



Development Charges Update Study

Municipality of Casselman

For Public Circulation and Comment

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
D.C.	Development Charges
D.C.A.	<i>Development Charges Act, 1997</i>
G.F.A.	Gross floor area
Municipality	Municipality of Casselman
Sq.ft.	Square feet
Sq.m	Square metres



1. Introduction

1.1 Background

The Council of the Municipality of Casselman (Municipality) adopted a Development Charges (D.C.) Background Study and By-law on June 29, 2021, in accordance with the provisions of the *Development Charges Act, 1997 (D.C.A.)*. By-law 2021-057, the D.C. By-law, came into effect in July 1, 2021.

The background study provides supporting documentation for the Municipality's D.C. By-law which imposes charges on new residential and non-residential development to recover the capital costs anticipated to meet the increase in need for service of growth. The resultant 2021 D.C. by municipal service and development type are summarized below in Table 1-1.

Table 1-1
Municipality of Casselman Schedule of Development Charges (2021\$)

Service/Class of Service	Residential Single and Semi-Detached Dwelling	Residential Other Multiples	Residential Apartment – 2 Bedrooms+	Residential Apartments – Bachelor and 1 Bedroom	Non-Residential (per sq.ft. of Gross Floor Area)
Road and Related Service	2,161	1,557	1,300	978	0.88
Fire Protection Services	810	584	487	366	0.33
Parks and Recreation Services	3,347	2,411	2,013	1,514	0.14
Library Services	363	261	218	164	0.02
Growth-Related Studies	79	57	48	36	0.03
Total Municipal Wide Services/ Class of Services	6,760	4,870	4,066	3,058	1.40



1.2 Existing Policies (Rules)

The following subsections explain the rules governing the calculation, payment, and collect of D.C. as provided in By-law 2021-057, in accordance with the D.C.A.

1.2.1 *Payment in any Particular Case*

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

- a) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
- b) the approval of a minor variance under section 45 of the *Planning Act*;
- c) a conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act* applies;
- d) the approval of a plan of subdivision under section 51 of the *Planning Act*;
- e) a consent under section 53 of the *Planning Act*;
- f) the approval of a description under section 50 of the *Condominium Act, R.S.O. 1990, Chap. C.26, as amended*, or any successor thereof; or
- g) the issuing of a building permit under the *Building Code Act* in relation to a building.

1.2.2 *Determination of the Amount of the Charge*

The D.C. calculation for residential development is generated on a per capita basis and applied based upon the average occupancy of different forms of housing types. These housing types include single and semi-detached dwellings, other multiples, apartments with two-bedrooms or more, and bachelors and one-bedroom apartments.

The non-residential D.C. is calculated on a uniform basis and applied based on the gross floor area (G.F.A.) of the building for all development types, i.e., commercial, institutional, and industrial development.



1.2.3 Application to Land Redevelopment

If a development involves the demolition and replacement of a building or structure on the same site, or a conversion from one principal use to another, the developer shall be allowed a credit equivalent to:

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

The demolition credit is allowed only if the demolition permit related to the site was issued less than five years prior to the issuance of the building permit. The credit can, in no case, exceed the amount of D.C.s that would otherwise be payable.

1.2.4 Exemptions (full or partial)

The D.C. by-law applies to all lands within the Municipality, except for the following lands which are exempt:

- a) Statutory exemptions
 - i. The enlargement of an existing dwelling unit;
 - ii. The creation of one or two additional dwelling units in an existing single-detached dwelling, or structure ancillary to a single-detached dwelling, provided that the total G.F.A. of the additional one or two units does not exceed the G.F.A. of the existing dwelling unit;
 - iii. The creation of one additional dwelling units in an existing semi-detached or row dwelling, or structure ancillary to a semi-detached or row dwelling, provided the total G.F.A. of the additional one unit does not exceed the G.F.A. of the existing dwelling unit;
 - iv. The creation of the greater of one additional dwelling unit or 1% of the existing dwelling units in the building in an existing rental residential building, or structure ancillary to an existing rental residential building;



- v. The creation of one additional dwelling unit in any other type of existing residential building, or structure ancillary to any other type of existing residential building, provided that the total G.F.A. of the additional unit does not exceed the G.F.A. of the smallest dwelling unit already contained in the residential building;
- vi. The creation of a second residential dwelling unit within or ancillary to a new residential building as prescribed in subsection 2 (3.1) of O. Reg. 82/98; and
- vii. The enlargement of an existing industrial building, if the G.F.A. is enlarged by 50% or less.

b) Non-statutory exemptions

- i. The development on a non-residential farm building used for bona fide farm uses;
- ii. A cemetery and burial ground exempt from taxation under section 3 of the *Assessment Act*; and
- iii. Development creating or adding an accessory uses or structure not exceeding 10 square metres (sq.m) of non-residential G.F.A.

1.2.5 Indexing

The by-law provides for the annual indexing of the D.C. on the anniversary date of the by-law, without amendment.

1.2.6 By-law Duration

The by-law will expire on July 1, 2026, five years after the effective date.

1.2.7 Date Charge Payable

D.C.s are due and payable in full to the Municipality on the date a building permit is issued for any land, building, or structures affected by the applicable D.C.s.

Notwithstanding the above, the D.C.A. requires installment payments for rental housing, institutional and non-profit housing developments:



- D.C.s for rental housing and institutional developments are due and payable in 6 installments. The first installment must be paid on the date of occupancy. Each subsequent installment, including interest, must be paid on the anniversary date each year thereafter.
- D.C.s for non-profit housing developments are due and payable in 21 installments commencing with the first installment payable on the date of occupancy, and each subsequent installment, including interest, payable on the anniversary date each year thereafter.

For rental housing, institutional, and non-profit housing developments, interest will be determined at the bank of Canada prime lending rate plus 2% on the date of building permit issuance. Notwithstanding the foregoing, the interest rate shall not be less than 0%.

In addition to these payment provisions, Council may enter into agreements to provide for all or any part of the D.C.s to be paid before or after it would otherwise be payable. This is in accordance with section 27 of the D.C.A. In the situation where the D.C.s charged by the Municipality remains unpaid after the due date, in the absence of an agreement to address the amount unpaid, the amount unpaid will be added to the tax roll and collected as taxes, as taxes as prescribed by in section 32 of the D.C.A.

1.3 Basis for D.C. By-law Update

This D.C. Update Study provides an amendment to the Municipality's current D.C. by-law, i.e. By-law 2021-057. The purpose of this D.C. Update Study is to amend the existing by-law and provide an additional non-statutory exemption for large industrial development within the Municipality. The by-law is also being amended for other statutory requirements related to D.C.s. These amendments are provided in greater detail in the subsequent chapter of this Study.



2. Rationale for the Proposed Amendments

2.1 Non-Statutory Exemption Amendments

The statutory and non-statutory exemptions for the Municipality's D.C.s are listed in Section 6 of By-law 2021-057 and summarized in subsection 1.2.4 herein. The non-statutory exemptions include the development of a non-residential farm building, a cemetery and burial ground exemption from taxation, and development creating or adding an accessory use or structure not exceeding 10 sq.m of non-residential G.F.A. To encourage economic growth, the Municipality is proposing to amend By-law 2021-057 to include an additional non-statutory exemption for large industrial development. For this purpose, a large industrial development is defined as follows:

“Large industrial development” means any industrial development of equal to or greater than 350,000 square feet (sq.ft.) of G.F.A. of building area

In discussion with Municipal staff, such an exemption would encourage large industrial developments to locate within the Municipality. These developments are anticipated to provide employment opportunities within the Municipality, as well as increased assessment growth, which are fiscally and economically beneficially to its constituents. However, it should be noted that D.C. exemptions are required to be funded from a non-D.C. source. Based on current estimates, it is anticipated that the cost of this exemption would total approximately \$500,000 in forgone D.C. revenue.

2.2 Statutory Exemption Amendments

The *Better for People, Smarter for Business Act*, amended the *Ministry of Training, Colleges and Universities Act* to provide an exemption from the payment of D.C.s for universities. Specifically, the Act states:

“Land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education is exempt from development charges imposed under the *Development Charges Act, 1997* if the development in respect of which development charges would otherwise be payable is intended to be occupied and used by the university.”



In accordance with this legislative change an additional statutory exemption has been provided in the amending by-law to By-Law 2021-057.

2.3 Other Amendments to By-law 2021-057

Section 4 of By-law 2021-57 provides rules for the application of D.C.s within the Municipality. Subsection 4 (1), paragraph (f), provides for the imposition of D.C.s on the approval of a condominium application. Specifically, this subsection of the By-law refers to Section 50 of the *Condominium Act*. This statutory reference in the D.C.A. has been updated to reference Section 9 of the *Condominium Act*. As such, the amending by-law to By-law 2021-57 will include the following updated statutory reference:

“the approval of a description under section 9 of the Condominium Act, 1998.”

Other than the above noted amendments to By-law 2021-057, there are no further changes to the D.C.s charged or rules of the by-law.



3. Process for Adoption of the Amending Development Charges By-law

The changes herein form the D.C. background study and rationale for the proposed amending by-law being presented to Council. If Council is satisfied with the proposed amendment to By-law 2021-057, and subject to any public submissions made at the public meeting regarding this matter, it is recommended that this D.C. Update Study and the amending by-law be approved and adopted by Council. The process for adopting the proposed amendment is provided as follows:

- Post the D.C. Update Study and amending by-law to the Municipality's website at least 60 days prior to the passage of the amending by-law (June 24, 2022);
- Provide notice of public meeting on the proposed amendment and amending by-law 20 clear-days prior to the public meeting;
- Provide copies of the D.C. Update Study and amending by-law to the public two weeks prior to the public meeting;
- Undertake the statutory public meeting and allow anyone in attendance to make representations on the matter; and
- Provided the 60-day period from posting the D.C. Update Study and amendment by-law has been observed, Council may pass the amending D.C. by-law (currently anticipated for August 23, 2022).



Appendix A

Draft Amending Development Charges By-law



Municipality of Casselman

By-Law 2022-__

Being a by-law to amend Development Charges By-law 2021-057

WHEREAS subsection 2 (1) of the *Development Charges Act, 1997 S.O. 1997, c.27*, (hereinafter called the Act) enables the Council of a municipality to pass by-laws of the imposition of the development charges against land located in the municipality for increased capital costs required because of the increased need for services arising from development in the area to which the by-law applies;

AND WHEREAS the Council of the Municipality of Casselman, at its meeting of ____ approved a report entitled Municipality of Casselman Development Charges Update Study;

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 ____;

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 provided a subsequent period for written communications to be made;

AND WHEREAS the Council, in adopting the Municipality of Casselman Development Charges Update on ____, directed that the development charges be imposed on land under development or redevelopment within the geographical limits of the Municipality as hereinafter provided.

Now, therefore, the Council of the Municipality of Casselman enacts the follows:

1. By-law 2021-057 is hereby amended as follows:

a. The following definitions are added to section 1 of the By-law:

“A large industrial development” means any industrial development that is equal to or greater than 350,000 sq.ft. of Gross Floor Area.”

b. The following replaces subsection 4 (1), paragraph (f), of the by-law:



“The approval of a description under section 9 of the *Condominium Act, 1998*.”

- c. The following exemption is added to subsection 6 (4), paragraph (d) of the by-law:

A large industrial development.

- d. The following exemption is added to subsection 6 (4), paragraph (e) of the by-law:

“Land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education”.

2. This by-law shall come into force on August 24, 2022.

By-law passed this 23rd day of August 2022.

Mayor

Clerk