

**TOWNSHIP OF
MADAWASKA VALLEY**

**WATER AND WASTEWATER
CHARGES UNDER THE
DEVELOPMENT CHARGES ACT
AND PART 12 OF THE
*MUNICIPAL ACT, 2001***

FEBRUARY 14, 2013



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 **Planning for growth**

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1. INTRODUCTION

1. INTRODUCTION

1.1 Purpose of this Document

This background study has been prepared pursuant to the requirements of the *Development Charges Act, 1997* (s.10), and accordingly, recommends new development charges and policies for the Township of Madawaska Valley.

The Township retained Watson & Associates Economists Ltd. (Watson) to undertake the development charges (DC) study process. The Consultant worked with staff of the Township in preparing this DC analysis and policy recommendations. At the outset, it is acknowledged that the Township wished to consider initially the potential for charges for all eligible services however, based on information from staff, no growth related capital needs are anticipated for the near term. Hence this report will update the water and wastewater information from the prior study.

This Development Charge Background Study, containing the proposed Development Charge 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 Township's Development Charge Background Study, as summarized in Chapter 4. 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 B).

In addition, the report is designed to set out sufficient background on the legislation (Chapter 4), current Township DC policy and the policies underlying the proposed by-laws, to make the exercise understandable to those who are involved.

Finally, it addresses post-adoption implementation requirements (Chapter 8) 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 development charge is provided herein.

1.2 Background

The Township of Madawaska Valley provides water and wastewater services to the community of Barry's Bay. The population of the County is approximately 1,050 people. The number of properties serviced by these works include 508 households, 3 industrial premises, 68 commercial premises and 15 institutional premises.

As a result of changing provincial legislation, the municipality is required to upgrade both water treatment and wastewater treatment facilities. These new facilities will be sized to accommodate both the existing system users along with a provision for new users to the system. As a proportion of these facilities will benefit new users (either by construction of new properties or by connecting existing properties currently on private services), the Council wishes to pass bylaws to recover a portion of these capital costs from these new customers. For new users to the system created by development, their recoveries would be via the *Development Charges Act*. For existing unserviced properties who wish to connect to these systems, the recovery would be via Part 12 of the *Municipal Act*.

The purpose of this report is to undertake an assessment of the capital costs to be recovered through charges imposed under the authority of the *Development Charges Act* and the *Municipal Act (Part 12)*.

1.3 Development Charges Act

The *Development Charges Act* allows municipalities to charge development for the cost to the municipality of providing major water and sewage facilities such as treatment, trunk mains, pumping (as well as some other services) for new servicing:

“2. (1) 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 arising from development of the area to which the by-law applies.”

Development charges and lot levies have been used by municipalities to recover growth-related capital costs since the late 1950's. Formerly known as “lot levies” and imposed under the *Planning Act*, development charge legislation was passed in 1989 and subsequently revised in 1997.

The new *Development Charges Act, 1997*, identifies services that can be financed using development charges and clarifies how development charges are to be determined. Under the new legislation, the growth-related costs of certain services, such as water, wastewater, roads, police and fire, may be fully funded by development charges but a 10% discount is required for

some other services. The new Act also identifies services that are now excluded from development charges, including cultural or entertainment facilities (i.e. museums, art galleries and theatres), tourism facilities (such as convention centres), parkland acquisition, hospitals, waste management services and municipal headquarters.

The legislation requires a background study before a municipality can adopt a development charges by-law. The study must include: (1) estimates of the anticipated amount, type and location of development; (2) calculations for each service for which a development charge can be levied; and (3) an examination of the long-term capital and operating costs for capital infrastructure required for the service. For each service, the background study must include an estimate of the total capital costs and the allocation of costs to new development versus existing development.

The *Development Charges Act* is permissive legislation in that municipalities “may” pass a by-law to impose charges. At present, the Township of Madawaska Valley does not have development charges in place for any services. A more detailed discussion of development charges is provided in Appendix A.

1.4 Municipal Act, 2001 (Part 12)

The Province of Ontario introduced a new *Municipal Act* which came into force on January 1, 2003. Generally the new Act was developed to give municipalities broader powers than the former Act. Whereas the old Act sought to vest powers which the municipality could exercise, the new Act seeks to establish broad powers and then provides restrictions for certain matters. It is noted that the (new) *Municipal Act* provides that where there were specific powers granted to a municipality under the “old” Act, the same powers continue under the new Act.

The former *Municipal Act* gave municipalities the authority to recover costs associated with certain capital facilities, and set out cost recovery mechanisms that could be used.

“221 (2) The Council of a local municipality, in authorizing the construction of sewage works or water works, may by by-law impose a sewer rate or water works rate upon owners or occupants of land who derive or will or may derive a benefit therefrom sufficient to pay all of such portion of the capital costs of the works as the by-law may specify.”

In applying section 221 (2) of the *Municipal Act*, “sewage works” and “water works” referred to mains, treatment or storage facilities; thus, the works being constructed and area served could range from a watermain servicing a local street to a complete water system.

The former Act set out the methods for calculating the sewage rate or water works rate, which could be any combination of the following methods:

1. A metre frontage rate on the lands that receive an immediate benefit from the work;
2. A metre frontage rate on that lands that receive a deferred benefit from the work;
3. A hectarage rate or rates on any or all of the lands designated under subsection (6), which rates may differ as between lands that will receive an immediate benefit and lands that will receive a deferred benefit;
4. A rate on that portion of the lands designated under subsection (6) that is connected to the sewage works based on the water rates or charges charged or chargeable in respect of such lands;
5. A fixed charge for each parcel of land, comprising the land designated under subsection (6), which is a parcel separately assessed according to the last returned assessment roll; and/or,
6. Any other method that the council considers to be fair.

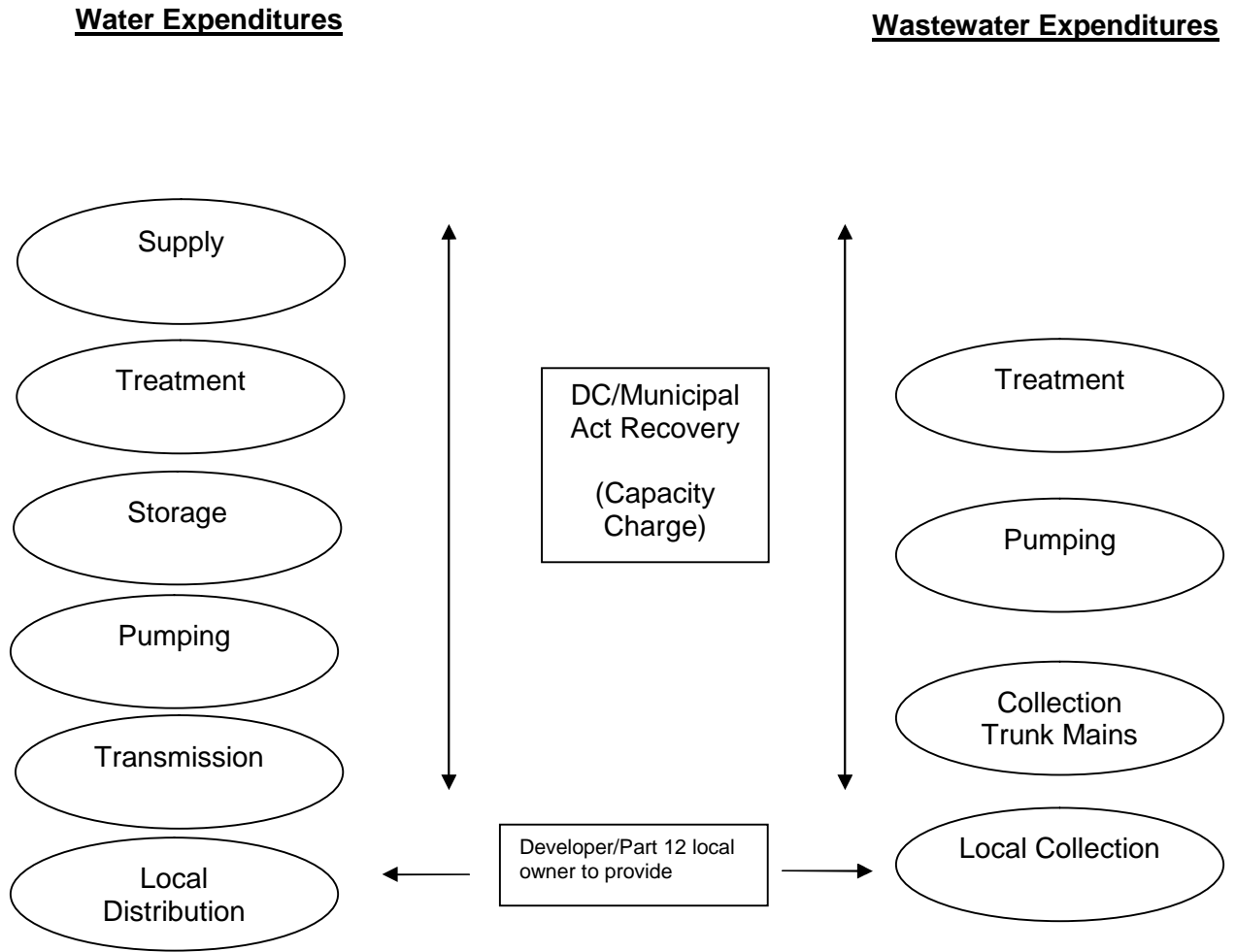
As noted, a similar approach to the above can be used under the new Municipal Act. Part 12 of the Act provides the powers for municipalities to impose fees.

1.5 Study Purpose

As noted in section 1.1, the Municipality wishes to update a prior study to recover the capital costs associated with the major water and wastewater infrastructure needed to accommodate new growth in the Barry's Bay service area and new users to the system (existing properties which, at present, have partial or no urban servicing, which will have water and wastewater services extended to their properties).

The capital costs to be considered in this study relate to the supply and treatment of water and the treatment of wastewater. Local works are not included in this review. Internal works within a new subdivision will be required to be installed as the developing landowners' cost. Similarly, there may be instances where local mains are extended into existing areas, and the municipality will recover these costs via a localized *Municipal Act 2001*, Part 12 by-law specific to recover the costs of those works. Figure 1-1 presents a schematic overview of the service component costs and the basis for recovery.

**FIGURE 1-1
SCHEMATIC OVERVIEW OF WATER AND WASTEWATER
CAPITAL EXPENDITURE AND RECOVERY**



2. ANTICIPATED GROWTH

2. ANTICIPATED GROWTH

The number of users to the water and wastewater system is anticipated to grow over time. The growth within the system will result from additional building activity within the service area as well as extending the service area to include existing non-serviced users or new building activity.

The approach to identifying potential growth within the system will be based on the growth capacity provided within the water and wastewater treatment plants.

In regard to the water treatment plant, the “Pre-Design Report for the Barry’s Bay Water Treatment Plant” prepared by Robinson Consultants and MacViro, dated April 21, 2003 identifies the plant capacity as 2,978 m³/day. Based on Ministry of Environment (MOE) standards of 0.45 m³/day per capita, the water treatment capacity would service 6,618 persons.

The sizing of the wastewater treatment plant was originally identified in the “Barry’s Bay Water Pollution Control Plant Upgrading Pre-Design Report” prepared by Totten Sims Hubicki Associates, dated June 11, 2007. The design capacity of the plant is 1,250 m³/ day. Based on historical flows and the MOE’s procedure, a standard of 0.533 m³/ day per capita was determined, which provides sufficient capacity to service 2,344 people.

3. CAPITAL INFRASTRUCTURE NEEDS

3. CAPITAL INFRASTRUCTURE NEEDS – BARRY’S BAY

3.1 Overview of Need for Service

The Township of Madawaska Valley provides water and wastewater services to the community of Barry’s Bay. The population of the community is approximately 1,050 people. The approximate number of properties serviced by these works includes 508 households, 3 industrial premises, 68 commercial premises and 15 institutional premises.

As a result of changing provincial legislation, the municipality was required to upgrade both their water treatment and wastewater treatment facilities. These new facilities were sized to accommodate both the existing system users along with a provision for new users to the system. As a proportion of these facilities will benefit new users (either by construction of new properties or by connecting existing properties currently on private services), the Council wishes to pass bylaws to recover a portion of these capital costs from these new customers. For new users to the system created by development, their recoveries would be via the *Development Charges Act*. For existing unserved properties who wish to connect to these systems, the recovery would be via Part 12 of the *Municipal Act*.

3.2 Water Treatment

Since Walkerton, the Ontario government has initiated new programs by provincial regulation to ensure the safety of Ontario’s drinking water. As a result of these changes, all the water works within the province of Ontario have been inspected by professional engineers and assessed the operation of these facilities against the new requirements.

For the Barry’s Bay Water Treatment Plant, an engineer’s report (ER) was prepared by Jp2g Consultants Inc. After the review of the ER, the Ministry of Environment issued the Consolidated Certificate of Approval (C of A) for the water works, which mentioned all the upgrades required at the Barry’s Bay Water Treatment Plant to bring the facility in compliance with the new regulations.

The following upgrades were mentioned in the C of A:

- Installing turbidity meters on all points of discharge from each filter;
- Upgrading the filtration system and continuous disinfection to achieve a combined 3 log removal/inactivation of *Giardia* and a combined 4 log removal/inactivation of viruses. The disinfection shall contribute to at least 0.5 log inactivation of *Giardia* and a 2 log inactivation of viruses;
- Installing the stand-by chemical feed metering pump;

- Providing stand-by power facilities to provide the continuous operation of the water treatment plant;
- Removing the interconnecting pipe between the flocculator and the clear water storage;
- Providing a backflow preventor valve between the clear water storage and the drain to the lake; and
- Preparation of an Operation and Maintenance Manual.

Subsequently, Robinson Consultants Inc. in association with MacViro Consultants Inc. were retained to provide engineering services for the treatability study, pre-design, detailed design and construction for the Barry's Bay Water Treatment Plant Upgrade.

Based on the above noted review(s) and recommendations, the Township initiated the construction of the water treatment facility. This project was substantially completed in 2007. The capital cost for this facility was \$3,951,100.

3.3 Wastewater Treatment

The former Barry's Bay Water Pollution Control Plant (WPCP) was constructed in 1975 to service the community of Barry's Bay. The plant was an extended aeration plant and consisted of two (2) parallel grit channels, comminutor with manual bar screen, aeration tank with two (2) mechanical mixers, secondary clarifier, chlorine contact tank and outfall to Lake Kamaniskeg.

The former facility was approximately 35 years old and operated as a single train. The structure had suffered extensive deterioration and was in need of repair. As part of the upgrade of this facility, the new facility also needed to be improved to meet current environmental requirements.

The Township of Madawaska Valley undertook a Class Environmental Assessment to investigate the various alternatives for upgrading the Barry's Bay Water Pollution Control Plant to maintain adequate levels of treatment in the long term, as well as ensure reliability of the plant. The Township, in conjunction with the Ontario Clean Water Agency, proactively planned this project as a Schedule 'B' undertaking and undertook Phases 1 and 2 of the Class Environmental Assessment procedure, which was completed in late 2006.

The preferred solution, as outlined in the Project File Report, was to upgrade the existing plant with a dual train sequencing batch reactor (SBR) system for 1,250 m³/ day capacity design flows. The unit processes constructed or upgraded include:

- headworks, including grinding, screening and septage receiving system and grit channels;
- SBR complete with integrated sludge anaerobic mix tanks and surge anoxic mix tanks;
- tertiary filtration (future);

-
- UV disinfection;
 - aerated sludge tanks;
 - sludge holding tanks; and
 - upgrading existing coagulant feed system.

The facility construction was commenced design in 2009 and was recently completed at a final cost (note some finalized costing is still pending) of \$8.347 million. The Township had applied for grant funding and was successful obtaining \$7.89 million in grant funding (including accumulated interest). The net portion of the cost to be attributed to existing and future growth is \$455,882.

4. THE APPROACH TO CALCULATION OF THE CHARGE

4. THE APPROACH TO CALCULATION OF THE CHARGE

4.1 Introduction

This chapter addresses the requirements of s.s.5(1) of the DCA, 1997 with respect to the establishment of the need for service which underpins the development charge calculation. These requirements are illustrated schematically in Figure 4-1.

4.2 Services Potentially Involved

Table 4-1 lists the full range of municipal service categories which are provided within the Town.

A number of these services are defined in s.s.2(4) of the DCA, 1997 as being ineligible for inclusion in development charges. These are shown as “ineligible” on Table 4-1. Two ineligible costs defined in s.s.5(3) of the DCA 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 which are potentially eligible for inclusion in the Township development charge are indicated with a “Yes.”

4.3 Increase in the Need for Service

The development charge 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, s.s.5(1)3, which requires that Municipal 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.

Figure 4-1
The Process of Calculating a Development Charge Under the DCA, 1997

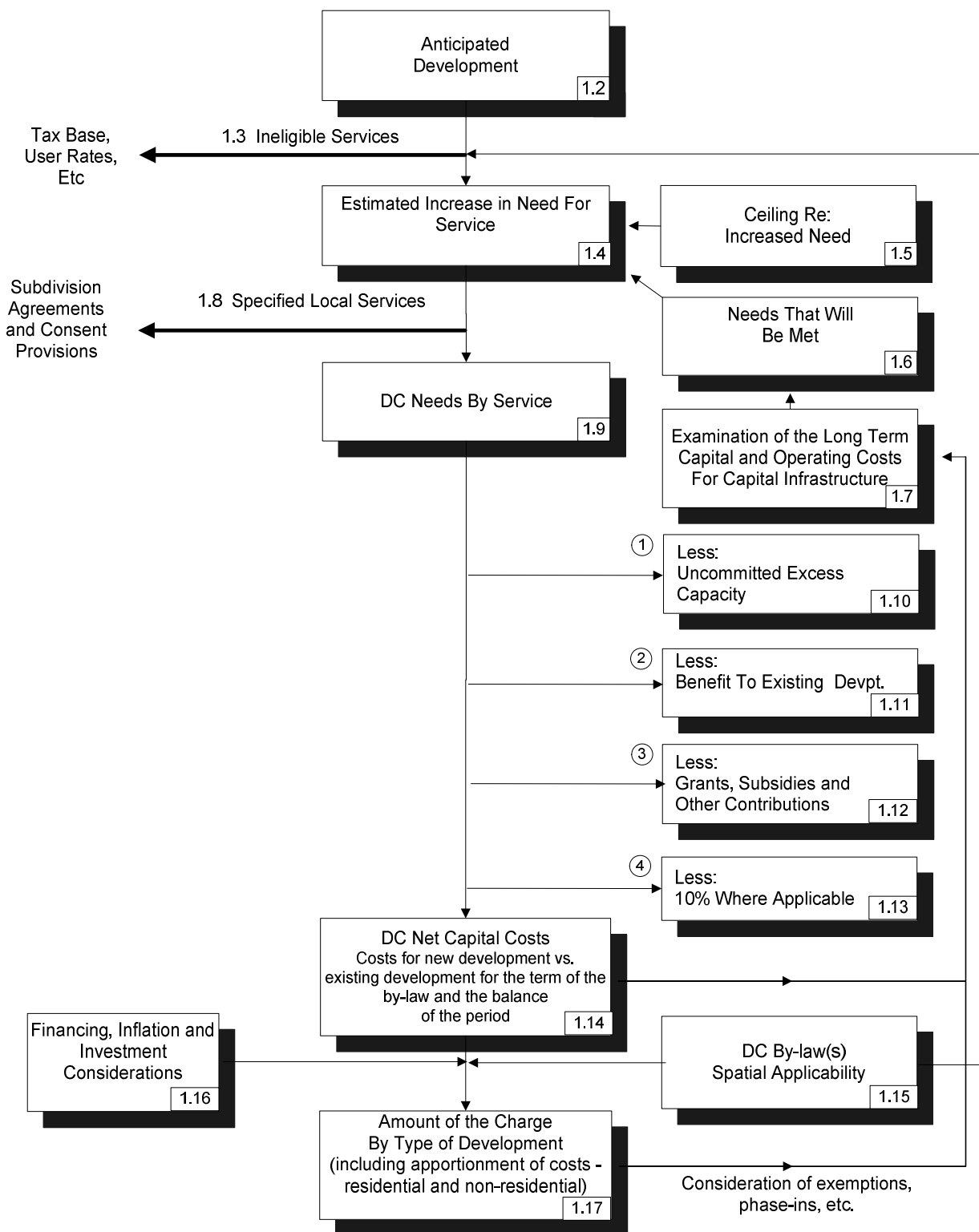


TABLE 4-1
CATEGORIES OF MUNICIPAL SERVICES
TO BE ADDRESSED AS PART OF THE CALCULATION

CATEGORIES OF MUNICIPAL SERVICES	ELIGIBILITY FOR INCLUSION IN THE DC CALCULATION	SERVICE COMPONENTS	MAXIMUM POTENTIAL DC RECOVERY %
1. Services Related to a Highway	No No No No No	1.1 Arterial roads 1.2 Collector roads 1.3 Area municipal roads 1.4 Traffic signals 1.5 Sidewalks and streetlights	100 100 0 100 0-100
2. Other Transportation Services	n/a n/a No No No No n/a n/a	2.1 Transit vehicles 2.2 Other transit infrastructure 2.3 Municipal parking spaces - indoor 2.4 Municipal parking spaces - outdoor 2.5 Works Yards 2.6 Rolling stock ¹ 2.7 Ferries 2.8 Airport facilities	90 90 90 90 100 100 90 90
3. Storm Water Drainage and Control Services	No No No	3.1 Main channels and drainage trunks 3.2 Channel connections 3.3 Retention/detention ponds	0-100 0-100 0-100
4. Fire Protection Services	No No No	4.1 Fire stations 4.2 Fire pumpers, aerials and rescue vehicles 4.3 Small equipment and gear	100 100 100
5. Outdoor Recreation Services (i.e. Parks and Open Space)	Ineligible No No No No No	5.1 Acquisition of land for parks, woodlots and ESAs 5.2 Development of area municipal parks 5.3 Development of district parks 5.4 Development of Township-wide parks 5.5 Development of special purpose parks 5.6 Parks rolling stock ¹ and yards	0 90 90 90 90 90
6. Indoor Recreation Services	No No	6.1 Arenas, indoor pools, fitness facilities, community centres, etc. (including land) 6.2 Recreation vehicles and equipment ¹	90 90
7. Library Services	No No	7.1 Public library space (incl. furniture and equipment) 7.2 Library materials	90 90
8. Electrical Power Services	Ineligible Ineligible Ineligible	8.1 Electrical substations 8.2 Electrical distribution system 8.3 Electrical system rolling stock ¹	0 0 0
9. Provision of Cultural, Entertainment and Tourism Facilities and Convention Centres	Ineligible Ineligible	9.1 Cultural space (e.g. art galleries, museums and theatres) 9.2 Tourism facilities and convention centres	0 0

¹ with 7+ year life time

*same percentage as service component to which it pertains
computer equipment excluded throughout

CATEGORIES OF MUNICIPAL SERVICES	ELIGIBILITY FOR INCLUSION IN THE DC CALCULATION	SERVICE COMPONENTS	MAXIMUM POTENTIAL DC RECOVERY %
10. Waste Water Services	Yes Yes n/a No	10.1 Treatment plants 10.2 Sewage trunks 10.3 Local systems 10.4 Vehicles and equipment	100 100 0 100
11. Water Supply Services	Yes Yes n/a	11.1 Treatment plants 11.2 Distribution systems 11.3 Local systems	100 100 0
12. Waste Management Services	Ineligible Ineligible Ineligible	12.1 Collection, transfer vehicles and equipment 12.2 Landfills and other disposal facilities 12.3 Other waste diversion facilities	0 0 0
13. Police Services	No No No	13.1 Police detachments 13.2 Police rolling stock ¹ 13.3 Small equipment and gear	100 100 100
14. Homes for the Aged	n/a	14.1 Homes for the aged space	90
15. Day Care	n/a	15.1 Day care space	90
16. Health	n/a	16.1 Health department space	90
17. Social Services	n/a	17.1 Social service space	90
18. Ambulance	n/a n/a	18.1 Ambulance station space 18.2 Vehicles ¹	90 90
19. Hospital Provision	Ineligible	19.1 Hospital capital contributions	0
20. Provision of Headquarters for the General Administration of Municipalities and Area Municipal Boards	Ineligible Ineligible Ineligible	20.1 Office space (all services) 20.2 Office furniture 20.3 Computer equipment	0 0 0
21. Other Services	Yes Yes	21.1 Studies in connection with acquiring buildings, rolling stock, materials and equipment, and improving land ² and facilities, including the DC background study cost 21.2 Interest on money borrowed to pay for growth-related capital	0-100 0-100

¹with a 7+ year life time

²same percentage as service component to which it pertains

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

4.4 Local Service Policy

The development charge 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, s.s.5(1)3, which requires that Municipal 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. The Township’s local service policy is provided in Section 6.1.

4.5 Capital Forecast

Paragraph 7 of s.s.5(1) of the DCA 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 useful life of 7 or more years), furniture and equipment (other than computer equipment), materials acquired for library circulation, reference or information purposes;
- e) interest on money borrowed to pay for the above-referenced costs;
- f) costs to undertake studies in connection with the above-referenced matters; and
- g) costs of the development charge background study.

In order for an increase in need for service to be included in the DC calculation, Municipal Council must indicate “...that it intends to ensure that such an increase in need will be met” (s.s.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 s.3). The capital program contained herein reflects the Township’s approved and proposed capital budgets and master servicing/needs studies.

4.6 Treatment of Credits

Section 8 para. 5 of O.Reg. 82/98 indicates that a development charge background study must set out, "The estimated value of credits that are being carried forward relating to the service." s.s.17 para. 4 of the same Regulation indicates that, "...The value of the credit cannot be recovered from future development charges," if the credit pertains to an ineligible service. This implies that a credit for eligible services can be recovered from future development charges. As a result, this provision should be made in the calculation, in order to avoid a funding shortfall with respect to future service needs. Outstanding DC credit obligations that would affect the development charge calculation have been included in the calculations.

4.7 Eligible Debt and Committed Excess Capacity

Section 66 of the DCA, 1997 states that for the purposes of developing a development charge by-law, a debt incurred with respect to an eligible service may be included as a capital cost, subject to any limitations or reductions in the Act. Similarly, s.18 of O.Reg. 82/98 indicates that debt with respect to an ineligible service may be included as a capital cost, subject to several restrictions.

In order for such costs to be eligible, two conditions must apply. First, they must have funded excess capacity which is able to meet service needs attributable to the anticipated development. Second, the excess capacity must be "committed," that is, either before or at the time it was created, Township Council must have expressed a clear intention that it would be paid for by development charges or other similar charges. For example, this may have been done as part of previous development charge processes. It is noted that projects which have been debentured to date and to which the principal and interest costs need to be recovered are included within the capital detail sheets.

4.8 Existing Reserve Funds

Section 35 of the DCA states that:

"The money in a reserve fund established for a service may be spent only for capital costs determined under paragraphs 2 to 8 of subsection 5(1)."

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

For services which are subject to a per capita-based, service level "cap," the reserve fund balance should be applied against the development-related costs for which the charge was

imposed, once the project is constructed (i.e. the needs of recent growth). This cost component is distinct from the development-related costs for the next 10 year period, which underlie the DC calculation herein.

The alternative would involve the municipality spending all reserve fund monies prior to renewing each by-law, which would not be a sound basis for capital budgeting. Thus, the Township will use these reserve funds for the Township'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 which contributed them (rather than to future development, which will generate the need for additional facilities directly proportionate to future growth).

4.9 Deductions

The DCA, 1997 potentially requires that five 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;
- Anticipated grants, subsidies and other contributions; and
- 10% reduction for certain services.

The requirements behind each of these reductions are addressed as follows:

4.9.1 *Reduction Required by Level of Service Ceiling*

This is designed to ensure that the increase in need included in 4.2 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 10-year period immediately preceding the preparation of the background study..." O.Reg 82.98 (s.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 factor are multiplied together, they produce a measure of the level of service, which meets the requirements of the Act, i.e. cost per unit.

The average service level calculation is not required for Water and Wastewater services due to other legislation which supersedes it.

4.9.2 Reduction for Uncommitted Excess Capacity

Paragraph 5 of s.s.5(1) requires a deduction from the increase in the need for service attributable to the anticipated development that can be met using the Township's "excess capacity," other than excess capacity which is "committed" (discussed above in 4.6).

"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 increase 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.

4.9.3 Reduction for Benefit to Existing Development

This step involves a further reduction to the need, by the extent to which such an increase in service would benefit existing development. The level of services cap in 4.4 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 roads 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.

In the case of services such as recreation facilities, community parks, libraries, etc., the service is typically provided on a municipal-wide system basis. For example, facilities of the same type may provide different services (i.e. leisure pool vs. competitive pool), different programs (i.e. hockey vs. figure skating) and different time availability for the same service (i.e. leisure skating available on Wednesday in one arena and Thursday in another). As a result, residents will travel to different facilities to access the services they want at the times they wish to use them, and facility location generally does not correlate directly with residence location. Even where it does, displacing users from an existing facility to a new facility frees up capacity for use by others and generally results in only a very limited benefit to existing development. Further,

where an increase in demand is not met for a number of years, a negative service impact to existing development is involved for a portion of the planning period.

4.9.4 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 made or anticipated by Council and in accordance with various rules such as the attribution between the share related to new vs. existing development. (i.e. some grants and contributions may not specifically be applicable to growth, such as the COMRIF Grant program or where Council targets fundraising as a measure to offset impacts on taxes.) O.Reg 82.98 .s.6.

4.9.5 The 10% Reduction

Paragraph 8 of s.s.(1) of the DCA requires that, “the capital costs must be reduced by 10 percent.” This paragraph does not apply to water supply services, waste water services, storm water drainage and control services, services related to a highway, police and fire protection services. The primary services that the 10% reduction does apply to include services such as parks, recreation, libraries, childcare/social services, *Provincial Offences Act*, ambulance, homes for the aged, health and transit.

5. CALCULATION OF THE CHARGES

5. CALCULATION OF THE CHARGES

5.1 Calculation of a Cost Per Capita by Service

The basis for calculating the charge for residential and non-residential development will be based on the costs provided in Chapter 3 presented on a cost per m³ basis. These costs may then be used to calculate the residential charges (on a per capita basis) and the non-residential charge (on a per employee basis). The calculations presented below, provide for the water and sewer service calculations. It is noted that the calculations provided herein will be for both a charge under the *Development Charges Act* as well as the *Municipal Act, 2001* (Part 12).

Water-Service	Gross Cost
Capital Cost (2007)	\$3,951,100
Capital Cost (indexed)	\$4,401,900
Daily Capacity (m ³)	2,978
Cost per m ³	\$1,478

Wastewater Service	Gross Cost
Capital Cost	\$8,347,356
Less Grant	\$7,891,474
Net Capital Cost	\$455,882
Daily Capacity (m ³)	1,250
Cost per m ³	\$365

5.2 Residential Charges

The calculation provided in Section 5.1 provides for the calculation of a capital cost per m³ based upon the capital works provided in the prior chapter. The water and wastewater charges per m³ can be represented on a cost per capita basis by using the design criteria for the plants. The estimated flow per capita for water is 0.45 m³ multiplying the capital cost per m³ for the treatment facility (\$1,478) by the design flow per capita (0.45 m³) provides a capital cost per capita of \$665. Similarly for wastewater, multiply the design flow of 0.533 m³ per capita by the capital cost per m³ (net of grants) provides for a capital costs per capita of \$194.

Table 5-1 provides an analysis of the average occupancies for low, medium and high density housing units for all households in Madawaska Valley. This information is based on 2006 Census data. As can be seen in this table, occupancies are normally higher in units less than 10 - 20 years old, than in other older units. When calculations are undertaken for development charge studies, these younger units form the basis for occupancies used for the calculations. To provide for a variety of housing types, the PPU data for Renfrew County has also been provided (Table 5-2). The medium and high density PPU's will be selected from this broader area sample.

For calculations provided herein, the following persons per unit will be used:

Unit Type	PPU
Single and semi-detached	2.57
Other multiples	2.06
Apartments	1.43

Based on the above persons per unit, the following charges are calculated for residential units:

WATER SERVICE:	Unit Type		
	Single and Semi-detached	Other Multiples	Apartments
Persons Per Unit	2.57	2.06	1.43
Water Per Capita Charge	\$665	\$665	\$665
Residential Water Charge	\$1,709	\$1,370	\$951

WASTEWATER SERVICE:	Unit Type		
	Single and Semi-detached	Other Multiples	Apartments
Persons Per Unit	2.57	2.06	1.43
Water Per Capita Charge	\$194	\$194	\$194
Residential Sewer Charge	\$499	\$400	\$277

**TOWNSHIP OF MADAWASKA VALLEY
PERSONS PER UNIT BY AGE AND TYPE OF DWELLING
(2006 CENSUS)**

Age of Dwelling	SINGLES AND SEMI-DETACHED						Adjusted PPU ¹	20 Year Average
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	-	-	2.467	-	2.611	2.49	
6-10	-	-	-	-	-	3.000	2.87	
11-15	-	-	-	2.800	-	2.593	2.51	
16-20	-	-	-	2.421	-	2.483	2.43	2.57
20-25	-	-	-	3.385	-	3.421	3.37	
25-35	-	-	2.143	2.938	-	2.735	2.71	
35+	-	-	1.829	2.387	2.364	2.159	2.15	
Total	-	1.545	2.032	2.579	3.583	2.464		

Age of Dwelling	MULTIPLES ²						Adjusted PPU ¹	20 Year Average
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	-	-	-	-	1.632	1.52	
6-10	-	-	-	2.929	-	2.364	2.20	
11-15	-	-	-	2.619	-	2.625	2.49	
16-20	-	-	-	-	-	2.100	2.03	2.06
20-25	-	-	1.944	2.923	-	2.294	2.25	
25-35	-	-	2.083	3.138	-	2.667	2.63	
35+	-	1.545	2.087	2.547	-	2.337	2.32	
Total	-	1.516	2.018	2.665	-	2.350		

Age of Dwelling	APARTMENTS ³						Adjusted PPU ¹	20 Year Average
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	-	-	-	-	1.391	1.32	
6-10	-	-	2.091	-	-	1.889	1.79	
11-15	-	1.235	1.394	-	-	1.340	1.29	
16-20	-	1.158	1.419	-	-	1.376	1.34	1.43
20-25	-	1.063	1.313	-	-	1.221	1.20	
25-35	-	1.118	1.519	-	-	1.317	1.30	
35+	1.125	1.204	1.756	2.750	-	1.618	1.61	
Total	1.167	1.176	1.612	2.706	-	1.495		

Age of Dwelling	ALL DENSITY TYPES					
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total
1-5	-	1.708	1.779	2.922	4.692	2.619
6-10	-	1.438	1.987	3.093	4.737	2.844
11-15	-	1.556	1.901	3.019	2.857	2.684
16-20	-	1.269	1.781	2.854	3.700	2.516
20-25	-	1.086	1.913	2.947	4.100	2.550
25-35	1.071	1.212	1.871	2.690	3.452	2.395
35+	1.340	1.330	1.871	2.636	2.911	2.337
Total	1.323	1.318	1.870	2.745	3.300	2.435

1. The Census PPU has been adjusted to account for the downward PPU trend which has been recently experienced in both new and older units, largely due to the aging of the population

2. Includes townhomes and apartments in duplexes.

3. Includes bachelor, 1 bedroom and 2 bedroom+ apartments.

Note: Due to data availability, Medium and high density types are derived from upper tier data

Note: Does not include Statistics Canada data classified as 'Other'

PPU Not calculated for samples less than or equal to 50 dwelling units, and does not include institutional population

Table 5-2

**COUNTY OF RENFREW
PERSONS PER UNIT BY AGE AND TYPE OF DWELLING
(2006 CENSUS)**

Age of Dwelling	SINGLES AND SEMI-DETACHED						Adjusted PPU ¹	20 Year Average
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	2.167	1.859	2.954	4.538	2.748	2.70	
6-10	-	1.455	2.049	3.094	4.737	2.929	2.88	
11-15	-	-	2.000	3.051	2.857	2.839	2.80	
16-20	-	1.455	1.974	2.856	3.700	2.732	2.71	2.77
20-25	-	-	2.200	2.940	4.100	2.841	2.83	
25-35	-	1.480	1.970	2.677	3.387	2.543	2.54	
35+	1.579	1.461	1.886	2.638	2.914	2.432	2.43	
Total	1.500	1.531	1.930	2.749	3.296	2.564		

Age of Dwelling	MULTIPLES ²						Adjusted PPU ¹	20 Year Average
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	-	-	-	-	1.632	1.52	
6-10	-	-	-	2.929	-	2.364	2.20	
11-15	-	-	-	2.619	-	2.625	2.49	
16-20	-	-	-	-	-	2.100	2.03	2.06
20-25	-	-	1.944	2.923	-	2.294	2.25	
25-35	-	-	2.083	3.138	-	2.667	2.63	
35+	-	1.545	2.087	2.547	-	2.337	2.32	
Total	-	1.516	2.018	2.665	-	2.350		

Age of Dwelling	APARTMENTS ³						Adjusted PPU ¹	20 Year Average
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	-	-	-	-	1.391	1.32	
6-10	-	-	2.091	-	-	1.889	1.79	
11-15	-	1.235	1.394	-	-	1.340	1.29	
16-20	-	1.158	1.419	-	-	1.376	1.34	1.43
20-25	-	1.063	1.313	-	-	1.221	1.20	
25-35	-	1.118	1.519	-	-	1.317	1.30	
35+	1.125	1.204	1.756	2.750	-	1.618	1.61	
Total	1.167	1.176	1.612	2.706	-	1.495		

Age of Dwelling	ALL DENSITY TYPES					
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total
1-5	-	1.708	1.779	2.922	4.692	2.619
6-10	-	1.438	1.987	3.093	4.737	2.844
11-15	-	1.556	1.901	3.019	2.857	2.684
16-20	-	1.269	1.781	2.854	3.700	2.516
20-25	-	1.086	1.913	2.947	4.100	2.550
25-35	1.071	1.212	1.871	2.690	3.452	2.395
35+	1.340	1.330	1.871	2.636	2.911	2.337
Total	1.323	1.318	1.870	2.745	3.300	2.435

1. The Census PPU has been adjusted to account for the downward PPU trend which has been recently experienced in both new and older units, largely due to the

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' - Value of 360

Note: Does not include institutional population

5.3 Non-Residential Development

In order to develop a charge for non-residential development, the capital cost per m³ must be converted to a standard that can be used to apply against various types of buildings. Design standards have been used again to convert the costs to a per employee basis and then from an employee to a cost per square foot. These calculations are provided below:

Water Service	Development Type	
	Commercial/Institutional	Industrial
Water Use per Employee (m ³)	0.16	0.10
Capital Cost per m ³	\$1,478	\$1,478
Water Cost per Employee	\$236	\$148
Sq. Ft. per Employee	600	1,100
Cost per Sq. Ft. of Building Space	\$0.39	\$0.13

Wastewater Service	Development Type	
	Commercial/Institutional	Industrial
Wastewater Use per Employee (m ³)	0.16	0.10
Capital Cost per m ³	\$365	\$365
Wastewater Cost per Employee	\$58.40	\$36.50
Sq. Ft. per Employee	600	1,100
Cost per Sq. Ft. of Building Space	\$0.10	\$0.03

Based upon the calculations provided herein, the cost per square foot for industrial development is \$0.13 for water service and \$0.03 for wastewater service. From commercial and institutional developments, these amounts are \$0.39 and \$0.10 respectively.

6. POLICY MATTERS RELATED TO NEW DEVELOPMENT

6. POLICY MATTERS RELATED TO NEW DEVELOPMENT

6.1 Local Service Guidelines – New Development

The following are the general guidelines to be used for new development. These guidelines assist in the determination of DC-related projects versus local service works in considering whether credits against the development charge are to be provided or whether costs will be borne directly by the developing landowner.

Watermains, Water Distribution and Storage Facilities:

- Watermains Internal to the Development - Developer responsibility up to 12 inch (300mm) and may also include internal pumping facilities– any mains required in excess of this will be recovered proportionately from subsequent benefiting developers based on actual costs;
- Watermains External to Development – if local, i.e. lots from onto the street, direct developer responsibility;
- Water Storage Facilities and External Pumping Stations – include in municipal DC.

Sanitary Sewers and Pumping Stations:

- Sewers Internal to the Development - Developer responsibility up to 12 inch (300mm) and may also include internal pumping facilities– any mains required in excess of this will be recovered proportionately from subsequent benefiting developers based on actual costs;
- Sewers External to Development – if local, i.e. lots from onto the street, direct developer responsibility;
- Trunk Sewers and External Pumping Facilities - include in municipal DC.

6.2 Development Charge Rules

6.2.1 *Spatial Applicability*

It is recommended that the Municipality adopt charges for the Barry's Bay service areas for water and wastewater services.

6.2.2 *Rules*

The following subsections set out the recommended rules governing the calculation, payment and collection of development charges in accordance with Section 6 of the *Development*

Charges Act, 1997. These rules are presently in place and are recommended to continue for the new by-law.

6.2.2.1 Payment in any Particular Case

In accordance with the *Development Charges Act, 1997* it is recommended that a development charge 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 section 50(7) of the *Planning Act* applies
- d) the approval of a plan of subdivision under Section 51 of the *Planning Act*
- e) a consent under Section 53 of the *Planning Act*
- f) the approval of a description under section 50 of the *Condominium Act*
- g) the issuing of a building permit under the *Building Code Act* in relation to a building or structure

6.2.2.2 Determination of the Amount of the Charge

In the case of a residential and non-residential development, the development charge shall be calculated on a per unit basis for residential development and a square foot of building space basis for non-residential development.

6.2.2.3 Application to Land Redevelopment

If a development involves the demolition of and replacement of a building or structure, 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 development charge currently in place , and/or
- 2) the gross floor area of the building demolished/converted multiplied by the current non residential development charge.

The demolition credit is allowed only if the demolition occurred no more than 48 months prior to the issuance of a building permit. The credit can in no case exceed the amount of development charges that would otherwise be payable.

6.2.2.4 Exemptions (full or partial)

It is recommended that the following lands be exempt from development charges:

a) Statutory exemptions

- Industrial additions of up to and including 50% of the existing gross floor area of the building - for industrial additions which exceed 50% of the existing gross floor area, only the portion of the addition in excess of 50% is subject to development charges
- Land used for Municipal or Board of Education purposes
- Residential development that results in only the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units.

6.2.2.5 Phasing in

It is recommended that the full development charge be implemented immediately upon passing of the by-law by Council. The rationale for this recommendation is as follows:

- a phase in, along with the non statutory full exemption for non-residential additions, will result in a development charge collection shortfall of which will have an impact on future Township water/wastewater rates.
- provisions of the legislation and regulations already prevent the Township from collecting a substantial amount of growth related capital costs by mandating services which can not be included in the development charge and exemptions for industrial additions. As well, there are a number of other services not included within the charge which the Township will have to provide with no offsetting contribution from development.

6.2.2.6 Indexing

It is recommended that the by-law provide for the automatic indexing of the development charges on an annual basis from the date the by-law comes into force, in accordance with the Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-007.

6.2.2.7 The Applicable Area

The new by-law applies to all urban service areas of the municipality who receive water and wastewater services.

6.3 Other Provisions

6.3.1 *Categories of Services for Reserve Fund and Credit Purposes*

The *Development Charges Act* allows for services to be grouped into categories for the purpose of creating reserve funds and for credit purposes, or for individual reserve funds to be established for each service. It is recommended that two separate reserve funds be established, for wastewater and waterworks.

6.3.2 *By-law In-force Date*

The new by-law comes into force on the day after which the by-law is passed by Council.

6.3.3 *By-law Duration*

The by-law shall be in force for a period of five years.

6.3.4 *Date Charge Payable*

Development charges relating to residential development as well as non-residential development shall be payable at the time of subdivision agreement.

6.3.5 *Existing By-law*

In conjunction with the adoption of a water and sewer by-law to implement the new charges, the existing Development Charges by-law should be repealed and replaced with the water and sewer charges provided herein.

7. RECOMMENDATIONS

7. RECOMMENDATIONS

The following recommendations are put forth for the Council's consideration:

"That the Council approve the capital project listing set out in Chapter 3 of the "Water and Wastewater Charges under the *Development Charges Act* and Part 12 of the *Municipal Act, 2001*" report dated February 14, 2013 subject to annual review during the capital budget process.

That the "Water and Wastewater Charges under the *Development Charges Act* and Part 12 of the *Municipal Act, 2001*" report dated February 14, 2013, be received and approved.

That a by-law be approved that adopts the recommended development charges rates and policies provided within the "Water and Wastewater Charges under the *Development Charges Act* and Part 12 of the *Municipal Act, 2001*" report dated February 14, 2013.

That a by-law be approved that adopts the recommended *Municipal Act* s.221 charge and policies provided within the "Water and Wastewater Charges under the *Development Charges Act* and Part 12 of the *Municipal Act, 2001*" report dated February 14, 2013.

8. BY-LAW IMPLEMENTATION

8. BY-LAW IMPLEMENTATION

8.1 Public Consultation Process

8.1.1 *Introduction*

This chapter addresses the mandatory, formal public consultation process (Section 8.1.2), as well as the optional, informal consultation process (Section 8.1.3). The latter is designed to seek the co-operation and involvement of those involved, in order to produce the most suitable policy. Section 8.1.4 addresses the anticipated impact of the development charge on development, from a generic viewpoint.

8.1.2 *Public Meeting of Council*

Section 12 of the DCA, 1997 indicates that before passing a development charge 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, the 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, the 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 OMB).

8.1.3 *Other Consultation Activity*

There are three broad groupings of the public who are generally the most concerned with municipal development charge policy:

1. The residential development community, consisting of land developers and builders, who are typically responsible for generating the majority of the development charge revenues. Others, such as realtors, are directly impacted by development charge policy. They are therefore potentially interested in all aspects of the charge, particularly the quantum by unit type, projects to be funded by the DC and the timing thereof, and

municipal policy with respect to development agreements, DC 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 (e.g. in encouraging a higher non-automobile modal split).
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 municipal development charge policy. Their primary concern is frequently with the quantum of the charge, gross floor area exclusions such as basement, mechanical or indoor parking areas, or exemptions and phase-in or capping provisions in order to moderate the impact.

8.2 Anticipated Impact of the Charge on Development

The establishment of sound development charge policy often requires the achievement of an acceptable balance between two competing realities. The first is that high non-residential development charges 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 development charges 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, development charges or other municipal 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.

8.3 Implementation Requirements

8.3.1 Introduction

Once the Township 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 which follow, overview requirements in each case.

8.3.2 Notice of Passage

In accordance with s.13 of the DCA, when a DC by-law is passed, the municipal 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 not 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;
- s.s.10(4) lists the persons/organizations who must be given notice; and
- s.s.10(5) lists the eight items which the notice must cover.

8.3.3 By-law Pamphlet

In addition to the "notice" information, the municipality must prepare a "pamphlet" explaining each development charge by-law in force, setting out:

- a description of the general purpose of the development charges;
- 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 development charges relate; and
- a general 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 OMB, the pamphlet must be readied within 60 days after the by-law comes into force. Later dates apply to appealed by-laws.

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

8.3.4 Appeals

Sections 13-19 of the DCA, 1997 set out requirements relative to making and processing of a DC by-law appeal and OMB Hearing in response to an appeal. Any person or organization may appeal a DC by-law to the OMB by filing with the municipal clerk a notice of appeal, 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 Township is carrying out a public consultation process, in order to address the issues which come forward as part of that process, thereby avoiding or reducing the need for an appeal to be made.

8.3.5 Complaints

A person required to pay a development charge, or his agent, may complain to Township Council imposing the charge that:

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

Sections 20-25 of the DCA, 1997 set out the requirements that exist, including the fact that a complaint may not be made later than 90 days after a DC (or any part of it) is payable. A complainant may appeal the decision of Municipal Council to the OMB.

8.3.6 Credits

Sections 38-41 of the DCA, 1997 set out a number of credit requirements, which apply where a municipality agrees to allow a person to perform work in the future that relates to a service in the DC by-law.

These credits would be used to reduce the amount of development charges 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 municipality agrees to expand the credit to other services for which a development charge is payable.

8.3.7 Front-Ending Agreements

The Township and one or more landowners may enter into a front-ending agreement which provides for the costs of a project which will benefit an area in the municipality to which the DC

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 DCA, 1997 (Sections 44-58) addresses front-ending agreements and removes some of the obstacles to their use which were contained in the DCA, 1989. Accordingly, the Township assesses whether this mechanism is appropriate for its use, as part of funding projects prior to Township funds being available.

8.3.8 Severance and Subdivision Agreement Conditions

Section 59 of the DCA, 1997 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 s.51 or s.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*,”
- “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 s.s.59(4) of the DCA, 1997 requires that the municipal approval authority for a draft plan of subdivision under s.s.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 development charges related to the development, at the time the land is transferred.

In this regard, if the municipality in question is a commenting agency, in order to comply with subsection 59(4) of the *Development Charges Act, 1997* it would need to provide to the approval authority, information regarding the applicable municipal development charges related to the site.

If the municipality 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 which can impose a development charge.

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.

APPENDIX A

**LONG TERM CAPITAL AND OPERATING
COST EXAMINATION**

TOWNSHIP OF MADAWASKA VALLEY

ANNUAL CAPITAL AND OPERATING COST IMPACT

As a requirement of the *Development Charges Act, 1997* 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 saving attributable to economies of scale or cost sharing where applicable, and prorate the cost on a per unit basis (i.e. square foot of building space, per vehicle, etc.). This was undertaken through a review of the Township's 2011 Financial Information Return.

In addition to the operational impacts, over time the initial capital projects will require replacement. This replacement of capital is often referred to as life cycle cost. By definition, life cycle 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 life cycle 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:

ASSET	LIFE CYCLE COST FACTORS	
	AVERAGE USEFUL LIFE (YEARS)	FACTOR
Water and Wastewater	40	0.1345120

Table A-1 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 municipal 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. These calculations are based on the full utilization of the design capacity for the plants.

Table A-1
TOWNSHIP OF MADAWASKA VALLEY
OPERATING AND CAPITAL EXPENDITURE IMPACTS
FOR FUTURE CAPITAL EXPENDITURES

SERVICE	TOTAL GROSS CAPITAL EXPENDITURES	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
1. Water Service				
1.1 Water Supply and Treatment	4,401,900	592,108	7,537,728	8,129,836
2. Wastewater Service				
2.1 Wastewater Treatment	8,347,356	1,122,819	1,717,467	2,840,286

APPENDIX B
DRAFT DEVELOPMENT CHARGE BY-LAW

THE CORPORATION OF THE TOWNSHIP OF MADAWASKA VALLEY**BY-LAW NO. _____***A By-Law with Respect to Development Charges*

WHEREAS Section 2(1) of the *Development Charges Act, 1997*, (hereinafter called the Act) enables the Council of a municipality to pass by-laws for the imposition of development charges against land located in the municipality where the development of the land would increase the need for municipal services as designated in the by-law and the development requires one or more of the actions set out in Subsection 2(2) of the Act;

AND WHEREAS the Council of The Corporation of the Township of Madawaska Valley, at its meeting of March 6th, 2013, approved a report dated February 14, 2013 prepared by Watson & Associates Economists Ltd., entitled Township of Madawaska Valley Water and Wastewater Charges under the *Development Charges Act* and Part 12 of the *Municipal Act, 2001*;

AND WHEREAS the Council has given Notice in accordance with Section 12 of the *Development Charges Act, 1997* of its development charges proposal and held a public meeting on December 13, 2007;

AND WHEREAS the Council has heard all persons who applied to be heard in objection to, or in support of, the development charges proposal at such public meeting;

AND WHEREAS Council determined that no further public meetings were required under section 12 of the Act.

AND WHEREAS the Council, in adopting the Township of Madawaska Valley Water and Wastewater Charges under the *Development Charges Act* and Part 12 of the *Municipal Act, 2001* on March 6th, 2013, directed that development charges be imposed on land under development or redevelopment within the geographical limits of the township which will receive water and/or wastewater services as hereinafter provided;

NOW THEREFORE the Council of the Township of Madawaska Valley enacts as follows:

DEFINITIONS

1. (1) "Act" means the *Development Charges Act, 1997*;
- (2) "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;
- (3) "apartment unit" means any residential dwelling unit within a building containing more than two dwelling units where the residential units are other than residential dwelling units in a row house, semi-detached or duplex, as herein defined;

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- (4) "bedroom" means a habitable room larger than seven square metres, including a den, study or other similar area, but does not include a living room, dining room or kitchen;
- (5) "benefiting area" means an area defined by a map, plan or legal description in a front-ending agreement as an area that will receive a benefit from the construction of a service;
- (6) "capital costs" means costs incurred or proposed to be incurred by the municipality or a local board thereof directly or under an agreement,
- (a) to acquire land or an interest in land,
 - (b) to improve land,
 - (c) to acquire, construct or improve buildings and structures,
 - (d) to acquire, construct or improve facilities including:
 - (i) rolling stock, furniture and equipment with an estimated useful life of seven years or more,
 - (ii) materials acquired for circulation, reference or information purposes by a library board as defined in the *Public Libraries Act, 1984*, S.O. 1984, c. 57,
 - (iii) furniture and equipment, other than computer equipment,
 - (e) to undertake studies in connection with any matter under the Act and any of the matters in clauses (a) to (d),
- required for the provision of services designated in this by-law within or outside the municipality, including interest on borrowing for those expenditures under clauses (a), (b), (c) and (d) that are growth-related;
- (7) "commercial use" means the use of land, structure or building for the purpose of buying and selling of commodities and supplying of services as distinguished from manufacturing or assembling of goods, also as distinguished from other purposes such as warehousing and/or an open storage yard;
- (8) "council" means the Council of the Corporation of the Township of Madawaska Valley;
- (9) "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;
- (10) "development charge" means a charge imposed with respect to growth-related net capital costs against land in the municipality under this by-law;

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- (11) “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;
- (12) “existing industrial building” means a building used for or in connection with:
- (a) manufacturing, producing, processing, storing or distributing something;
 - (b) research or development in connection with manufacturing, producing or processing something;
 - (c) retail sales by a manufacturer, producer or processor of something 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 they are:
 - (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;

For the purpose of this by-law, storage shall not mean a public self storage use as defined in other applicable municipal by-law(s).

- (13) “front-end payment” means a payment made by an owner pursuant to a front-ending agreement, which may be in addition to a development charge that the owner is required to pay under this by-law, to cover the net capital costs of the services designated in the agreement that are required to enable the land to be developed;
- (14) “front-ending agreement” means an agreement made under Section 44 of the Act between the municipality and any or all owners within a benefiting area providing for front-end payments by an owner or owners or for the installation of services by an owner or owners or any combination thereof;
- (15) “grade” means the average level of finished ground adjoining a building or structure at all exterior walls;
- (16) “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 another dwelling unit or other portion of a building;

In the case of a commercial, industrial and/or institutional building or structure, or in the case of a mixed-use building or structure in respect of the commercial, industrial and/or institutional 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 commercial, industrial and/or institutional use and a residential use;

- (17) “industrial use” shall mean a structure used for manufacturing, producing, processing, storing or distributing something, research and development connected to manufacturing, producing or processing something, retail sales by a manufacturer of something they manufactured, produced or processed, provided that the retail sales take place at the same site; or office and administrative uses if they are carried out with respect to the manufacturing, production, processing, storage or distribution carried out at the same site. For the purposes of this by-law, storage shall not mean a public self storage use as defined in other applicable municipal by-law(s);
- (18) “institutional use” shall mean any non-residential use which is not a commercial or industrial use;
- (19) “non-residential use” shall mean any use that is not a residential use or not an industrial use as herein defined;
- (20) “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;
- (21) “Planning Act” means the *Planning Act, 1990*, as amended;
- (22) “rate” means the interest rate established weekly by the Bank of Canada for treasury bills having a term of 30 days;
- (23) “regulation” means any regulation made pursuant to the Act;
- (24) “residential use” means land or buildings or structure of any kind whatsoever used, designed or intended to be used as living accommodations for one or more individuals;
- (25) “row house” means a building that is divided vertically into three or more residential dwelling units;
- (26) “semi-detached dwelling,” or “duplex” means a dwelling unit in a residential building consisting of two (or more in the case of row housing) dwelling units having one vertical wall or one horizontal wall, but no other parts, attached to another dwelling unit where the residential units are not connected by an interior corridor;
- (27) “services” (or “service”) means those services referred to in Schedule “A” to this by-law or specified in an agreement made under Section 44 of the Act;
- (28) “services in lieu” means those services specified in an agreement made under Section 8 of this by-law;

- (29) “servicing agreement” means an agreement between a landowner and the municipality relative to the provision of municipal services to specified lands within the municipality;
- (30) “single detached dwelling unit” means a residential building consisting of one dwelling unit and not attached to another structure.

SCHEDULE OF DEVELOPMENT CHARGES

2. (1) Subject to the provisions of this by-law, development charges against land shall be calculated and collected in accordance with the base rates set out in Schedule “A”
- (2) The development charge with respect to the use of any land, buildings or structures shall be calculated as follows:
- (a) in the case of residential development, or the residential portion of a mixed-use development, based upon the number of dwelling units;
- (b) in the case of non-residential or the non-residential portion of a mixed-use development, based upon the gross floor area of such development.
- (3) Council hereby determine that the development of land, buildings or structures for residential and non-residential uses will require the provision, enlargement, expansion or improvement of the services referenced in Schedule “A”.

APPLICABLE LANDS

3. (1) Subject to Subsections (2), (3), (4) and (5), this by-law applies to all lands in the Township of Madawaska Valley which receive municipal water and/or wastewater services whether or not the land or use is exempt from taxation under Section 3 of the *Assessment Act*, R.S.O. 1980, c.31.
- (2) This by-law shall not apply to land that is owned by and used for the purposes of:
- (a) a board of education;
- (b) any municipality or local board thereof.
- (3) This by-law shall not apply to that category of exempt development described in Subsection 2(3)(b) of the *Development Charges Act, 1997*, c.27 and Section 2 of O.Reg. 82/98, namely:

NAME OF CLASS OF RESIDENTIAL BUILDING	DESCRIPTION OF CLASS OF RESIDENTIAL BUILDINGS	MAXIMUM NUMBER OF ADDITIONAL DWELLING UNITS	RESTRICTIONS
Single detached dwellings	Residential buildings, each of which contains a single dwelling unit, that are not attached to other buildings.	Two	The total gross floor area of the additional dwelling unit or units must be less than or equal to the gross floor area of the dwelling unit already in the building.
Semi-detached dwellings or row dwellings	Residential buildings, each of which contains a single dwelling unit, that have one or two vertical walls, but no other parts, attached to other buildings.	One	The gross floor area of the additional dwelling unit must be less than or equal to the gross floor area of the dwelling unit already in the building.
Other residential buildings	A residential building not in another class of residential building described in this table.	One	The gross floor area of the additional dwelling unit must be less than or equal to the gross floor area of the smallest dwelling unit already in the building.

- (4) (a) If a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge that is payable in respect of the enlargement is determined in accordance with this section.
- (b) If the gross floor area is enlarged by 50 percent or less, the amount of the development charge in respect of the enlargement is zero.
- (c) If the gross floor area is enlarged by more than 50 percent, the amount of the development charge in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:
- (i) Determine the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement.
 - (ii) Divide the amount determined under paragraph 1 by the amount of the enlargement.
- (5) That where a conflict exists between the provisions of the new by-law and any other agreement between the Municipality and the owner, with respect to land to

be charged under this policy, the provisions of such agreement prevail to the extent of the conflict.

- (6) This by-law is not applicable to development for which a complete application for building permit has been submitted prior to the in-force date of this by-law.
4. (1) Subject to Subsection (2), development charges shall apply to, and shall be calculated and collected in accordance with, the provisions of this by-law on land to be developed for residential and non-residential, where:
- (a) the development of that land will increase the need for services, and
 - (b) the development requires:
 - (i) the passing of a zoning by-law or an amendment thereto under Section 34 of the *Planning Act, 1990*;
 - (ii) the approval of a minor variance under Section 45 of the *Planning Act, 1990*;
 - (iii) a conveyance of land to which a by-law passed under Subsection 50(7) of the *Planning Act, 1990*;
 - (iv) the approval of a plan of subdivision under Section 51 of the *Planning Act, 1990*;
 - (v) a consent under Section 53 of the *Planning Act, 1990*;
 - (vi) the approval of a description under Section 51 of the *Condominium Act, R.S.O. 1980, c.84*; or
 - (vii) the issuing of a permit under the *Building Code Act, R.S.O. 1992* in relation to a building or structure.
- (2) Subsection (1) shall not apply in respect of:
- (a) local services installed at the expense of the owner within a plan of subdivision as a condition of approval under Section 52 of the *Planning Act, 1990*;
 - (b) local services installed at the expense of the owner as a condition of approval under Section 53 of the *Planning Act, 1990*.

EXISTING AGREEMENTS

5. An agreement with respect to charges related to development registered prior to passage of this by-law remains in effect after enactment of this by-law.

MULTIPLE CHARGES

6. (1) Where two or more of the actions described in Section 4(1) are required before land to which a development charge applies can be developed, only one development charge shall be calculated and collected in accordance with the provisions of this by-law.
- (2) Notwithstanding Subsection (1), if two or more of the actions described in Section 4(1) occur at different times, and if the subsequent action has the effect of increasing the need for municipal services as designated in Schedule "A", an additional development charge on the additional residential units or non-residential floor area, shall be calculated and collected in accordance with the provisions of this by-law.

SERVICE STANDARDS

7. The approved service standards for the municipality are those contained in the Development Charges Background Study.

SERVICES IN LIEU

8. (1) Council may authorize an owner to substitute the whole or such part of the development charge applicable to the owner's development as may be specified in an agreement by the provision at the sole expense of the owner, of services in lieu. Such agreement shall further specify that where the owner provides services in lieu in accordance with the agreement, Council shall give to the owner a credit against the development charge otherwise applicable to the development, equal to the reasonable cost to the owner of providing the services in lieu provided such credit shall not exceed the total development charge payable by an owner to the municipality.
- (2) In any agreement under Subsection (1), Council may also give a further credit to the owner equal to the reasonable cost of providing services in addition to, or of a greater size or capacity, than would be required under this by-law.
- (3) The credit provided for in Subsection (2) shall not exceed the service standards referenced in Section 7 and used in the calculation of the charges in Schedule "A" and no credit shall be charged to any development charges reserve fund prescribed in this by-law.

FRONT-ENDING AGREEMENTS

9. (1) Council may enter into a front-ending agreement with any or all owners within a benefiting area pursuant to Section 21 of the *Development Charges Act, 1997*, providing for the payment by the owner or owners of a front-end payment or for the installation of services by the owners or any combination of front-end payments and installation of services, which may be in addition to the required development charge.
- (2) Front-end payments made by benefiting owners under a front-ending agreement relating to the provision of services for which a development charge is payable

shall be credited with an amount equal to the reasonable cost to the owner of providing the services, against the development charges otherwise payable under Schedule "A" of this by-law.

- (3) No credit given pursuant to Subsection 9(1) shall exceed the total development charge payable by the owner for the applicable service component or the standard of service outlined in Schedule "A" and referenced in Section 7.
- (4) The front-end payment required to be made by the benefiting owner under a front-ending agreement may be adjusted annually.

DEVELOPMENT CHARGE CREDITS

10. (1) Where, as a result of the redevelopment of land, a building or structure existing on the land 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 the residential portion of a mixed-use building or structure, an amount calculated by multiplying the applicable development charges set out in Schedule A of this by-law by the number of dwelling units according to type, that have been demolished or converted to another principal use; and
 - (b) in the case of a non-residential building or the non-residential portion of a mixed-use building or structure, an amount calculated by multiplying the applicable development charges as set out in Schedule A of this by-law by the non-residential gross floor area that has been demolished or converted to another principal use;

provided that a building permit has been issued within ten (10) years from the date of the demolition permit and provided that such amounts shall not exceed in total the amount of the development charges otherwise payable with respect to the redevelopment.

TIMING OF CALCULATION AND PAYMENT

11. (1) The development charges payable hereunder shall be payable, with respect to an approval of a plan of subdivision under section 51 or a consent under section 53 of the Planning Act, R.S.O. 1990, c. P.13, or successor legislation at the time of execution of the subdivision agreement or an agreement entered into as a condition of consent, subject to any applicable exemptions contained in this By-law, and calculated as follows:
 - (a) in the case of residential development, including a dwelling unit accessory to a non-residential development, or the residential portion of a mixed-use development, based upon:
 - (i) the proposed number and type of dwelling units; and

- (ii) with respect to blocks intended for future development, the maximum number of dwelling units permitted under the then applicable zoning;
 - (b) in the case of non-residential development, or the non-residential portion of a mixed-use development, based
 - (i) the gross floor area proposed to be constructed; or
 - (ii) if the gross floor area proposed to be constructed is not specified for the development, a gross floor area shall be deemed to be twenty-five percent (25%) of the related land area.
- (2) THAT if at the time of issuance of a building permit or permits for any development for which payments have been made pursuant to subsection (1), the total number and type of dwelling units for which building permits have been and are being issued, or the gross floor area used or intended to be used for a non-residential purpose for which building permits have been and are being issued, is greater than that used for the calculation and payment referred to in subsection (1), an additional payment shall be required and shall be calculated by multiplying the applicable amount for those services shown in schedule "A".
 - (a) in the case of residential development, the difference between the number and type of dwelling units for which building permits have been and are being issued and the number and type of dwelling units for which payments have been made pursuant to subsection (1) and this subsection; and
 - (b) in the case of non-residential development, the difference between the gross floor area used or intended to be used for a non-residential purpose for which building permits have been and are being issued and the gross floor area used or intended to be used for a non-residential purpose for which payments have been made pursuant to subsection (2) and this subsection.
- (3) THAT subject to subsection (6), if following the issuance of all building permits for all development in a subdivision or for all development in a block within that subdivision that had been intended for future development and for which payments have been made pursuant to subsection (1), the total number and type of dwelling units for which building permits have been issued, or the gross floor area used or intended to be used for a non-residential purpose for which building permits have been issued, is less than that used for the calculation and payment referred to in subsection (1), a refund shall become payable by the Municipality to the person who originally made the payment referred to in subsection (1) which refund shall be calculated by multiplying the amounts of the development charges in effect at the time such payments were made by:
 - (a) in the case of residential development, the difference between the number and type of dwelling units for which payments were made pursuant to subsection (1) and the number and type of dwelling units for which building permits were issued; and

- (b) in the case of non-residential development, the difference between the gross floor area used or intended to be used for a non-residential purpose for which payments were made pursuant to subsection (1) and the gross floor area used or intended to be used for a non-residential purpose for which building permits were issued.
- (4) THAT subsections (2) and (3) shall apply with necessary modifications to a development for which development charges have been paid pursuant to a condition of consent or pursuant to an agreement respecting same.
- (5) THAT notwithstanding subsections (1) to (4), the Municipality may require and where so required an owner shall enter into an agreement, including the provision of security for the owner's obligations under the agreement, pursuant to section 27 of the Act and, without limiting the generality of the foregoing, such an agreement may require the early payment of the development charges hereunder. The terms of such agreement shall then prevail over the provisions of this By-law.
- (6) THAT any refunds payable pursuant to subsection (3) and (4) shall be calculated and paid without interest.

BY-LAW REGISTRATION

- 12. A certified copy of this by-law may be registered on title to any land to which this by-law applies.

RESERVE FUND(S)

- 13. (1) Monies received from payment of development charges shall be maintained in a separate reserve fund or funds, and shall be used only to meet the growth-related net capital costs for which the development charge was levied under this by-law.
- (2) Council directs the Municipal Treasurer to divide the reserve fund(s) created hereunder into the separate sub-accounts in accordance with the service categories set out in Schedule "A" to which the development charge payments shall be credited in accordance with the amounts shown, plus interest earned thereon.
- (3) Where any development charge, or part thereof, remains unpaid after the due date, the amount unpaid shall be added to the tax roll and shall be collected as taxes.
- (4) Where any unpaid development charges are collected as taxes under Subsection (3), the monies so collected shall be credited to the development charge reserve fund or funds referred to in Subsection (1).

BY-LAW AMENDMENT OR REPEAL

14. (1) Where this by-law or any development charge prescribed thereunder is amended or repealed either by order of the Ontario Municipal Board or by the Municipal Council, the Municipal Treasurer shall calculate forthwith the amount of any overpayment to be refunded as a result of said amendment or repeal.
- (2) Refunds that are required to be paid under Subsection (1) shall be paid to the registered owner of the land on the date on which the refund is paid.
- (3) Refunds that are required to be paid under Subsection (1) shall be paid with interest to be calculated as follows:
- (a) interest shall be calculated from the date on which the overpayment was collected to the date on which the refund is paid;
 - (b) the refund shall include the interest owed under this Section;
 - (c) interest shall be paid at the Bank of Canada rate in effect on the later of:
 - (i) the date of enactment of this by-law, or
 - (ii) the date of the last quarterly adjustment, in accordance with the provisions of Subsection (4).
- (4) The Bank of Canada interest rate in effect on the date of enactment of this by-law shall be adjusted on the next following business day to the rate established by the Bank of Canada on that day, and shall be adjusted quarter-yearly thereafter in January, April, July and October to the rate established by the Bank of Canada on the day of adjustment.

DEVELOPMENT CHARGE SCHEDULE INDEXING

15. The development charges referred to in Schedule "A" shall be adjusted annually, without amendment to this by-law, commencing on March 1, 2014 and annually thereafter in each year while this by-law is in force, in accordance with the Statistics Canada Quarterly, Construction Price Statistics catalogue number 62-007.

BY-LAW ADMINISTRATION

16. This by-law shall be administered by the Municipal Treasurer.

SCHEDULES TO THE BY-LAW

17. The following is to this by-law form an integral part of this by-law:

Schedule "A" – Schedule of Development Charges for the Barry's Bay Water and Wastewater Servicing Area

DATE BY-LAW EFFECTIVE

18. (i) This by-law shall come into force and effect at 12:01 AM on the day following passage of the by-law.
- (ii) This by-law shall continue in force and effect for a term not to exceed five years from the date of its enactment, unless it is repealed at a earlier date.

SHORT TITLE

19. This by-law may be cited as the "Water and Wastewater Development Charges By-Law".

READ A FIRST, SECOND AND THIRD TIME
AND PASSED THIS _____ DAY OF _____, 2013.

MAYOR

CLERK

SCHEDULE "A"
BY-LAW NO. _____
TOWNSHIP OF MADAWASKA VALLEY
SCHEDULE OF DEVELOPMENT CHARGES FOR THE BARRY'S BAY SERVICING AREA

SERVICE	RESIDENTIAL			Non-Residential	
	Single-Detached Dwelling & Semi-Detached Dwelling	Other Multiples	Apartments	COMMERCIAL & INSTITUTIONAL (per ft ² of Gross Floor Area)	INDUSTRIAL (per ft ² of Gross Floor Area)
<u>Water Service</u> Water Supply and Treatment	\$1,709	\$1,370	\$951	\$0.39	\$0.13
<u>Wastewater Service</u> Wastewater Treatment	\$499	\$400	\$277	\$0.10	\$0.03
Total	\$2,208	\$1,770	\$1,228	\$0.49	\$0.16

APPENDIX C
DRAFT *MUNICIPAL ACT, 2001*, PART 12 BY-LAW

THE TOWNSHIP OF MADAWASKA VALLEY**BY-LAW NO. _____**

Being a by-law to impose a water and wastewater charges to recover the capital cost of installing water and wastewater services necessary to service new users to the systems.

WHEREAS the Township of Madawaska Valley (the "Township") has determined to construct certain water and sewage works to service and benefit new users connecting to the systems pursuant to its powers under Part 12 of the *Municipal Act*, 2001, as amended (the "*Municipal Act*");

AND WHEREAS the Council of the Municipality is authorized by Part 12 of the *Municipal Act* to impose a water and/or sewer rate upon owners or occupants of land who derive or will or may derive a benefit from the construction of water and wastewater works sufficient to pay all or such portion of the capital costs of the works as Council deems appropriate;

AND WHEREAS the lands to be benefited and charged with the water and wastewater charges are existing and future areas which will be serviced with municipal water and/or wastewater servicing.

AND WHEREAS the Municipality has determined that the capital costs of such water and wastewater works shall be rated against the water and sewer servicing areas and shall be borne by the new users connecting to the systems from time to time of said lands;

Now therefore, the Council of the Township of Madawaska Valley ENACTS as follows:

1. In this by-law:
 - (1) "apartment unit" means any residential dwelling unit within a building containing more than two dwelling units where the residential units are other than residential dwelling units in a row house, semi-detached or duplex, as herein defined;
 - (2) "bedroom" means a habitable room larger than seven square metres, including a den, study or other similar area, but does not include a living room, dining room or kitchen;
 - (3) "benefiting area" means an area defined by a map, plan or legal description in a front-ending agreement as an area that will receive a benefit from the construction of a service;
 - (4) "commercial use" means the use of land, structure or building for the purpose of buying and selling of commodities and supplying of services as distinguished from manufacturing or assembling of goods, also as distinguished from other purposes such as warehousing and/or an open storage yard;
 - (5) "council" means the Council of the Corporation of the Township of Madawaska Valley;
 - (6) "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;

- (7) “front-end payment” means a payment made by an owner pursuant to a front-ending agreement, which may be in addition to a development charge that the owner is required to pay under this by-law, to cover the net capital costs of the services designated in the agreement that are required to enable the land to be developed;
- (8) “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 another dwelling unit or other portion of a building;

In the case of a commercial, industrial and/or institutional building or structure, or in the case of a mixed-use building or structure in respect of the commercial, industrial and/or institutional 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 commercial, industrial and/or institutional use and a residential use;

- (9) “industrial use” shall mean a structure used for manufacturing, producing, processing, storing or distributing something, research and development connected to manufacturing, producing or processing something, retail sales by a manufacturer of something they manufactured, produced or processed, provided that the retail sales take place at the same site; or office and administrative uses if they are carried out with respect to the manufacturing, production, processing, storage or distribution carried out at the same site. For the purposes of this by-law, storage shall not mean a public self storage use as defined in other applicable municipal by-law(s);
 - (10) “institutional use” shall mean any non-residential use which is not a commercial or industrial use;
 - (11) “non-residential use” shall mean any use that is not a residential use;
2. The capital cost of the water and wastewater works shall be as described in the “Township of Madawaska Valley Water and Wastewater Charges under the *Development Charges Act* and Part 12 of the *Municipal Act, 2001*” report, dated February 14, 2013, subject to annual review by the Municipality.
 3. The water charges provided in this by-law shall provide for the capital costs related to the supply and treatment of water but shall not include localized works to service individual properties.
 4. The wastewater charges provided in this by-law shall provide for the capital costs related to the treatment of sewage but shall not include localized works to service individual properties.

5. The water charge shall be imposed in all municipal water servicing areas within the Township of Madawaska Valley, as amended from time to time. These areas are deemed as the benefiting areas as provided by Section 221 of the *Municipal Act*.
6. The wastewater charge shall be imposed in all municipal sanitary sewer servicing areas within the Township of Madawaska Valley, as amended from time to time. These areas are deemed as the benefiting areas as provided by Part 12 of the *Municipal Act*.
7. The water and wastewater charges are set forth in Schedule A and shall be imposed against all new connections to the water and wastewater services.
8. Notwithstanding clause 7, if a development charge for water services has been paid, no further charge for water services will be imposed under this by-law.
9. Notwithstanding clause 7, if a development charge for wastewater service has been paid, no further charge for sanitary sewer services will be imposed under this by-law.
10. Water and wastewater charges imposed pursuant to this by-law shall be adjusted annually, without amendment to this by-law, commencing on March 1, 2014 and each anniversary date thereafter, in accordance with the Statistics Canada Quarterly Construction Price Statistics.
11. The following schedules to this by-law form an integral part thereof:

Schedule A	-	Residential and Non-Residential Water and Sanitary Sewer Rates
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12. This by-law shall come into force on the ___ day _____, 2013.

ENACTED AND PASSED this _____ day of _____, _____.

Mayor

Clerk

SCHEDULE "A"
BY-LAW NO. _____
TOWNSHIP OF MADAWASKA VALLEY
SCHEDULE OF CAPITAL CHARGES FOR THE BARRY'S BAY SERVICING AREA

SERVICE	RESIDENTIAL			Non-Residential	
	Single-Detached Dwelling & Semi-Detached Dwelling	Other Multiples	Apartments	COMMERCIAL & INSTITUTIONAL (per ft ² of Gross Floor Area)	INDUSTRIAL (per ft ² of Gross Floor Area)
<u>Water Service</u> Water Supply and Treatment	\$1,709	\$1,370	\$951	\$0.39	\$0.13
<u>Wastewater Service</u> Wastewater Treatment	\$499	\$400	\$277	\$0.10	\$0.03
Total	\$2,208	\$1,770	\$1,228	\$0.49	\$0.16