

Memorandum

To	Karen DePrest
From	Sean-Michael Stephen
Date	June 13, 2024
Re:	D.C. By-Law Amendment

Fax Courier Mail Email

1. Introduction

The Township of East Zorra-Tavistock (Township) passed development charges (D.C.) by-law 2024-21 on June 5, 2024. At the time of by-law passage, the *Development Charges Act* (D.C.A.) did not include studies as an eligible cost to be funded through development charges.

On June, 6, 2024, Bill 185 (*Cutting Red Tape to Build More Homes Act, 2024*) received Royal Assent and includes the following changes to the D.C.A.:

- The removal of the Mandatory Phase-in for D.C. by-laws passed after Bill 185 comes into effect;
- A reduction to the D.C. rate freeze timelines for developments proceeding through site plan and zoning by-law amendment applications under the Planning Act. Charges are currently held at rates in place on the date the application is made until building permit issuance, provided the building permit is issued within two (2) years of the approval of the application. This time period is proposed to be reduced to 18 months under Bill 185 (note that the two (2) year timeline will still apply to applications received prior to Bill 185 receiving Royal Assent);
- Inclusion of growth-related studies, including the D.C. background study, as a D.C.-eligible costs;
- Provide a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date;
- To allow minor amendments related to the imposition of studies, removal of the mandatory phase-in, and extension of by-law expiry dates (subject to the 10-year



limitations provided in the D.C.A.) to be undertaken for by-laws passed after November 28, 2022 and before Bill 185 takes effect; and

- To modernize public notice requirements.

The purpose of this memorandum is to provide the basis for the proposed amendment to the Township's recently passed D.C. by-law, to include the costs of growth-related studies.

Subsection 19 (1.2) of the D.C.A. allows for amendments to be made to a D.C. by-law to include growth-related study costs without following subsection 19 (1) of the D.C.A. (subsection 19 (1) of the D.C.A. requires sections 10 to 18 to be followed when making an amendment to a D.C. by-law.). As such an amendment for this purpose does not require the preparation of a background study or a public meeting of Council.

Furthermore, the by-law cannot be appealed to the Ontario Land Tribunal under section 14 of the D.C.A. Notwithstanding the foregoing, the clerk of the municipality is still required to give notice of by-law passage in accordance with subsections 13 (2) to (4) of the D.C.A.

2. Growth-Related Studies

The D.C.A. permits the inclusion of studies undertaken to facilitate the completion of the Township's capital works program. These studies have either been included within Fire Protection Services, Parks and Recreation Services, and within a Growth-Related Studies class of service based on each service to which the studies relate.

Table 2-1 summarizes the studies that have been included within each service or class of service with the D.C.B.S., including the anticipated timing, gross capital costs, and D.C. eligible costs included in the calculation of the charge.



**Table 2-1
Growth-Related Studies**

Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
					Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
2024-2033									
Fire Protection Services									
Fire Master Plan	2026	75,000		75,000	18,800		56,200	48,332	7,868
Fire Master Plan	2031	75,000		75,000	18,800		56,200	48,332	7,868
Subtotal		150,000	-	150,000	37,600		112,400	96,664	15,736
Parks and Recreation Services									
Parks and Recreation Master Plan Update	2027	50,000		50,000	12,500		37,500	35,625	1,875
Parks and Recreation Master Plan Update	2032	50,000		50,000	12,500		37,500	35,625	1,875
Subtotal		100,000	-	100,000	25,000		75,000	71,250	3,750
Growth-Related Studies									
D.C. Background Study	2028	33,000	-	33,000	-		33,000	29,359	3,641
D.C. Background Study	2033	33,000	-	33,000	-		33,000	29,359	3,641
Facility Needs Audit	2026	50,000	3,750	46,250	12,500		33,750	30,026	3,724
Secondary Plan (Settlement Boundary Expansion)	2024	160,000	12,000	148,000	40,000		108,000	96,085	11,915
Drainage Master Plan – Innerkip	2024	125,000	-	125,000	31,300		93,700	83,362	10,338
Drainage Master Plan Update – Tavistock	2024	50,000	-	50,000	12,500		37,500	33,363	4,137
Reserve Fund Adjustments							40,920	36,406	4,515
Subtotal		451,000	15,750	435,250	96,300	-	379,870	337,960	41,910
Total		701,000	15,750	685,250	158,900	-	567,270	505,874	61,396

In aggregate, the study costs that have been identified total \$701,000. A deduction of \$15,800 has been made to recognize the portion of planning studies related to D.C.-ineligible services. After deducting \$158,900 for the benefit to existing share and adding \$40,920 for the existing D.C. reserve fund deficit for Growth-Related Studies, the D.C. eligible costs for studies that have been considered with the calculation of the charge within each service or class of service total \$567,000.

Based on the changes identified, the amended schedule of charges is presented in Table 2-2.

**Table 2-2
Amended Schedule of D.C.s**

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL		
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per bed for Farm Bunk Houses)	(per Wind Turbine)
Municipal Wide Services/Class of Services:							
Services Related to a Highway	3,344	2,383	1,909	1,212	14.18	1,094	3,344
Fire Protection Services	3,720	2,650	2,123	1,348	15.77	1,216	3,720
Parks and Recreation Services	9,045	6,445	5,163	3,277	12.40	2,958	
Growth-Related Studies	530	377	302	192	1.71	173	530
Total Municipal Wide Services/Class of Services	16,639	11,855	9,497	6,029	44.06	5,441	7,594

By comparison to the current charges, the amended charge for a single and semi-detached residential unit would increase by \$793 (+5%) from \$15,846 to \$16,639.