipment that service the building;
- loading facilities above or below grade; and
- 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;

“hospice” means a building or portion of a mixed-use building designed and intended to provide palliative care and emotional support to the terminally ill in a home or homelike setting so that quality of life is maintained, and family members may be active participants in care;

“industrial use” means land, buildings or structures used for or in connection with manufacturing by:

- (a) manufacturing, producing, and processing goods for a commercial purpose, as well as storing and/or distribution of goods manufactured, produced, or processed on site;
- (b) research or development in connection with manufacturing, producing, or processing good for a commercial purpose;





(c) retail sales by a manufacturer, producer, or processor of goods they manufactured, produced, or processed, if the retail sales are at the site where the manufacturing, production or processing takes place;

(d) office or administrative purposes if it is:

- i. carried out with respect to manufacturing, producing, processing, storage or distributing of something; and
- ii. in or attached to the building or structure used for that manufacturing, producing, processing, storage, or distribution;

and shall not include self-storage or mini-storage facilities.

“institutional” means lands, buildings or structures used or designed or intended for use by an organized body, society, or religious group for promoting a public or non-profit purpose and shall include, but without limiting the generality of the foregoing, places of worship, and special care facilities;

“live/work unit” means a unit which contains separate residential and non-residential areas intended for both residential and non-residential uses concurrently, and shares a common wall or floor with direct access between the residential and non-residential areas;

“local board” means a municipal service board, transportation commission, public library board, board of health, police services board, planning board, or any other board, commission, committee, body or local authority established or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes of one or more local municipalities or the Region, but excluding a board of education, a conservation authority, any municipal services corporation that is not deemed to be a local board under O. Reg. 599/06 made under the Municipal Act, 2001, S.O. 2001, c. 25, as amended.

“local services” means those services, facilities or things which are under the jurisdiction of the municipality and are related to a plan of subdivision or within the area to which the plan relates in respect of the lands under Sections 41, 51 or 53 of the *Planning Act* as amended or any successor thereto;



“lodging home” means a boarding, lodging, or rooming house in which lodging is provided for more than four persons in return for remuneration or for the provision of services, or for both, and in which the lodging rooms do not have both bathrooms and kitchen facilities for the exclusive use of individual occupants;

“long term care home” means homes, nursing homes or homes for the aged where the Ministry of Health and Long-Term Care funds the care provided in such homes and application for accommodation is made through a Community Care Access Centre;

“mixed-use building” means a building or structure used for both residential and non-residential use;

“mobile home” means any dwelling that is designed to be made mobile, and constructed or manufactured to provide a permanent residence for one or more persons, but does not include a travel trailer or tent trailer;

“multiple dwellings” means all dwellings other than single-detached, semi-detached, apartment unit and/or special care/special dwelling units;

“multiplex dwelling” means a residential building containing three or more dwelling units, each of which unit has a separate entrance to grade;

“Municipal Act” means the Municipal Act, 2001, S.O. 2001, c. 25.

“non-industrial” means all non-residential buildings or structures not defined as industrial;

“non-profit housing development” means development of a building or structure intended for use as residential premises by,

- a) a corporation without share capital to which the Corporations Act applies, that is in good standing under that Act and whose primary object is to provide housing;



- b) a corporation without share capital to which the *Canada Not-for-profit Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing; or
- c) a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act*, or any successor legislation.

"non-residential building" means a building or structure used exclusively for non-residential use, including the non-residential component of a live/work unit;

"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 and includes all commercial, industrial, and institutional uses;

"other multiple" means all residential units other than a single detached dwelling, semi-detached dwelling, apartment dwelling or a special care/special dwelling unit, including, but not limited to, row dwellings, multiplex, back-to-back townhouse dwelling, and the residential component of live/work units;

"Official Plan" means the Official Plan adopted for the County, 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, as amended or any successor thereto;

"premise" means one or more dwelling units and/or one or more square feet used for non-residential use;

"rate" means the interest rate established weekly by the Bank of Canada for treasury bills having a term of 30 days;

"redevelopment" means the construction, erection or placing of one or more buildings on land where all or part of a building on such land has been previously



demolished, or changing the use of all or part of a building from a residential purpose to a non-residential purpose or from a non-residential purpose to a residential purpose, or changing all or part of a building from one form of residential development to another form of residential development or from one form of non-residential development to another form of non-residential development;

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

“rental housing” means development of a building or structure with four or more dwelling 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 land or buildings, or structures of any kind whatsoever used, designed, or intended to be used as living accommodations for one or more individuals;

“row dwelling” means a building containing three or more attached dwelling units in a single row, each of which dwelling units has an independent entrance from the outside and is vertically separated from any abutting dwelling unit;

“semi-detached dwelling” means a dwelling unit in a residential building consisting of two dwelling units having one vertical wall or one horizontal walls, but no other parts, attached or another dwelling unit where the residential units are not connected by an interior corridor;

“service” (or "services") means those services designated in Schedule "A" to this by- law;

“servicing agreement” means an agreement between a landowner and the County relative to the provision of County services to specified lands within the County;



“single detached dwelling unit” means a residential building consisting of one dwelling unit and not attached to another structure and includes mobile homes.

“special care/special dwelling” means a residence:

- a) containing two or more dwelling rooms, which rooms have common entrance from street level; and
- b) where the occupants have the right to use in common with other occupants, halls, stairs, yards, common room, and accessory buildings; and
- c) that is designed to accommodate persons with specific needs, including but not limited to, independent permanent living arrangements; and where support services, such as meal preparation, grocery shopping, laundry, housing, nursing, respite care and attending services are provided at various levels; and includes but is not limited to retirement homes or lodging homes, group homes, dormitories, and hospices;

“stacked townhouse dwelling” means a building containing two or more dwelling units where each dwelling unit is separated horizontally and/or vertically from another dwelling unit by a common wall or floor;

“use” means either residential use or non-residential use;

“zoning by-law” means the Zoning By-law or By-laws passed under Section 34 of the *Planning Act* and in force and effect in the County, or part thereof.

## **2.0 Designation of Services and Classes of Services**

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

- (a) Services Related to a Highway; and
- (b) Growth Studies.

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



### **3.0 Application of By-law Rules**

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

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

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

3.2 Subject to subsection 3.3, this by-law applies to all lands in the geographic area of Middlesex County.

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

- (a) Middlesex County or its area municipalities, or a local board thereof;
- (b) A board as defined in section 1(1) of the Education Act.
- (c) 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 Act if the development in respect of which development charges would otherwise be payable is intended to be occupied and used by the university.
- (d) Non-profit Housing development;
- (e) Affordable housing units required pursuant to section 34 and 16(4) of the *Planning Act* (Inclusionary Zoning).

#### **3.4 Approvals for Development**

(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*; or
  - (vii) the issuing of a permit under the *Building Code Act, 1992* 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 of increasing the need for services.

### 3.5 **Exemptions**

#### **Rules with Respect to Exemptions for Intensification of Existing Housing or New Housing**

- 3.5.1 Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to developments or portions of developments as follows:
- a) the enlargement to an existing residential dwelling unit;



- b) the creation of additional dwelling units equal to the greater of one dwelling unit or one percent of the existing dwelling units is existing rental housing or a prescribed ancillary residential dwelling structure to the existing residential building;
- c) notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to the creation of any of the following in existing houses:
  - i. a second residential unit in an existing detached house, semi-detached house or rowhouse 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 detached house, semi-detached house or row dwelling cumulatively contain no more than one residential unit.
  - ii. A third residential unit in an existing detached house, semi-detached house or row dwelling 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 detached house, semi-detached house or rowhouse contains any residential units.
  - iii. One residential unit in a building or structure ancillary to an existing detached house, semi-detached house or row dwelling on a parcel of urban residential land, if the existing detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units.





- d) notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to the creation of any of the following in new residential buildings:
- i. a second residential unit in a new detached house, semi-detached house or rowhouse 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 detached house, semi-detached house or row dwelling cumulatively will contain no more than one residential unit.
  - ii. a third residential unit in a new detached house, semi-detached house or rowhouse 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 detached house, semi-detached house or row dwelling contains any residential units.
  - iii. One residential unit in a building or structure ancillary to a new detached house, semi-detached house or rowhouse on a parcel of urban residential land, if the new detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the new detached house, semi-detached house or row dwelling contains any residential units.

3.5.2 The exemption to development charges 3.5.1 above shall only apply to the first instance of intensification in an existing or new dwelling.

3.5.3 Subject to 3.5.2 above, any exemption under 3.5.1 above shall apply to the smallest dwelling unit, as determined by applicable.



### 3.6 **Other Exemptions/Reductions**

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

- industrial development;
- land, buildings, or structures used for a place of worship or for the purpose of a cemetery or burial ground and exempt from taxation under the Assessment Act, R.S.O. 1990, c.A.31, as amended;
- non-residential agricultural use buildings shall be exempt from the development charge;

### 3.7 **Discounts for Rental Housing (for profit)**

- D.C. payable for rental housing developments, where the residential units are intended to be used as a rented residential premises will be reduced based on the number of bedrooms in each unit as follows:
  - Three or more bedrooms – 25% reduction
  - Two bedrooms – 20% reduction
  - All other bedroom quantities – 15% reduction

### 3.8 **Other Exemptions (upon proclamation)**

Once proclamation is received by the Lieutenant Governor, the following shall be exempt from development charges:

- Affordable residential units; and
- Attainable residential Units

### 3.9 **Reduction of Development Charges with Respect to Redevelopment and Conversion**

Despite any other provision of this By-law, where, as a result of the redevelopment of land, a building or structure existing on the same land 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 converted from one principal use to another principal use on the same land, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

- a) in the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under subsection 3.10 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 provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.
- 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 3.11 by the gross floor area that has been or will be demolished or converted to another principal use; provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

### **Amount of Charges**

#### 3.10 Residential

The development charges set out in Schedule B to this By-law 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, including the residential component of a live/work unit, according to the type of residential unit, and calculated with respect to each of the services according to the type of residential use.



### 3.11 Non-Residential

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, including the non-residential component of a live/work unit, and calculated with respect to each of the services according to the gross floor area of the non-residential use.

### 3.12 Mandatory Phase-in

The amount of the development charges described in Schedule B to this by-law shall be reduced as per the mandatory phase-in requirements of the Act.

### **Time of Calculation and Payment of Development Charges**

- 3.13 Development charges imposed under this By-law are calculated, payable, and collected upon issuance of the first building permit for the development.
- 3.14 Notwithstanding subsection 3.13, development charges for rental housing and institutional developments are due and payable in 6 installments commencing with the first installment payable on the date of occupancy, and each subsequent installment, including interest as provided in accordance with Section 26.3 of the Act.
- 3.15 Where the development of land results from the approval of a site plan or zoning by-law amendment received on or after January 1, 2020, and the approval of the application occurred within the timeframe set out in Section 26.2(5) of the Act, the development charges under subsections 3.10 and 3.11 shall be calculated on the rates set out in Schedule “B” on the date of the planning application, including interest. Where both planning applications apply development charges under subsections 3.10 and 3.11 shall be calculated on the rates, including interest at a rate of the average prime rate plus 1% as defined by Section 26.3 of the Act, payable



on the anniversary date each year thereafter, set out in Schedule “B” on the date of the later planning application, including interest.

- 3.16 Notwithstanding subsections 3.13 to 3.15 and in accordance with section 27 of the Act, 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.

#### **4.0 Payment by Services**

- 4.1 Payment of development charges shall be by cash, debit, bank draft or certified cheque or as otherwise approved at the sole discretion of the Treasurer.
- 4.2 In the alternative to payment by the means provided in section 4.1 herein, the County may, by a written agreement entered into with the owner, accept the provision of services in full or partial satisfaction of the development charges otherwise payable.
- 4.3 If the County and the owner cannot agree as to the reasonable cost of doing the work under section 4.2, the dispute shall be referred to Council whose decision shall be final and binding.
- 4.4 Any refund or credit required to be given by the County to an owner shall be in relation to a service as per subsection 39(1) of the Act. The County may agree by agreement to provide a credit in relation to another service as per subsection 39(3) of the Act or may provide for another basis for recovery.
- 4.5 If development charges or any part thereof payable pursuant to this By-law remain unpaid after such charges are payable, the amount unpaid shall be added to the tax roll and shall be collected in the same manner as taxes.



## **5.0 Indexing**

5.1 Development charges imposed pursuant to this by-law shall be adjusted annually on January 1st of each year, without amendment to this by-law in accordance with the Act, beginning on January 1, 2025.

## **6.0 Schedules**

6.1 The following schedules to this by-law form an integral part thereof:

Schedule A - Components of Services and Classes of Service Designated in subsection 2.1

Schedule B - Residential and Non-Residential Development Charges

## **7.0 Date By-law in Force**

7.1 This By-law shall come into force on the 16th day of July, 2024.

## **8.0 Severability**

8.1 If, for any reason, any provision, section, subsection or paragraph of this By-law is held 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 or amended, in whole or in part or dealt with in any other way.



**READ A FIRST AND SECOND TIME THIS xx DAY OF xx, 2024.**

**READ A THIRD TIME AND FINALLY PASSED THIS xx DAY OF xx, 2024.**

**THE CORPORATION OF MIDDLESEX COUNTY**

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County Clerk

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Warden



**Schedule “A”  
To By-law 24-\_\_\_\_**  
**Components of Services and Classes of Services Designated in Subsection 2.1**

**D.C.-Eligible Services:**

- Services Related to a Highway
  - Roads and Related Infrastructure
  - Facilities and Fleet

**D.C.-Eligible Class:**

- Growth Studies
  - All D.C. eligible services





Schedule "B"  
To By-law 24-\_\_\_\_  
Schedule of Development Charges

Service/Class of 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)
<b>Municipal Wide Services/Class of Service:</b>						
Services Related to a Highway	5,462	4,188	3,779	2,405	1,955	3.64
Growth Studies	22	17	15	10	8	0.01
<b>Total Municipal Wide Services/Class of Services</b>	<b>5,484</b>	<b>4,205</b>	<b>3,794</b>	<b>2,415</b>	<b>1,963</b>	<b>3.65</b>

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

## BY-LAW #XXXX

A BY-LAW to establish Development Charges for Middlesex County.

### WHEREAS:

- A. 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;
- B. A Development Charges Background Study has been completed in accordance with the Act;
- C. Council has before it a report entitled "Middlesex County Development Charge Background Study" prepared by Watson & Associates Economists Ltd. dated May 13, 2024;
- D. Council approves the capital project listing set out in Chapter 4 of the D.C. Background Study dated May 13, 2024, subject to further annual review during the capital budget process;
- E. Council of the Corporation of Middlesex County has given notice of and held a public meeting on the 26th day of June, 2024 in accordance with the Act and the regulations thereto;
- F. 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;
- G. Council considered the use of area-specific charges and adopts the approach to calculate the charges on a County-wide basis;

**NOW THEREFORE** the Council of the Corporation of the County of Middlesex enacts as follows:

### 1.0 Definitions

In this By-law the following terms have the following meanings:

"**Act**" means the *Development Charges Act, 1997*, as amended, S.O. 1997, c.27;

"**Accessory use**" means where used to describe a use, building or structure, that the use, building, or structure is naturally and normally incidental, subordinate in purpose of floor area or both, and exclusively devoted to a principal use, building or structure, but is not an ancillary residential building;

"**Affordable residential unit**" means a residential unit that meets the criteria set out in subsection 4.1(2) or 4.1(3) of the Act;

"**Agricultural use**" means use or intended use for bona fide farming purpose:

- (a) including (but not limited to):
  - i. cultivation of crops, whether on open land or in greenhouses, including (but not limited to) fruit, vegetables, herbs, grains, field crops, cannabis, sod, trees, shrubs, flowers, and ornamental plants;

- ii. raising of animals, including (but not limited to) cattle, horses, pigs, poultry, livestock, fish; and
  - iii. agricultural animal husbandry, dairying, equestrian activities, horticulture, fallowing, pasturing, and market gardening;
- (b) but excluding:
- i. retail sales activities; including but not limited to restaurants, banquet facilities, hospitality facilities and gift shops;
  - ii. services related to grooming, boarding, or breeding of household pets; and
  - iii. cannabis processing or production facilities.

**“Ancillary residential building”** means a residential building that would be ancillary to a detached dwelling, semi-detached dwelling, or row dwelling.

**“Apartment unit”** means any residential dwelling unit within a building containing three or more dwelling units where access to each residential unit is obtained through a common entrance or entrances from the street level and the residential units are connected by an interior corridor and includes stacked townhouse dwellings;

**“Attainable residential unit”** means a residential unit that meets the criteria set out in subsection 4.1(4) of the Act;

**“Back-to-back townhouse dwelling”** means a building containing more than two dwelling units separated vertically by a common wall, including a rear common wall, that do not have rear yards;

**“Bedroom”** means a habitable room, including a den, study, or other similar area, but does not include a living room, dining room or kitchen;

**“Board of Education”** has the same meaning as that specified in the *Education Act* or any successor thereto;

**“Building permit”** means a permit pursuant to the *Building Code Act, 1992, S.O. 1992, c. 23*, as amended;

**“Building Code Act”** means the *Building Code Act, S.O. 1992; Chapter 23*, as amended and all Regulations thereto including the Ontario Building Code, 1997, as amended or any successor legislation thereof;

**“Calculation date”** means the date on which the first building permit is issued by the local municipality, unless otherwise stipulated in the D.C.A.;

**“Class of service”** 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.

**“Commercial purpose”** means used, designed, or intended for use for or in connection with the purchase and/or sale and/or rental of commodities; the provision of services for a fee; or the operation of a business office, and includes hotels and motels;

**“Council”** means the Council of the County;

**“County”** means The Corporation of Middlesex County;

**“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 has the effect of increasing the size or usability

thereof, and includes redevelopment; notwithstanding the foregoing, development does not include temporary structures, including but not limited to, seasonal hoop structures, seasonal fabric structures, tents, or produce sales stands;

**“Development charge”** means a charge imposed with respect to this by-law.

**“Dwelling room”** means either:

- (a) each bedroom used, designed, or intended for use by one or more persons living together in a lodging home, dormitories, or
- (b) in the case of a special care/special dwelling unit/room, each individual room or suite of rooms used, designed, or intended for use by one or two persons with or without exclusive sanitary and/or culinary facilities.

**“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;

**“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 and would include wholesale greenhouse facilities and structures;

**“Grade”** means the average level of finished ground adjoining a building or structure at all exterior walls;

**“Gross floor area”** means 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 other dwelling unit or other portion of a building;

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:

- a room or enclosed area within the building or structure above or below grade that is used exclusively for the accommodation of heating, cooling, ventilating, electrical, mechanical or telecommunications equipment that service the building;
- loading facilities above or below grade; and
- 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;

**“Hospice”** means a building or portion of a mixed-use building designed and intended to provide palliative care and emotional support to the terminally ill in a home or homelike setting so that quality of life is maintained, and family members may be active participants in care;

**“Industrial use”** means land, buildings or structures used for or in connection with manufacturing by:

- (a) manufacturing, producing, and processing goods for a commercial purpose, as well as storing and/or distribution of goods manufactured, produced, or processed on site;

- (b) research or development in connection with manufacturing, producing, or processing good for a commercial purpose;
- (c) retail sales by a manufacturer, producer, or processor of goods they manufactured, produced, or processed, if the retail sales are at the site where the manufacturing, production or processing takes place;
- (d) office or administrative purposes if it is:
  - i. carried out with respect to manufacturing, producing, processing, storage or distributing of something; and
  - ii. in or attached to the building or structure used for that manufacturing, producing, processing, storage, or distribution;

and shall not include self-storage or mini-storage facilities.

**“Institutional”** means lands, buildings or structures used or designed or intended for use by an organized body, society, or religious group for promoting a public or non-profit purpose and shall include, but without limiting the generality of the foregoing, places of worship, and special care facilities;

**“Live/work unit”** means a unit which contains separate residential and non-residential areas intended for both residential and non-residential uses concurrently, and shares a common wall or floor with direct access between the residential and non-residential areas;

**“Local board”** means a municipal service board, transportation commission, public library board, board of health, police services board, planning board, or any other board, commission, committee, body or local authority established or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes of one or more local municipalities or the Region, but excluding a board of education, a conservation authority, any municipal services corporation that is not deemed to be a local board under O. Reg. 599/06 made under the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended.

**“Local services”** means those services, facilities or things which are under the jurisdiction of the municipality and are related to a plan of subdivision or within the area to which the plan relates in respect of the lands under Sections 41, 51 or 53 of the *Planning Act* as amended or any successor thereto;

**“Lodging home”** means a boarding, lodging, or rooming house in which lodging is provided for more than four persons in return for remuneration or for the provision of services, or for both, and in which the lodging rooms do not have both bathrooms and kitchen facilities for the exclusive use of individual occupants;

**“Long term care home”** means homes, nursing homes or homes for the aged where the Ministry of Health and Long-Term Care funds the care provided in such homes and application for accommodation is made through a Community Care Access Centre;

**“Mixed-use building”** means a building or structure used for both residential and non-residential use;

**“Mobile home”** means any dwelling that is designed to be made mobile, and constructed or manufactured to provide a permanent residence for one or more persons, but does not include a travel trailer or tent trailer;

**“Multiple dwellings”** means all dwellings other than single-detached, semi-detached, apartment unit and/or special care/special dwelling units;

**“Multiplex dwelling”** means a residential building containing three or more dwelling units, each of which unit has a separate entrance to grade;

**“Municipal Act”** means the *Municipal Act, 2001*, S.O. 2001, c. 25.

**“Non-industrial”** means all non-residential buildings or structures not defined as industrial;

**“Non-profit housing development”** means development of a building or structure intended for use

- (a) a corporation without share capital to which the *Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing;
- (b) a corporation without share capital to which the *Canada Not-for-profit Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing; or
- (c) a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act*, or any successor legislation. as residential premises by,

**“Non-residential building”** means a building or structure used exclusively for non- residential use, including the non-residential component of a live/work unit;

**“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 and includes all commercial, industrial, and institutional uses;

**“Other multiple”** means all residential units other than a single detached dwelling, semi-detached dwelling, apartment dwelling or a special care/special dwelling unit, including, but not limited to, row dwellings, multiplex, back-to-back townhouse dwelling, and the residential component of live/work units;

**“Official Plan”** means the Official Plan adopted for the County, 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, as amended or any successor thereto;

**“Premise”** means one or more dwelling units and/or one or more square feet used for non-residential use;

**“Rate”** means the interest rate established weekly by the Bank of Canada for treasury bills having a term of 30 days;

**“Redevelopment”** means the construction, erection or placing of one or more buildings on land where all or part of a building on such land has been previously demolished, or changing the use of all or part of a building from a residential purpose to a non-residential purpose or from a non-residential purpose to a residential purpose, or changing all or part of a building from one form of residential development to another form of residential development or from one form of non-residential development to another form of non-residential development;

**“Regulation”** means any regulation made pursuant to the Act.

**“Rental housing”** means development of a building or structure with four or more dwelling 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 land or buildings, or structures of any kind whatsoever used, designed, or intended to be used as living accommodations for one or more individuals;

**“Row dwelling”** means a building containing three or more attached dwelling units in a single row, each of which dwelling units has an independent entrance from the outside and is vertically separated from any abutting dwelling unit;

**“Semi-detached dwelling”** means a dwelling unit in a residential building consisting of two dwelling units having one vertical wall or one horizontal walls, but no other parts, attached or another dwelling unit where the residential units are not connected by an interior corridor;

**“Service”** (or "services") means those services designated in *Schedule "A"* to this by-law;

**“Servicing agreement”** means an agreement between a landowner and the County relative to the provision of County services to specified lands within the County;

**“Single detached dwelling unit”** means a residential building consisting of one dwelling unit and not attached to another structure and includes mobile homes.

**“Special care/special dwelling”** means a residence:

- (a) containing two or more dwelling rooms, which rooms have common entrance from street level; and
- (b) where the occupants have the right to use in common with other occupants, halls, stairs, yards, common room, and accessory buildings; and
- (c) that is designed to accommodate persons with specific needs, including but not limited to, independent permanent living arrangements; and where support services, such as meal preparation, grocery shopping, laundry, housing, nursing, respite care and attending services are provided at various levels; and includes but is not limited to retirement homes or lodging homes, group homes, dormitories, and hospices;

**“Stacked townhouse dwelling”** means a building containing two or more dwelling units where each dwelling unit is separated horizontally and/or vertically from another dwelling unit by a common wall or floor;

**“Use”** means either residential use or non-residential use;

**“Zoning by-law”** means the Zoning By-law or By-laws passed under Section 34 of the Planning Act and in force and effect in the County, or part thereof.

## **2.0 Designation of Services and Classes of Services**

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

- (a) Services Related to a Highway; and
- (b) Growth Studies.

2.2 The components of the services and classes designated in subsection 2.1 are described in *Schedule "A"*.

## **3.0 Application of By-Law Rules**

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

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

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

3.2 Subject to subsection 3.3, this by-law applies to all lands in the geographic area of Middlesex County.

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

- (a) Middlesex County or its area municipalities, or a local board thereof;
- (b) A board as defined in section 1(1) of the Education Act.
- (c) 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 Act if the development in respect of which development charges would otherwise be payable is intended to be occupied and used by the university.
- (d) Non-profit Housing development;
- (e) Affordable housing units required pursuant to section 34 and 16(4) of the *Planning Act* (Inclusionary Zoning).

### **3.4 Approvals for Development**

(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*; or
  - (vii) the issuing of a permit under the *Building Code Act, 1992* 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 of increasing the need for services.

### 3.5 Exemptions

#### **Rules with Respect to Exemptions for Intensification of Existing Housing or New Housing**

3.5.1 Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to developments or portions of developments as follows:

- (a) the enlargement to an existing residential dwelling unit;
- (b) the creation of additional dwelling units equal to the greater of one dwelling unit or one percent of the existing dwelling units in existing rental housing or a prescribed ancillary residential dwelling structure to the existing residential building;
- (c) notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to the creation of any of the following in existing houses:
  - i. a second residential unit in an existing detached house, semi-detached house or rowhouse 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 detached house, semi-detached house or row dwelling cumulatively contain no more than one residential unit.
  - ii. A third residential unit in an existing detached house, semi-detached house or row dwelling 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 detached house, semi-detached house or rowhouse contains any residential units.
  - iii. One residential unit in a building or structure ancillary to an existing detached house, semi-detached house or row dwelling on a parcel of urban residential land, if the existing detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to

the existing detached house, semi-detached house or rowhouse contains any residential units.

- (d) notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to the creation of any of the following in new residential buildings:
- i. a second residential unit in a new detached house, semi-detached house or rowhouse 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 detached house, semi-detached house or row dwelling cumulatively will contain no more than one residential unit.
  - ii. a third residential unit in a new detached house, semi-detached house or rowhouse 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 detached house, semi-detached house or row dwelling contains any residential units.
  - iii. One residential unit in a building or structure ancillary to a new detached house, semi-detached house or rowhouse on a parcel of urban residential land, if the new detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the new detached house, semi-detached house or row dwelling contains any residential units.

3.5.2 The exemption to development charges 3.5.1 above shall only apply to the first instance of intensification in an existing or new dwelling.

3.5.3 Subject to 3.5.2 above, any exemption under 3.5.1 above shall apply to the smallest dwelling unit, as determined by applicable.

### 3.6 Other Exemptions/Reductions

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

- industrial development;
- land, buildings, or structures used for a place of worship or for the purpose of a cemetery or burial ground and exempt from taxation under the *Assessment Act*, R.S.O. 1990, c.A.31, as amended;
- non-residential agricultural use buildings shall be exempt from the development charge;

### 3.7 Discounts for Rental Housing (for profit)

D.C. payable for rental housing developments, where the residential units are intended to be used as a rented residential premises will be reduced based on the number of bedrooms in each unit as follows:

- Three or more bedrooms – 25% reduction
- Two bedrooms – 20% reduction
- All other bedroom quantities – 15% reduction

### 3.8 Other Exemptions (upon proclamation)

Once proclamation is received by the Lieutenant Governor, the following shall be exempt from development charges:

- Affordable residential units; and
- Attainable residential Units

### 3.9 Reduction of Development Charges with Respect to Redevelopment and Conversion

Despite any other provision of this By-law, where, as a result of the redevelopment of land, a building or structure existing on the same land 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 converted from one principal use to another principal use on the same land, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

- (a) in the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under subsection 3.10 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 provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.
- (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 3.11 by the gross floor area that has been or will be demolished or converted to another principal use; provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

#### **Amount of Charges**

#### 3.10 Residential

The development charges set out in Schedule B to this By-law 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, including the residential component of a live/work unit, according to the type of residential unit, and calculated with respect to each of the services according to the type of residential use.

#### 3.11 Non-Residential

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, including the non-residential component of a live/work unit, and calculated with

respect to each of the services according to the gross floor area of the non-residential use.

### 3.12 Mandatory Phase-in

The amount of the development charges described in Schedule B to this by-law shall be reduced as per the mandatory phase-in requirements of the Act.

### **Time of Calculation and Payment of Development Charges**

- 3.13 Development charges imposed under this By-law are calculated, payable, and collected upon issuance of the first building permit for the development.
- 3.14 Notwithstanding subsection 3.13, development charges for rental housing and institutional developments are due and payable in 6 installments commencing with the first installment payable on the date of occupancy, and each subsequent installment, including interest as provided in accordance with Section 26.3 of the Act.
- 3.15 Where the development of land results from the approval of a site plan or zoning by-law amendment received on or after January 1, 2020, and the approval of the application occurred within the timeframe set out in Section 26.2(5) of the Act, the development charges under subsections 3.10 and 3.11 shall be calculated on the rates set out in Schedule "B" on the date of the planning application, including interest. Where both planning applications apply development charges under subsections 3.10 and 3.11 shall be calculated on the rates, including interest at a rate of the average prime rate plus 1% as defined by Section 26.3 of the Act, payable on the anniversary date each year thereafter, set out in Schedule "B" on the date of the later planning application, including interest.
- 3.16 Notwithstanding subsections 3.13 to 3.15 and in accordance with section 27 of the Act, 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.

## **4.0 Payment by Services**

- 4.1 Payment of development charges shall be by cash, debit, bank draft or certified cheque or as otherwise approved at the sole discretion of the Treasurer.
- 4.2 In the alternative to payment by the means provided in section 4.1 herein, the County may, by a written agreement entered into with the owner, accept the provision of services in full or partial satisfaction of the development charges otherwise payable.
- 4.3 If the County and the owner cannot agree as to the reasonable cost of doing the work under section 4.2, the dispute shall be referred to Council whose decision shall be final and binding.
- 4.4 Any refund or credit required to be given by the County to an owner shall be in relation to a service as per subsection 39(1) of the Act. The County may agree by agreement to provide a credit in relation to another service as per subsection 39(3) of the Act or may provide for another basis for recovery.
- 4.5 If development charges or any part thereof payable pursuant to this By-law remain unpaid after such charges are payable, the amount unpaid shall be added to the tax roll and shall be collected in the same manner as taxes.

## **5.0 Indexing**

5.1 Development charges imposed pursuant to this by-law shall be adjusted annually on January 1st of each year, without amendment to this by-law in accordance with the Act, beginning on January 1, 2025.

## **6.0 Schedules**

6.1 The following schedules to the by-law form an integral part thereof:

Schedule A – Components of Services and Classes of Service Designated in Subjection 2.1

Schedule B – Residential and Non-Residential Development Charges

## **7.0 Date of By-Law in Force**

7.1 This By-law shall come into force on the 16th day of July, 2024.

## **8.0 Severability**

8.1 If, for any reason, any provision, section, subsection or paragraph of this By-law is held 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 or amended, in whole or in part or dealt with in any other way.

Passed in Council this 16<sup>th</sup> day of July, 2024.

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Aina DeViet, Warden

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Paul Shipway, County Clerk

**Schedule "A"**  
**To By-Law #XXXX**

**Components of Services and Classes of Services Designated in Subsection 2.1**

**D.C. - Eligible Services:**

- Services Related to a Highway
  - Roads and Related Infrastructure
  - Facilities and Fleet

**D.C. - Eligible Class:**

- Growth Studies
  - All D.C. eligible services

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**Schedule "B"**  
**To By-Law #XXXX**  
**Schedule of Development Charges**

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Demi-Detached Dwelling	Other Multiples	Apartments – 2 Bedrooms +	Apartments – Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq. ft. of Gross Floor Area)
<b>Municipal Wide Services/Class of Service:</b>						
Services Related to a Highway	5,462	4,188	3,779	2,405	1,955	3.64
Growth Studies	22	17	15	10	8	0.01
<b>Total Municipal Wide Services/Class of Services</b>	<b>5,484</b>	<b>4,205</b>	<b>3,794</b>	<b>2,415</b>	<b>1,963</b>	<b>3.65</b>

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