



Chapter 7

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



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

7.1 Introduction

This chapter outlines the D.C. policy recommendations and by-law rules.

s.s.5(1)9 states that rules must be developed:

“...to determine if a development charge is payable in any particular case and to determine the amount of the charge, subject to the limitations set out in subsection 6.”

Paragraph 10 of the section goes on to state that the rules may provide for exemptions, phasing in and/or indexing of D.C.s.

s.s.5(6) establishes the following restrictions on the rules:

- the total of all D.C.s that would be imposed on anticipated development must not exceed the capital costs determined under 5(1) 2-8 for all services involved;
- if the rules expressly identify a type of development, they must not provide for it to pay D.C.s that exceed the capital costs that arise from the increase in the need for service for that type of development; however, this requirement does not relate to any particular development; and
- if the rules provide for a type of development to have a lower D.C. than is allowed, the rules for determining D.C.s may not provide for any resulting shortfall to be made up via other development.

With respect to “the rules,” Section 6 states that a D.C. by-law must expressly address the matters referred to above re s.s.5(1) paragraphs 9 and 10, as well as how the rules apply to the redevelopment of land.

The rules provided are based on the County’s existing policies and discussions with the County and area municipal D.C. Steering Committee.



7.2 D.C. By-law Structure

It is recommended that:

- the County uses a uniform County-wide D.C. calculation for administration, land ambulance, roads and related, and waste diversion services;
- library services be imposed in all areas except Woodstock;
- water and wastewater services be imposed on an area-specific basis in the urban service areas of the County; and
- one municipal D.C. by-law be used for all County-wide services and separate by-laws be used for the area-specific urban services.

7.3 D.C. By-law Rules

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

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

7.3.1 Payment in any Particular Case

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

1. the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
2. the approval of a minor variance under section 45 of the *Planning Act*;
3. a conveyance of land to which a by-law passed under section 50(7) of the *Planning Act* applies;
4. the approval of a plan of subdivision under section 51 of the *Planning Act*;
5. a consent under section 53 of the *Planning Act*;
6. the approval of a description under section 50 of the *Condominium Act*; or
7. the issuing of a building permit under the *Building Code Act* in relation to a building or structure.



7.3.2 Determination of the Amount of the Charge

The following conventions be adopted:

1. Costs allocated to residential uses will be assigned to different types of residential units based on the average occupancy for each housing type constructed during the previous 25 years. Costs allocated to non-residential uses will be assigned to industrial, commercial and institutional uses based on the total floor area (T.F.A.) constructed. T.F.A. is defined as:
 - The sum total of the total areas of all floors in a building or structure, whether at, above, or below-grade, measured between the exterior faces of the exterior walls of the building or structure or from the centre line of a common wall separating two uses, or from the outside edge of a floor where the outside edge of the floor does not meet an exterior or common wall, and;
 - includes the floor area of a mezzanine and air-supported structure and the space occupied by interior walls partitions;
 - where a building or structure does not have any walls, the total floor area of the building or structure shall be the total of the area of all floors, including the ground floor, that are directly beneath the roof of the building or structure.
- 2) Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each municipal circumstance. These are summarized in Chapter 5 herein.

7.3.3 Application to Redevelopment of Land (Demolition and Conversion)

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

- 1) the number of dwelling units demolished/converted multiplied by the applicable residential D.C. in place at the time the D.C. is payable; and/or
- 2) the gross floor area of the building demolished/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 land was improved by occupied structures, and if the demolition permit related to the site was issued less than 5 years prior to the issuance of a building permit.

No credit shall be given with respect to the redevelopment, conversions, demolition, or change of use of a building or structure or part thereof where the existing building or structure or part thereof would have been exempt from D.C.s in accordance with the active by-law. The credit can, in no case, exceed the amount of D.C.s that would otherwise be payable.

Where a building cannot be demolished until the new building has been erected, the owner shall notify the County in writing and pay the applicable D.C. for the new building in full and, if the existing building is demolished not later than twelve (12) months from the date a building permit is issued for the new building, the County shall provide a refund for the D.C. paid. If more than twelve months is required to demolish the existing building, the Owner may make a written request to the County to extend the time in which the existing building must be demolished.

7.3.4 Exemptions (full or partial)

a) Statutory exemptions

- industrial building additions of up to and including 50% of the existing gross floor area (defined in O.Reg. 82/98, s.1) of the building; for industrial building additions which exceed 50% of the existing gross floor area, only the portion of the addition in excess of 50% is subject to D.C.s (s.4(3)) of the D.C.A.;
- buildings or structures owned by and used for the purposes of any municipality, local board or Board of Education (s.3);
- residential development that results only in the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units (based on prescribed limits set out in s.2 of O.Reg. 82/98).

b) Non-statutory exemptions

- Industrial uses;
- Farm buildings;
- Temporary buildings or structures;



- Affordable housing;
- Temporary dwelling units;
- Long-term care homes;
- Private schools;
- Places of worship exempt under Section 3 of the *Assessment Act*;
- Developments in the Central Business Districts and Entrepreneurial Areas of Tillsonburg and Ingersoll; and
- A public hospital under the *Public Hospitals Act*.

For the purposes of funding non-statutory exemptions, the charge for Farm Buildings as defined in the by-law, has been determined to be \$0.33 per sq.m. of G.F.A. reflective of the lower demand for service and density of development.

7.3.5 Phasing in

No provisions for phasing in the D.C. are provided in the D.C. by-laws.

7.3.6 Timing of Collection

A D.C. that is applicable under Section 5 of the D.C.A. shall be calculated and payable:

- where a permit is required under the *Building Code Act* in relation to a building or structure, the owner shall pay the D.C. prior to the issuance of a permit or prior to the commencement of development or redevelopment as the case may be; and
- despite the above, Council, from time to time and at any time, may enter into agreements providing for all or any part of a D.C. to be paid before or after it would otherwise be payable.

7.3.7 Indexing

All D.C.s will be subject to mandatory indexing annually on April 1st of each year, in accordance with provisions under the D.C.A.

7.3.8 D.C. Spatial Applicability

The D.C.A. historically has provided the opportunity for a municipality to impose municipal-wide charges or area specific charges. Sections 2(7) and 2(8) of the D.C.A. provide that a D.C. by-law may apply to the entire municipality or only part of it and



more than one D.C. by-law may apply to the same area. Amendments to the D.C.A. now require municipalities to consider the application of municipal-wide and area-specific D.C.s. s.10(2)(c.1) requires Council to consider the use of more than one D.C. by-law to reflect different needs from services in different areas. Many municipalities in Ontario have established uniform, municipal-wide D.C.s with area-specific charges for services not provided in every area of the municipality. The County's approach in prior by-laws has been to use separate by-laws for each of the urban service areas and another by-law for County-wide services. When area-specific charges are used, it is generally to underpin master servicing and front-end financing arrangements for more localized capital costs.

Based on the foregoing and discussions with County staff, area-specific D.C.s are suitable for library and urban (water and wastewater) services. The recommendations are:

- to continue to apply municipal-wide D.C.s for administration, roads and related, land ambulance, and waste diversion; and
- to continue to apply area-specific D.C.s for library, water, and wastewater services.

7.4 Other D.C. By-law Provisions

7.4.1 Categories of Services for Reserve Fund and Credit Purposes

It is recommended that the County's D.C. collections be contributed into twenty-three (23) separate reserve funds, including:

- Administration;
- Land Ambulance;
- Roads and Related;
- Library Services;
- Waste Diversion;
- Woodstock Water;
- Woodstock Wastewater;
- Tillsonburg Water;
- Tillsonburg Wastewater;



- Ingersoll Water;
- Ingersoll Wastewater;
- Plattsville Water;
- Plattsville Wastewater;
- Drumbo Water;
- Drumbo Wastewater;
- Tavistock Water;
- Tavistock Wastewater;
- Norwich Water;
- Norwich Wastewater;
- Thamesford Water;
- Thamesford Wastewater;
- Mount Elgin Water; and
- Mount Elgin Wastewater.

7.4.2 *By-law In-force Date*

The proposed by-law under D.C.A., 1997 will come into force on the day of by-law passage.

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

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

7.5 Other Recommendations

It is recommended that Council:

“Approve the capital project listing set out in Chapter 5 of the D.C. Background Study dated April 23, 2019, subject to further annual review during the capital budget process;”

“Approve the D.C. Background Study dated April 23, 2019”

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

“Approve the D.C. By-laws as set out in Appendix F.”
