



Development Charges Update Study

Town of St. Marys

January 30, 2024

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Report



Chapter 1

Introduction



1. Introduction

1.1 Background

The Town of St. Marys imposes development charges (D.C.s) to recover capital costs arising from the increase in needs for services related to growth. The Town's D.C.s came into effect on January 1, 2023, and are imposed through by-law 106-2022. The basis for the calculations and policies of the Town's existing D.C.s are documented in the "Town of St. Marys Development Charge Background Study" dated October 11, 2022 (Background Study), as amended by the "Addendum to the October 11, 2022 Development Charges Background Study", dated December 6, 2022 (Addendum Report).

The purpose of this report is to update the current D.C. by-law to amend the expiry clause to correct a clerical error. This change will be addressed in the amending by-law, discussed in Chapter 3, and provided in Appendix B.

1.2 Existing Policies (Rules)

Appendix A of this report sets out the rules governing the calculation, payment, and collection of D.C.s as provided in By-law 106-2022.

1.3 Basis for the D.C. By-law Update

This D.C. update study provides for an amendment to the Town's current D.C. by-law (By-law 106-2022). The purpose of this amendment is to update the expiry clause to correct a clerical error. The expiry date of the by-law was incorrectly noted as December 31, 2023. The expiry date of the by-law should be December 31, 2032 which is 10 years from the effective date of the by-law. This is in accordance with section 9 of the Development Charges Act (D.C.A.).

1.4 Summary of the Process

The public meeting required under Section 12 of the D.C.A. has been scheduled for March 12, 2024. Its purpose is to present the update study to the public and to solicit public input. The meeting is also being held to answer any questions regarding the



study’s purpose, methodology, and the proposed modifications to the Town’s D.C. by-law.

The process to be followed in finalizing the report and recommendations includes:

- Consideration of responses received prior to, at, or immediately following the Public Meeting; and
- Council consideration of the amending by-law on April 9, 2024.

Table 1-1 outlines the proposed schedule to be followed with respect to the D.C. by-law adoption process.

Table 1-1
Schedule of Key D.C. Process Dates for the Town of St. Marys

Schedule of Study Milestone	Dates
1. Discussions with Town Staff	January 2024
2. D.C. Background study update report and proposed amending D.C. by-law available to public (60 days prior to by-law passage)	January 30, 2024
3. Notice of Public Meeting placed in newspaper(s)	No later than February 20, 2024
4. Public meeting of Council	March 12, 2024
5. Council considers adoption of background study and passage of amending by-law	April 9, 2024
6. Newspaper notice given of by-law passage	By 20 days after passage
7. Last day for by-law appeal	40 days after passage
8. Town makes pamphlet available (where by-law is not appealed)	By 60 days after in force date

1.5 Policy Recommendations

It is recommended that the Town’s current D.C. policies, as identified in Appendix A of this report, be continued.



Chapter 2

Review of Service Standard Analysis and Other Matters



2. Review of Service Standard Analysis and Other Matters

2.1 Review of Service Standard Analysis

As part of the D.C. background study, the D.C.A. requires the quantity and quality level of service to be measured over the historical 15-year period. This historical average level of service is used to determine the “cap” on eligible capital costs to include in the D.C. calculations for each service. A summary of the service standard calculations was provided on page B-1 of the Addendum Report. This table is presented below in Table 2-1 along with the amounts included in the D.C. calculations (Utilized) and the service standard “cap” space remaining (Remaining).

The D.C.A. requires that a review of the average level of service provided over the 15 years preceding a background study. Based on a review of the service standard calculations from the Addendum report, the capital needs identified would not exceed the service standard ceiling calculations, updated for 2024.



Table 2-1
Town of St. Marys
Summary of Service Standard Analysis from 2022 D.C. Addendum Report
2022\$

SUMMARY OF SERVICE STANDARDS AS PER DEVELOPMENT CHARGES ACT, 1997, AS AMENDED								Utilized	Remaining
Service Category	Sub-Component	15 Year Average Service Standard					Maximum Ceiling LOS		
		Cost (per capita)	Quantity (per capita)		Quality (per capita)				
Service Related to a Highway	Services Related to a Highway - Roads	\$7,447.60	0.0068	km of roadways	1,095,235	per km	22,521,542	3,121,099	23,352,599
	Services Related to a Highway - Sidewalks and Active Transportation	\$629.00	0.0035	km of sidewalks and active transportation	179,714	per km	1,902,096		
	Services Related to a Highway - Traffic Signals & Streetlights	\$677.93	0.0617	No. of Traffic Signals	10,988	per signal	2,050,060		
Public Works	Public Works - Facilities	\$1,225.13	4.7766	sq.ft. of building area	256	per sq.ft.	3,704,793	305,000	4,909,253
	Public Works - Vehicles & Equipment	\$499.16	0.0029	No. of vehicles and equipment	172,124	per vehicle	1,509,460		
Fire Protection	Fire Protection Services - Facilities	\$317.61	0.8358	sq.ft. of building area	380	per sq.ft.	960,453	812,330	1,624,954
	Fire Protection Services - Vehicles & Equipment	\$382.19	0.0007	No. of vehicles	545,986	per vehicle	1,155,743		
	Fire Protection Services - Small Equipment and Gear	\$106.18	0.0582	No. of equipment and gear	1,824	per item	321,088		
Policing	Policing Services - Facilities	\$119.18	0.3844	sq.ft. of building area	310	per sq.ft.	360,400	226,000	134,400
Parks & Recreation	Parkland Development	\$734.05	0.0082	Acres of Parkland	89,518	per acre	1,059,968	1,415,880	12,362,176
	Parkland Amenities	\$590.93	0.0054	No. of parkland amenities	109,431	per amenity	853,303		
	Parkland Trails	\$1,291.97	2.6097	Linear Metres of Paths, Trails, and Bridges	495	per linear m	1,865,605		
	Recreation Facilities	\$6,852.82	19.0645	sq.ft. of building area	359	per sq.ft.	9,895,472		
Library	Parks & Recreation Vehicles and Equipment	\$71.82	0.0016	No. of vehicles and equipment	44,888	per vehicle	103,708	840,843	111,388
	Library Services - Facilities	\$229.68	0.7178	sq.ft. of building area	320	per sq.ft.	331,658		
Library	Library Services - Collection Materials	\$429.76	14.4147	No. of library collection items	30	per collection item	620,573		
	Childcare and Early Years Programs	\$322.27	0.8057	sq.ft. of building area	400	per sq.ft.	232,679	22,591	210,088
Waste Diversion	Waste Diversion - Contract	\$6.21	0.4140	No. of serviced properties	15	per vehicle	8,967	14,272	2,768
	Waste Diversion - Recycling Bins	\$2.29	0.0009	No. of items	2,544	per item	3,307		
	Waste Diversion - Land	\$3.30	0.0001	Acres of Land	33,000	per acre	4,765		



2.2 Other Matters

2.2.1 Growth Forecast

As the amending by-law is seeking to only amend the expiry date to fix a clerical error, the 2022 D.C. Background Study and Addendum Report growth forecast remains unchanged for the purposes of this D.C. study update.

2.2.2 Increase in Need for Service Attributable to New Development

As the amending by-law is seeking to only amend the expiry date to fix a clerical error, the capital needs set out in the 2022 D.C. Background Study and Addendum Report remain unchanged for the purposes of this D.C. study update.

2.2.3 Asset Management Plan

As the amending by-law is seeking to only amend the expiry date to fix a clerical error, the asset management plan set out in the Background Study and Addendum Report remains unchanged for the purposes of this D.C. study update.

2.2.4 Long-Term Capital and Operating Cost Examination

As the amending by-law is seeking to only amend the expiry date to fix a clerical error, long-term capital and operating cost examination set out in the Background Study and Addendum Report remains unchanged for the purposes of this D.C. study update.



Chapter 3

Updates to the D.C. By-law



3. Updates to the D.C. By-law

As noted in Chapter 1, the D.C. by-law will be amended to correct a clerical error for the expiry date. Therefore section 10.1 of by-law 106-2022 will be amended from an expiry date of 11:59 PM on December 31, 2023, to 11:59 PM on December 31, 2032.



Chapter 4

Recommendations



4. Recommendations

It is recommended that Council:

“Approve the Development Charges Update Study dated January 30, 2024, as amended (if applicable)”;

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

“Approve the Amending Development Charge By-law as set out in Appendix B, as amended (if applicable)”.



Appendix A

Existing Policies under By-law 106-2022



Appendix A: Existing Policies under By-law 106-2022

The following subsections set out the recommended rules governing the calculation, payment and collection of D.C.s as provided in By-law 106-2022 as amended, in accordance with the D.C.A.

Development Charges Imposed

Subject to subsection 3.4 (a), development charges shall be imposed on all lands, buildings or structures that are developed for residential and non-residential uses if the development requires:

- (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 permit under the *Building Code Act, 1992* in relation to a building or structure.

Amount of Charges

Residential

The development charges set out in Schedules B shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed use building or structure, on the residential uses in the



mixed use building or structure, according to the type of residential unit, and calculated with respect to each of the services according to the type of residential use.

Non-Residential

The development charges described in Schedule B to this by-law shall be imposed on non-residential uses of lands, buildings or structures, and, in the case of a mixed-use building or structure, on the non-residential uses in the mixed use building or structure, and calculated with respect to each of the services according to the total floor area of the non-residential use.

Rules with Respect to Redevelopment

Despite any other provisions of this By-law, where, as a result of the redevelopment of land, a building or structure existing on the same land within 60 months prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another principal use on the same land, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

- (a) in the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under subsection 3.11 by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and
- (b) in the case of a non-residential building or structure or, in the case of mixed-use building or structure, the non-residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charges under subsection 3.12, by the gross floor area that has been or will be demolished or converted to another principal use;

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

Exemptions

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



- a) and Municipality or a “local board” thereof;
- b) a board of education as defined by the *Education Act*;
- c) the Corporation of the County of Perth or a local board thereof;
- d) the Crown in right of Ontario or the Crown in right of Canada;
- e) 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.

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

- a) an enlargement to an existing dwelling unit;
- b) the creation of additional dwelling units equal to the greater of one or 1% of the existing dwelling units in an existing residential rental building containing four or more dwelling units or prescribed ancillary structure to the existing residential building

Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to the creation of any of the following in existing houses:

- a) A second residential unit in an existing detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the existing detached house, semi-detached house or rowhouse cumulatively contain no more than one residential unit.
- b) A third residential unit in an existing detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units.



- c) One residential unit in a building or structure ancillary to an existing detached house, semi-detached house or rowhouse on a parcel of urban residential land, if the existing detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units.

Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to the creation of any of the following in new residential buildings:

- a) A second residential unit in a new detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the new detached house, semi-detached house or rowhouse cumulatively will contain no more than one residential unit.
- b) A third residential unit in a new detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the new detached house, semi-detached house or rowhouse contains any residential units
- c) One residential unit in a building or structure ancillary to a new detached house, semi-detached house or rowhouse on a parcel of urban residential land, if the new detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the new detached house, semi-detached house or rowhouse contains any residential units

Exemption for Industrial Development:

Notwithstanding any other provision of this by-law, there shall be an exemption from the payment of development charges for one or more enlargements of an existing industrial building on its site, whether attached or separate from the existing industrial building, up to a maximum of fifty per cent of the gross floor area before the first enlargement for which an exemption from the payment of development charges was granted pursuant to the Development Charges Act or this section. Development charges shall be imposed in accordance with this by-law with respect to the amount of the floor area of an



enlargement that results in the gross floor area of the industrial building being increased by greater than fifty per cent of the gross floor area of the existing industrial building.

If the gross floor area of an existing industrial building is enlarged by greater than 50 percent, the amount of the development charge payable in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:

- 1) determine the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement;
- 2) divide the amount determined under subsection 1) by the amount of the enlargement

Other Exemptions:

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

- a) lands, buildings or structures used or to be used for a place of worship or for the purposes of a cemetery or burial ground exempt from taxation under the Assessment Act;
- b) non-residential farm buildings constructed for bona fide farm uses;
- c) an accessory building;
- d) a Home Occupation;
- e) a temporary use permitted under municipal zoning by-law enacted in accordance with section 39 of the Planning Act;
- f) a temporary building without foundation defined in the Building Code for a period not exceeding six consecutive months and not more than six months in any one calendar year on a site for which development charges have been previously paid;
- g) non-profit housing; or



- h) Affordable units required to be included in a development or redevelopment pursuant to a by-law passed under section 34 of the Planning Act to give effect to the policies described in subsection 16 (4) of that Act.

Discounts for Rental Housing (for profit):

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

- a) Three or more bedrooms - 25% reduction;
- b) Two bedrooms - 20% reduction; and
- c) All other bedroom quantities - 15% reduction.

Other Exemptions (upon proclamation):

Once proclamation for required amendments to the Act to allow the following exemptions is received by the Lieutenant Governor, the following shall be exempt from development charges:

- a) Affordable residential units; or
- b) Attainable residential units.

Mandatory Phase-in

The amount of the development charges described in Schedule B to this by-law shall be reduced in accordance with section 5(8) of the Act. Therefore, the following percentages of the charges provided in Schedule B will be imposed (subject to annual indexing as per section 5 of this by-law):

- a) Year 1 – 80 per cent;
- b) Year 2 – 85 per cent;
- c) Year 3 – 90 per cent;
- d) Year 4 – 95 per cent;



e) Year 5 through 10 – 100 per cent.

Indexing

Development charges imposed pursuant to this By-law shall be adjusted annually, without amendment to this By-law, commencing on the 1st of January, 2023 and each year thereafter, in accordance with the prescribed index in the Act.

Timing of Payment of Development Charges

Development charges imposed under this By-law are calculated, payable, and collected upon issuance of the first building permit for the development.

Notwithstanding subsection 3.15 development charges for rental housing and institutional developments are due and payable in 6 equal annual payments commencing with the first instalment payable on the earlier of the date the first occupancy permit is granted or the date of first occupancy, and each subsequent instalment, including interest calculated in accordance with section 26.3 of the Act.

Where the development of land results from the approval of a site plan or zoning by-law amendment received on or after January 1, 2020, and the approval of the application occurred within two years of building permit issuance, the development charges under subsections 3.11 and 3.12 shall be calculated on the rates set out in Schedule "B" on the date of the planning application, including interest in accordance with section 26.3 of the Act. Where both planning applications apply, development charges under subsections 3.11 and 3.12 shall be calculated on the rates, including interest in accordance with section 26.3 of the Act, payable on the anniversary date each year thereafter, set out in Schedule "B" on the date of the later planning application, including interest.

Despite sections 3.15 to 3.17, Council from time to time, and at any time, may enter into agreements providing for all or any part of a development charge to be paid before or after it would otherwise be payable, in accordance with section 27 of the Act.

Payment by Services

Despite the payment required under subsections 3.11 and 3.12, Council may, by agreement, give a credit towards a development charge in exchange for work that relates to a service to which a development charge relates under this By-law.



Appendix B

Draft Amending Development Charges By-law



Appendix B: Draft Amending Development Charges By-law

BY-LAW ----

THE CORPORATION OF THE TOWN OF ST. MARYS

A by-law for the imposition of development charges

WHEREAS the Town of St. Marys has and will continue to experience growth through development;

AND WHEREAS development requires the provision of physical and other services by the Town;

AND WHEREAS Council desires to ensure that the capital cost of meeting growth related demands for, or the burden on, Town services does not place an undue financial burden on the Town or its taxpayers;

AND WHEREAS the Development Charges Act, 1997, as amended (the “Act”) provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services;

AND WHEREAS a development charge background study has been completed in accordance with the Act;

AND WHEREAS Council has before it a report entitled “Town of St. Marys Development Charge Update Study” prepared by Watson and Associates Economists Ltd. dated January 30, 2024 (the “update study”);

AND WHEREAS the Council of The Town of St. Marys has given notice of and held a public meeting on the 12th day of March 2024 in accordance with the Act and the regulations thereto;

AND WHEREAS the Council of The Town of St. Marys has heard all persons who applied to be heard no matter whether in objection to, or in support of, the development charge proposal at a public meeting held on March 12, 2024;

AND WHEREAS the Council of The Corporation of the Town of St. Marys on March 12, 2024 determined that no additional public meeting was required to be held as part of the approval process;



NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF ST. MARYS HEREBY ENACTS AS FOLLOWS:

1. By-law 106-2022 is hereby amended as follows:

A. Delete section 10.1 and replace with the following:

10.1 This By-law will expire at 11:59 PM on December 31, 2032 unless it is repealed by Council at an earlier date.

2. This By-law shall come into force and effect at 12:01 AM on April 10, 2024.

3. Except as amended by this By-law, all provisions of By-law 106-2022 are and shall remain in full force and effect.

By-law read a First, Second and Third time, and passed this 9th day of April, 2024.

Mayor: _____

Clerk: _____